

The tax treatment referred to in this Information Memorandum depends on the individual circumstances of each investor and may be subject to change in future. In addition, the availability of any tax reliefs depends on the Portfolio Companies maintaining their qualifying status.

This investment is not suitable for all investors as the underlying investments are illiquid.



INFORMATION MEMORANDUM



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Important Information

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE IN REGARD TO THE CONTENTS OF THIS MEMORANDUM AND APPENDICES (INCLUDING THE APPLICATION FORM), YOU SHOULD CONTACT AN INDEPENDENT FINANCIAL ADVISER OR OTHER PROFESSIONAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA) WHO SPECIALISES IN ADVISING ON INVESTMENTS OF THIS TYPE. RELIANCE ON THIS MEMORANDUM FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED. YOUR ATTENTION IS DRAWN TO THE RISK FACTORS IN PART V. NOTHING IN THIS DOCUMENT CONSTITUTES INVESTMENT, TAX, FINANCIAL, REGULATORY OR OTHER ADVICE BY AMERSHAM INVESTMENT MANAGEMENT LTD.

This Information Memorandum constitutes a financial promotion pursuant to section 21 of FSMA, and its contents have been approved by Amersham Investment Management Ltd ('AMIM') which is authorised and regulated by the Financial Conduct Authority in the United Kingdom with FRN number 507460 and whose registered office is 25 Lexington Street (1st Floor) London W1F 9AH.

The Information Memorandum is issued solely for the purpose of seeking Subscriptions from prospective Investors for investments in the Fund. This Information Memorandum is confidential and must not be copied, reproduced or distributed in whole or in part to any other person at any time without the Manager's prior written consent.

The communication of this Information Memorandum and the contents thereof is made to and directed at persons reasonably believed to be such persons as are referred to below and must not be passed on, directly or indirectly, to any other person in the United Kingdom:

- a. professional clients or eligible counterparties as defined in the Conduct of Business Sourcebook ('COBS') of the FCA's Handbook of Rules and Guidance;
- b. retail clients who confirm that they will receive advice on the investments referred to in this Information Memorandum from a financial adviser authorised and regulated by the FCA;
- c. to the extent that the recipient is a retail client who does not fall within category (b), only clients falling within the following categories and subject to the condition referred to below (the 'Condition'):
 - i certified high net worth investor in terms of COBS 4.12.6R;
 - ii certified sophisticated investors in terms of COBS 4.12.7R;
 - iii self-certified sophisticated investors in terms of COBS 4.12.8R;
 - iv certified restricted investors in terms of COBS 4.7.10R; and
- d. any person to whom the communication may otherwise lawfully be made.

The transmission of this Information Memorandum or the contents thereof to any other person is prohibited and persons not falling within the description set out above should not act or otherwise rely upon it.

Retail investors who will receive advice

Retail investors who do not fall within any of the categories in paragraph (c) above should confirm, to a financial adviser authorised and regulated by the FCA, that they intend to receive advice on the investments referred to in this Information Memorandum. The financial adviser will receive that confirmation on behalf of the person who has approved the Information Memorandum for the purpose of section 21 of FSMA. The financial adviser will be required to countersign the Application Form.

Certified high net worth investors

The requirements that must be met for a person to qualify as a certified high net worth individual are that such person has signed, within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.6R. An application from such a person will only be accepted if the Condition is satisfied.

Certified sophisticated investors

The requirements that must be met for a person to qualify as a certified sophisticated investor are that such a person:

- a. has a current certificate in terms of COBS 4.12.7R being one signed and dated not more than three years before the date on which the promotion is made, in writing or other legible form, signed by an authorised person in terms of FSMA to the effect that the recipient of that promotion is sufficiently knowledgeable to understand the risks associated with investments of the kind set out in this Information Memorandum, and
- b. has signed, within a period of 12 months ending with the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.7R. An application from such a person will only be accepted if the Condition is satisfied.

Self-certified sophisticated investors

The requirements that must be met for a person to qualify as a self-certified sophisticated investor are that such person has signed, within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.8R. An application from such a person will only be accepted if the Condition is satisfied.

Self-certified sophisticated investors are advised to consult an authorised person in terms of FSMA specialising in advising on investments of the kind set out in this Information Memorandum in order to assist in understanding and evaluating the risks involved.

Certified restricted investors

The requirements that must be met for a person to qualify as a certified restricted investor are that such person has signed, within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.7.10R. An application from such a person will only be accepted if the Condition is satisfied.

The Condition

The Condition referred to above is that either:

- a. the person who will arrange or deal in relation to the investments which are the subject of this Information Memorandum will comply with the FCA's rules on appropriateness set out in COBS 10, or equivalent requirements, for any application or order made in response to this Information Memorandum; or
- b. the recipient has confirmed that they are a retail client of a firm authorised in terms of FSMA that will comply with the FCA's rules on suitability set out in COBS 9 in relation to the investments set out in this Information Memorandum.
- c. To confirm compliance, the relevant financial adviser should complete and sign the Application Form. Reliance on this promotion for the purpose of engaging in investment activity may expose an individual to a significant risk of losing all of the property invested.

The tax treatment referred to in this document depends on the individual circumstances of each Investor and may be subject to change in the future. In addition, the availability of any tax reliefs depends on the companies in which the Fund invests maintaining their qualifying status. Past performance is not a guide to future performance and may not be repeated. The value of an Investment may go down as well as up and an Investor may not get back the full amount invested.

Investment in the Fund carries substantial risk. Any investment in the Fund should be regarded as being medium to long term in nature. Investors' money subscribed to the Fund will be committed to investments which may be of a long term and illiquid nature. The companies in which the Fund invests will not be quoted on any regulated market and, accordingly, there will not be an established or ready market for any such shares. It may be difficult to obtain information regarding how much an investment is worth or how risky it is at any given time and the Manager may experience difficulty in realising the investments (for value or at all).

An investment in the Fund may only be made on the basis of this Information Memorandum and the Investment Management Agreement. Prospective Investors should not regard the contents of this Information Memorandum as constituting a recommendation or advice relating to any legal, taxation, regulatory or investment matters and are advised to consult their own professional advisers before contemplating any investment. The Manager, its directors, officers, employees and agents do not accept any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any information or opinions contained herein or in any other communication in connection with an investment in the Fund except where such liability arises under FSMA, regulations made under FSMA or the FCA Rules and may not be excluded. The Manager has taken all reasonable care to ensure that the factual content hereof is accurate and that statements of opinion herein are reasonably held.

Subject to the Manager's overriding duty under the FCA Rules to ensure the content of this Information Memorandum is presented in a manner which is fair, clear and not misleading with respect to the persons to whom the Fund is promoted by it, the Manager accepts no responsibility to any recipient of this Information Memorandum for inaccuracies in factual representation or for any consequences to such persons as placing reliance upon statements of the Manager's opinion except to the extent required by law. Additionally, some material included in this Information Memorandum is derived from public or third party sources and the Manager disclaims all liability for any errors or misrepresentations which any such inclusions may contain.

The Information Memorandum contains certain information that constitutes 'forward-looking statements' which can be recognised by use of terminology such as 'may', 'will', 'would', 'should', 'anticipate', 'estimate', 'intend', 'continue', or 'believe' or their respective negatives or other comparable terminology. Forward-looking statements are provided for illustrative purposes only. Due to various risks and uncertainties, actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements. No person has been authorised to give any information, or to make any representation concerning the Fund other than the information set out in this Information Memorandum and if given or made, such information or representation must not be relied on. This Information Memorandum is only intended for release in the United Kingdom and does not constitute an offer, or the solicitation of an offer, in any jurisdiction in which such offer or solicitation is unlawful. It is the responsibility of any person outside the United Kingdom wishing to make an application to invest in the Fund to satisfy himself as to full observance of the laws of any relevant territory in connection therewith. Prospective Investors should be aware that the arrangements described in this Information Memorandum represent a discretionary management service subject to the terms of the Investment Management Agreement. Investors appoint the Manager to invest their subscription monies on a discretionary basis into the Portfolio Companies. All investments made will be held in the name of the Nominee in a way that enables each Investor's entitlement to be separately identified. The Fund is not treated as an unregulated collective investment scheme (as defined in section 235 of FSMA) but is an alternative investment fund as defined in the Alternative Investment Managers Directive 2011. The Fund has not been approved by HMRC under section 251 of the Income Tax Act 2007. The Manager reserves the right to update this Information Memorandum from time to time.

This Information Memorandum is dated 2nd December 2016.

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Summary

Investment Opportunity

The following points are a summary of the opportunity to subscribe to the Fund and should be read in conjunction with the full text of this Memorandum.

The Amersham Corporate Development Capital Fund (“ACDC”) has been established to enable investors to invest in a series of target opportunity companies whose innovative technologies and market positioning enables them to be eligible for follow on funding provided they are a qualifying company for new shares to be issued under the Enterprise Investment Scheme. The target companies seek development capital to roll out business models which are now, even if in a small scale, revenue generating.

Amersham Investment Management Ltd, (the “Manager” or “AMIM”) considers that companies which now require development working capital having proved either their initial research activities or their commercial model and are qualifying companies for EIS tax reliefs have the potential to offer Investors an attractive return.

Further, such companies that own and hold commercially developed IP which are generating sales in a proven field and market can offer Investors an asset class where tax free returns can be correlated to the stock market.

Monies invested by the Fund into a Portfolio Company will be primarily used by these entities in further pursuing their corporate development and market acquisition strategies to generate recurring revenues from the use of IP, products and processes which have a market need and have already attracted customers.

The Fund’s principal objective will be to invest into a series of target companies, some of which have been identified; the Fund will also invest in other Qualifying Companies to the extent that sufficient Subscriptions are received into the Fund to enable such investments to be made at the sole discretion of the Manager.

The Fund is focused on providing investment of up to £8 million, of which £1.5 million of new equity funding is to be made available, through a series of tranches, to the initial target opportunity, sourced by Haslers LLP, Chartered Accountants under existing arrangements with AMIM.

The Manager considers this focused but balanced and diverse approach of investment into companies with the opportunity for recurring revenues, from for example a developed IP base, or from products and processes sold to existing repeat order customers, should reduce the risk of capital loss, which can otherwise be associated with making investments in smaller unquoted companies.

Investment Objective

Overview

ACDC seeks to mitigate risk and maximise profits by combining a deep review and understanding of the inherent technology, products and IP of the target companies which have been developed into businesses generating revenues and by using established UK government approved UK EIS tax reliefs. The Manager’s objective is to maximise returns for investors by investing into target companies of diverse characteristics while a focused view can be maintained on the investment. The target companies are subject to ongoing due diligence review and their additional spending plans will be vetted on a project-by-project basis under a selection process carried out by advisers to determine their commercial viability. The Fund will utilise the EIS rules, whereby tax relief may reduce investment risk, under certain circumstances, by up to 61.5p per £1 invested for UK taxpayers when investing into HMRC qualifying EIS qualifying companies.

Investment will only be made into target companies that have either received advanced assurance from HM Revenue and Customs confirming that they should qualify for EIS Relief or are already in an (S)EIS qualifying period arising from the date of their last (S)EIS equity investment and each is still a qualifying EIS Company. Therefore, investors may benefit from the tax advantages offered by EIS tax relief.

The Fund is seeking to raise up to £8 million with a first close, subject to the Manager’s discretion, at £0.35m. Minimum investment is £10,000 per subscriber (or a lower amount at the discretion of the Manager).

The Fund’s next tranche will aim to be fully invested by 31st March 2017 and for subsequent closes within six months from each subsequent close.

The Manager will seek to realise EIS Investments after four years following investment into a Portfolio Company at an appropriate juncture and point in their development and subsequent commercial realisation.

The Fund has an expected life of five years from the close of each Investment tranche, with an option to extend on one or more of the EIS investments if the Manager considers this to be commercially beneficial to investors.

This constitutes the Fund’s defined investment policy as an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive 2011.

Investment Restrictions

Before an investment is made in any Portfolio Company, a potential Portfolio Company, including the Initial Target Company, must do three things:

1. Apply for and obtain advance assurance from the Small Companies Enterprise Centre (SCEC) that HMRC will regard the shares issued by the Portfolio Company as satisfying the requirement of the EIS scheme or provide evidence, from tax accountants, that the Portfolio Company, by virtue of an existing (S)EIS share issue is already in a qualifying period arising from the date of their last (S)EIS equity investment, and is still a qualifying EIS Company.
2. Receive approval from the Manager.
3. Agree to appoint, where required by the Manager, a person nominated by the Manager as a non-executive director.

Key Tax Reliefs

Income tax relief: Currently an individual can invest up to £1,000,000 in EIS Qualifying Investments per tax year and benefit from 30% (EIS) income tax relief. Legislation allows 100% of this investment allowance to be carried back to the previous tax year.

Capital Gains Tax: Under existing UK tax rules, provided the shares in a EIS Qualifying Investment are held for the Three Year Period from the date of the issue of shares in the Portfolio Company, and income tax relief is not withdrawn, there is no CGT payable on any subsequently realised profits from the Investment.

CGT deferral relief: The opportunity to defer capital gains realised three years before investment, or one year after investment, into a Qualifying Investment.

IHT Relief: The value of investments in Portfolio Companies held through the Fund for two years or more at the date of death of the Investor should qualify for IHT Relief which would reduce the IHT liability on a transfer of the Portfolio Company Shares to nil, provided the Portfolio Company continues to meet the business property relief conditions. Under current legislation, proceeds received on exit from the Portfolio Companies can be re-invested into IHT qualifying companies to maintain the IHT free status.

Please note that CGT deferral relief and IHT Relief are not limited other than by personal circumstances and time restrictions.

The timing of income tax relief and CGT deferral relief is based upon the date that the Fund makes the Qualifying Investment and not when the Fund receives your Investment.

The “Key Tax Reliefs” section sets out a very brief summary of the current UK EIS tax reliefs. Further details are set out in Part Six of this Memorandum. The value of the tax reliefs will depend on personal circumstances, which may change. References to tax are based upon current legislation and HMRC practice, which might be subject to change in the future. In addition, the availability of tax reliefs depends on the Portfolio Companies maintaining their qualifying status. Please refer to the HM Revenue & Customs website for further guidance on the tax reliefs available on EIS investments or consult your tax adviser.

The Manager

The Fund will be managed by Amersham Investment Management Ltd (“AMIM”). Amersham Investment Management Ltd is a specialist investment management firm and fund manager. Founded by two former principals of the Tradepoint Stock Exchange (which as a UK Recognised Investment Exchange in 2001 became, as Virt-x, part of the Swiss Stock Exchange), the firm is authorised and regulated by the Financial Conduct Authority as an investment manager, fund manager and as an Alternative Investment Fund Manager (AIFM) with FRN 507460.

Fees and Charges

1. Service Fees and reimbursement of Costs and Expenses
 1. Investment Fee – 2% of total Subscriptions.
 2. Launch & establishment charges – budgeted at 1% of total subscriptions.¹
 3. Receiving Agent and Custodian Fees – £3,500.
 4. Other incidental set up costs – printing.²
 5. All of the above service fees, costs and expenses are to be recovered as arrangement fees from the Portfolio Companies on investment.
2. Annual and arrangement fees and other charges
 1. Administration Fees – 1.65% per annum of funds invested.³
 2. Termination Fees – 0.35% of the total investment receipts.
 3. Custodian Fees – 0.5% per investor per annum, capped at a total of £10,000 p.a. for the fund in total
 4. Reasonable Manager and third party expenses. See page 21 for further details.
 5. Manager – 20% of the net value receipts above a hurdle return of 6.66% p.a.⁴

¹ Launch and Establishment fees are subject to a minimum of £12,500 plus VAT

² Printing costs estimated at £2,000 plus VAT

³ Subject to a minimum total of £20,000 plus VAT. The Manager's administration fee is payable for 5 years from the commencement of the Fund and will be recharged to portfolio companies as an arrangement fee.

⁴ Manager's performance fee is payable from the Investors' sale proceeds.

Intermediaries

Following the introduction of Retail Distribution Review (RDR), commission is not permitted to be paid to Intermediaries who provide a personal recommendation to UK retail clients in respect of the Fund. Instead of commission being paid, a fee will usually be agreed between the Intermediary and the Investor for advice and related services (the "Intermediary Charge").

The Intermediary Charge can either be paid directly by the Investor to the Intermediary or, if it is an initial one-off fee, the Fund Manager can, out of the Investor's Subscription, facilitate the payment of such fee. The Fund Manager will not facilitate on-going fees.

VAT

The fees and charges described above are exclusive of VAT, which will be charged as applicable.

Please note

It is anticipated that the total investment fee, launch and establishment fees or charges set out above, will not be payable directly from Investors' Subscriptions as these will be payable by the Portfolio Companies. Where fees and costs are payable by the Portfolio Companies and not by Investors in the Fund directly, they will, in effect, reduce the returns generated by the Portfolio Companies for Investors.

Key Facts

Amersham Corporate Development Capital Fund ("ACDC" – The Fund)

Investment Focus – a follow on fund for EIS Qualifying Companies focused on innovative, scalable, products, processes and IP based technologies across various sectors.

The Manager will treat the Fund as its client for the purpose of determining which provisions of the Conduct of Business Sourcebook (COBS) which form part of the FCA's handbook of Rules and Guidance will regulate the obligations owed by the Manager to Investors in common - this means the Fund invests your money on your behalf directly into Portfolio Companies.

Manager - Amersham Investment Management Ltd

Target Fund size - £8 million

Minimum Fund size £0.35 million.

The Manager may allocate investments in the Fund to EIS Qualifying Companies at its discretion, but will seek to invest initially in EIS Qualifying Companies where possible. Minimum individual subscription – £10,000 (or such lower amount as determined at the Manager's discretion)

Closing Dates – next Tranche – 17 March 2017 (or such other date as determined by the Manager).

The investment described in this Memorandum will not be suitable for all investors.

All potential Investors are accordingly advised to consult an investment advisor authorised under FSMA and an appropriately qualified taxation advisor prior to making an investment.

A summary of the risk factors associated with an investment in the Fund is contained in Part Five of this Memorandum.

How to Invest

To make an investment please request and then complete an Application Form either for individuals or for the use of trusts, both of which are available from the Manager.

The initial closing date for subscriptions to the Fund is to be expected 3:00 p.m. on Friday 17th March 2017 unless fully subscribed or the offer date is extended at the discretion of the Manager.

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Investment Opportunity

The Amersham Corporate Development Capital Fund (“ACDC”) has been established in the first instance to enable investors to invest in a series of target opportunity companies. The initial company is one whose Holographic processes and revenue generating business is eligible as a Qualifying Company under the UK Government’s Enterprise Investment Scheme.

Amersham Investment Management Ltd (the “Manager” or “AMIM”) considers that niche, sustainable technology companies which are already producing revenues from Products, process and intellectual property (“IP”) based processes and knowhow, without the need for additional substantial R&D in the short term, that have proven management capabilities and are able to benefit from EIS tax reliefs, have the potential to offer Investors an attractive return in the medium term.

Monies invested by the Fund into a Portfolio Company will be primarily used by that entity in pursuing its business development, roll out and investment strategy to build on initial generated revenues which are to benefit from strong gross margins derived through their Products, processes and protected IP and knowhow.

The Fund’s principal objective will be to invest in qualifying target companies; the Fund will also invest in other Qualifying Companies to the extent that sufficient Subscriptions are received into the Fund to enable such investments to be made at the sole discretion of the Manager.

The Manager considers this targeted and focused approach will reduce the risk of capital loss, which can otherwise be associated with making investments in smaller unquoted companies.

The Fund seeks to provide a targeted exit for all Investors by 31st March 2022, subject to operational matters and market conditions.

There are significant risks in investing in such companies as set out in Part Five and although these are partially offset by the tax advantages, these risks need to be considered by prospective Investors

Development Capital in Technology based businesses.

The Fund is focused on ‘post-seed’ development capital funding, where companies may have already raised early stage funding, some possibly under the Seed Enterprise Investment Scheme, (“SEIS”) and having achieved milestone developments since then require additional development capital to continue their roll out and corporate plans. A Portfolio Company will typically be seeking new equity funding in a range from £0.35 million to £2 million. Investment of this size is normally too large for an individual angel investor but also too small for entry level VC and private equity funds, and banks do not currently tend to support such early stage funding

AMIM believes development capital equity in the £0.35m to £2.0m banding range is typically aimed not at invention but rather implementing products and services into the market, building revenues from the products, processes, inventions/IP and knowhow created from founding and seed finance.

It is likely that development capital will be deployed more often than not in funding marketing plans and sales, and so can be easily measured. In addition, experience leads to an understanding of how successful technology-rich businesses also require a certain level of development capital funding to ensure their internal processes and procedures have been successfully created.

Monies invested by the Fund into Portfolio Companies will therefore primarily be used by these businesses to invest in people, sales and marketing activity and working capital to grow revenues quickly. AMIM considers that technology businesses with commercial operations in place and which have access to fast growing revenues, derived from protected IP and knowhow, which can demonstrate high growth for three years or more, and have the potential to scale to a much higher level, are likely to be attractive to both trade buyers and private equity fund buyers, and that this should lead to strong exit valuations.

The Manager considers this focused approach should reduce the risk of capital loss, which can otherwise be associated with making investments in smaller unquoted companies.

Origination

The initial target opportunity has been introduced by Haslers Chartered Accountants (“Haslers”), which has agreed to introduce further potential investment opportunities to the Manager for investment on behalf of the Fund into Qualifying Companies. The Initial Target Company – Bowater Industries Limited (Company No.08295146) whose registered address is at 200 Aldersgate, London EC1A 4HD, United Kingdom – is seeking funding of up to £1.8 million to develop its operations, sales and marketing teams and enable it to implement its strategy of becoming a leading

proponent for the next generation of holographic security for certain sectors and in document security, through its Authenticated Solutions division. All investment opportunities introduced by Haslers to the Fund will be reviewed internally by a committee in the Haslers Corporate Finance team, and, where appropriate, referred to the Manager for approval prior to any investment being made on behalf of the Fund.

Haslers is an independent, award-winning firm of chartered accountants, business advisers, tax consultants, corporate finance advisers and insolvency practitioners working with clients across East London and Essex. They were established over 60 years ago and currently have 11 partners, all specialists in their field, who are supported by an experienced team of accountancy, audit, tax and other professionals. They are both well qualified and positioned to put forward many businesses who are seeking development capital for growth.

AMIM has an existing relationship with Haslers as set out under the heading “The Manager’s relationship with Haslers – Chartered Accountants” in Part Three of this Memorandum.

General

A Qualifying Company

Investments will only be made in new ordinary shares of one or more UK Qualifying Companies. The trading activities of a Portfolio Company will be to own and operate a business generating revenues and profits from owned IP and knowhow in a niche market which is scaleable against known criteria and events.

When Investors subscribe to the Fund, they appoint the Manager to invest their Subscriptions, on a discretionary basis, in Qualifying Companies. The structure of the Fund (being a cash fund) is that of an alternative investment fund with an agreement between the Manager and each Investor as set out in the Investment Management Agreement. The Subscriptions made will be aggregated, where possible, for the purpose of making investments through the Fund.

The regulated Custodian as nominee for the Investors will hold the Shares in each Portfolio Company. The Investors are the beneficial owners of the Shares. It is intended that the Fund will provide equity capital to finance the corporate development and expansion of any Portfolio Company.

Debt financing

It is typical for companies implementing technology developments through a project based launch to be leveraged, where possible, to maximise the returns to equity investors. The use of leverage reduces the amount of equity that is required for a project, but increases the risks to the equity providers in these investments as the lenders would typically have security over the assets and a first right to any free cash flows.

The Fund’s proposed investment portfolio anticipates the use by Portfolio Companies of long term debt to finance the balance of the capital cost of their assets, above the equity raised by the Fund for each Portfolio Company. Initial debt will be restricted to the total cost of necessary hardware to support each rolled-out revenue-earning project. These will be reviewed and sanctioned by the Manager on a case-by-case basis.

Further, a Portfolio Company may utilise significant debt to refinance the Fund’s investment as a means of returning funds to Investors. Further information is set out under the heading “Exit Strategy” in Part Four of this Memorandum.

Deal size

Subject to investment approval by the Manager, the Fund will invest in tranches up to £1.5m in the initial Target Company and other Portfolio Companies, occasionally alongside other specialist EIS/VCT funds whom from time to time have been identified and have agreed to co-invest with the Fund.

Monitoring the investments

Professionals who have specific sector experience, which is especially relevant to the investment(s), will monitor the Fund’s investments on a regular and consistent manner. The terms of the monitoring activities will be agreed between the Manager and the investee company prior to the commencement of the investment by way of letter and subscription agreements.

Exit

The Fund will take a long-term view on the Portfolio Companies and will aim to only look at the possibility of facilitating an exit from an Investment after it has been held for at least the Three Year Period, thereby ensuring, wherever possible, that the Investment has met one of the key qualifying conditions necessary for Investors to obtain the relevant tax reliefs. However, there may be occasions where an earlier sale is a commercially sensible decision.

It is anticipated that most exits from Qualifying Investments in Portfolio Companies will take place after they have been held for a minimum period of four years, though an exit will be principally determined by market conditions and the operating performance of the Portfolio Companies..

The Fund anticipates that the options for investors to exit a Portfolio Company may include the following:

- A sale to a third party, at arms-length, of a Portfolio Company
- The purchase by a Portfolio Company of shares held by non-ACDC Fund shareholders, subject to taxation rules
- The introduction of new investors (not EIS investors, who must buy new shares) to a Portfolio Company
- The reduction of a Portfolio Company's share capital
- The voluntary liquidation of a Portfolio Company or the sale of a Portfolio Company's assets and subsequent distribution of proceeds to shareholders.

Initial Target Company Overview



Background to Bowater Industries Limited, the Initial Target Company.

Founded in 2012 by James Bowater, grandson of Sir Eric Bowater and a scion of the eponymous paper and packaging industrial giant, Bowater Industries Limited ("Bowater" or "BIL") has developed and controls a range of registered intellectual property ("IP") and knowhow through its assembled engagements with senior and leading figures in the holography industry.

This IP and knowhow enables BIL to offer to the market a new generation of holographic security and protection tokens which provide additional layers of security and authentication images to the carrying product or document, thereby creating a significant barrier to counterfeiting and theft.

Holographic products have been in increasingly wide use since the 1980s to both protect property and goods and to deter criminals and counterfeiters from illegal activities. However, it is accepted by brand owners and industry alike that the technology needs to move on from the traditional surface effect "rainbow" embossed hologram, which is stamped onto the surface of a material, typically a foil or a plastic. This is because embossed holograms are now easy prey to criminals and counterfeiters, so much so that their use in certain market sectors constitute a "No-Go" area to some luxury brands and cosmetic houses. The primary reason for this is that mainstream holographic production equipment and materials are readily available, making it a relatively simple process for counterfeiters to re-originate these kinds of holograms.

Whilst embossed holograms are still being developed and sold in this sector, the BIL approach, also adopted by OpSec builds on breakthroughs in the technologies by which holograms can be recorded within a photopolymer emulsion layer and sealed on a transparent substrate leaving no clue as to how it was made. Any attempt to remove the hologram will destroy the image. Whereas an embossed holographic image might take only a few weeks to replicate and copy, the BIL image has yet to be copied successfully in trials.

Bowater and its Authenticated Solutions division have identified significant opportunities in the so-called Internet of Things space that address both security weaknesses and extend the reach of the Internet of Things to inert objects that have no native communication capability.

Bowater has already built a weighted pipeline of significant worth and is seeking to convert opportunities to contracts in the consumer goods, qualification certificates and luxury goods sectors.

BIL's advanced, extremely secure and defensible technologies, along with its approach to solving the complex problems faced by its customers, is different from the existing competition, which are in the main providing more limited technologies and solutions.

Bowater seeks development capital funding in order to accelerate its ability to win and deliver solutions to its target markets.

Bowater plans to achieve significant revenues and positive EBITDA from its Authenticated Solutions division alone within the coming 5 years. Bowater is choosing to commercialise this division first to exploit the growing opportunities and security issues associated with the so-called Internet of Things.

BIL is led by an experienced management team, supported by a group of longstanding and respected technical experts in true colour, volume holography, electro conductive print and other disciplines vital to ensuring the success of Bowater Authenticated Solutions.

In the next 20 years, it is expected the so-called Internet of Things will grow exponentially. However, the Internet of Things has several weaknesses that cannot be addressed effectively with digital technologies on their own:

1. Security – regardless of how much cyber security is applied, the Internet of Things will continue to suffer from sustained and successful attacks.
2. The risk of identity theft increases as a result of online activities such as social media, online shopping as well as hacking and so on.
3. Infrastructure availability – despite rapidly growing a considerable percentage of the world's population does not have Internet access and is excluded from the Internet of Things
4. Inert things – The Internet of Things largely ignores the trillions of inert objects and items that do not interact natively with the Internet, even though many of those items would benefit from being interactive .

The first two points above, act to reduce trust in all things online which could have a major socio economic impact on businesses and organisations that have staked their future on the Internet of Things. The second two points represent a significant opportunity for organisations that are focused on the Internet to extend their reach beyond the current limits of the Internet of Things to build trust and market position where others cannot.

Bowater consider that there are three elements that are critical to delivering:

1. A serial number protocol that supports more than one type of use for the serial number covering all the phases in the life of an item – **BowaterUnits™**
2. An absolutely secure technology that enables the serial number to be applied to an item and irrevocably associated with that item – The **BowaterHologram™** and its variants.
3. A technology platform that provides both a 'frictionless' infrastructure and a highly secure environment for additional authentication, business process management and data storage – **BowaterMobiform™**

Whether a customer is a government, a pharmaceutical or a consumer's goods vendor, Bowater considers a series of potential configurations that enable the customer to address their issues and objectives in a manner that adds measurable value to their operations.

Enumerated Holograms

The technology underpinning the Bowater Hologram™ is designed specifically to enable the embedding, holographically, of a unique serial number or code during manufacture. This variant is the **BowaterHologram™Numeric**.

In essence this means that every **BowaterHologram™Numeric** is a unique and traceable item which lends itself to a variety of applications: track & trace, down to item level which can be further enhanced with the addition of the **BowaterHolotronic®** range of digital Radio Frequency Identification/ Near Field Communication ('RFID/NFC') track & trace technologies.

Consumer Brand engagement will utilise the serial number approach, as the 'key' to obtaining consumer enhanced product security. This is because the serial number cannot be tampered with or altered without destroying the hologram. This creates the ability to provide product warranty or guarantee management for any product that is marked with a **BowaterHologram™Numeric**.

The enumeration process can follow any alphanumeric scheme; BIL will provide copies of the codes embedded in each hologram during the manufacturing process. A serial number is a simple way of making it much easier for the brand or document owner to control and track the movement of products.

Each **BowaterHologram™** can be holographically enumerated at the point of manufacture in a way that is bespoke to a brand client, which matches its database and is highly secure. A serial number that cannot be tampered with or altered is a significant obstacle for a counterfeiter, smuggler or fraudster to overcome. In some circumstances it might serve to divert criminals away from a brand using this enhanced security product.

Choice of Strategic Market Approach.

When identifying a strategy for taking the Bowater range of products to market, the company invested considerable effort in understanding what strategic approach would deliver the best return for all stakeholders, the company, its customers and its shareholders.

To do so the existing business model was broken down into three types of business approaches in the security sector:

- General Security Printing – This is the largest group in the market and the group least able to offer genuine security to its customers, as its focus is on printing normally at a highly competitive price which erodes this group's ability further to deliver value. This group focuses on a wide range of activities from brand security to document security.
- High security printing – This is a smaller sub-set of the group that includes companies such as De La Rue. These companies tend to focus on the provision of high security documents such as passports, currency and so on. This is a sector where BIL may seek to participate in the future but with long lead times on projects it is not believed to be a good sector to focus on initially.
- Security Solutions – Again, this is a smaller sub-set that provides end- to-end solutions for customers in order to address their specific issues in brand security, document security and other areas where customers want to address their security issues more comprehensively.

Following detailed analysis of the opportunities and the current capabilities within BIL it was clear that the security solutions sub-set of opportunities best suits the current position of the company as well as additional future technologies currently under development:

The rationale behind the approach being:-

- Nigh on impossible to counterfeit enumerated holograms
- Printed electronics and RFID elements that are integrated with the **BowaterHologram™** to create the **BowaterHolotronic®** range of products
- High security business apps and business processes linked to the enumerated holograms.

Additionally, this growing sector in the market is one that is currently poorly served with only a few specialist providers that BIL consider to be competitors.

One such competitor is OpSec¹. OpSec is a business that has evolved over many years, but has emerged as a growing and successful provider of security solutions in areas that include garment labelling and supply chain management, CD/DVD security and others.

Bowater consider that while OpSec is successfully building its business in the provision of security solutions, its technologies are not as robust as those available to Bowater, as OpSec solutions are still reliant on traditional embossed holograms.

The General Security Printing sector includes companies that have entered this market through a different route:

1. Essentra – A packaging company
2. Orion Security Print Ltd – general print
3. McFarlane Group – general print and packaging
4. Tracerco – Ilumink Authentication Technology

As is often the case, these companies are asked to provide security by customers who assume that their print and packaging supplier can also provide high security print and packaging solutions. This is not typically the case. However, this sector does provide an excellent source of targets for Bowater's distribution programme and it aims to begin actively targeting this group as soon as it has finalised the programme. Many of Bowater's competitors rely on known and widely available technologies to configure anti counterfeit and security technologies which are designed using rational and logical thought processes. However, as counterfeiting and other related crimes are not committed on a rationale basis a lot of these technologies are unable to prevent counterfeiting for the simple reason that, for example, in the case of Ilumink, – colour shifting inks are available from Amazon and are of a quality whereby a counterfeiter could easily create an effect that would "fool" the average consumer or enforcement professional that a counterfeit item is genuine, even if the item would not pass Ilumink's own tests.

In the opinion of BIL management, the fundamental difference between Bowater's products and many of the existing and emerging anti-counterfeit technologies in the market, is that the **BowaterHologram™** is exceptionally easy to use (anyone can become an expert in less than a minute) but the technology used to make the hologram is not available anywhere commercially; is kept completely secret at all times and is so complex that not even the legitimate holographic community have any real grasp on how it is achieved.

¹OpSec Security Group plc (OSG:LSE) is an international company providing solutions to its customers to combat counterfeiting and the related problems of diversion, grey marketing, online brand abuse and fraud. The Company offers a range of end-to-end solutions, including physical security technologies, supply chain track and trace services, and for both private enterprises and public bodies. OpSec supplies technologies and solutions into three core markets: Government protection, brand protection and transaction cards. Opsec was acquired by ORCA BIDCO LIMITED, through a process that commenced in October 2015 valuing Opsec at £66million.

Barriers to Entry for New Entrants and Counterfeiters

There are a few specific barriers to entry that potential competitors will face on attempting to produce a credible competitive and alternative product to the **BowaterHologram™**.

Companies that have tried, but to date have not got past green monochrome reflection holograms include DuPont. In Bowater's opinion this is for the simple reason that the complexity involved in perfecting the mass reproduction of real colour, 3D, volume reflection holograms is massive, taking huge amounts of time, money and intellectual effort to achieve. This is also a reason why the **BowaterHologram™** is ideally suited to security applications, because if Bowater's competitors cannot copy it then counterfeiters cannot either

Certain of the specific barriers to entry are listed below:

- Counterfeiters or competitors would need extensive knowledge and experience of reflection holography to even attempt a re-origination to break the hologram. They would not have the collective expertise of the world leading Bowater's technical team in this area, who between them can count for around a hundred years' combined experience in the field. Full colour reflection mastering to a commercially acceptable level of brightness is, quite simply, extremely difficult.
- Supplies of suitable recording material are not readily available. There are very few suppliers of suitable panchromatic materials and supply chains are "well-guarded" and are accounted for. This is preventative of both the 'contact copying' and 're-origination' branches of counterfeiting.
- Images can be slightly colour shifted to take them away from existing or possible laser wavelengths. This prevents contact copying to any adequate level of brightness of image.
- A "fourth generation" hologram (i.e a contact copy of a Bowater hologram) would by definition be of significantly less visual quality than the original and easily spotted and actioned.
- Enumeration deters contact copying of a single hologram in bulk because, all the copies would have the same serial number/code, again making them easily spotted and actioned.
- Holographic images of real items would need to be re-originated (i.e. made again) using the same items as in the original image, set-up exactly the same way and photographed stereographically to match the original to provide the artwork required to even attempt re-origination. Bowater has additional tools, which can be adding to create unique bespoke items.
- The formula for the barrier coating of the photopolymer is restricted to a very few people and the film is un-usable as a security label without it.
- Forensic features invisible to the naked eye can be incorporated for interrogation of the authenticity of holograms to the highest level. The inclusion and extent of these features need not be made public knowledge.
- The processes and technology developed to replicate the **BowaterHologram™** are kept secret and will not be licensed or shared with third parties.
- Ongoing Development, most of the current technologies used for security are reaching the end of their usable lives. However the **BowaterHologram™** and associated technologies are at the beginning. This in itself provides an additional barrier as the company is able to introduce overt and covert measures to ensure that the **BowaterHologram™** remains ahead of both competitors and counterfeiters.

Sector opportunity review – Document Security.

An example of the analysis undertaken by the Bowater team in the understanding of an initial market sector is the review into Document Security, already a revenue producing sector albeit early in the process.

According to Havocscope (<http://www.havocscope.com>) the global problem with document security in terms of fake IDs and fake diplomas is valued in excess of US \$1 billion annually. This value excludes shipping manifests, certificates of authenticity and so on. Fake IDs and fake diplomas are a rapidly growing problem and one which can have, from a trust perspective, a significant impact on industry and society and is a problem where there is an acceptance by many that a resolution needs to be found.

Originally, the Bowater team considered this sector would be difficult and complex to break into and had as a result set it aside for future development. However, based on a number of enquiries and initial but interesting project wins the sector has been lifted up into the strategic market mix. The projects that are actively being worked on either as opportunities or as contracts that have been won include:

- A large qualification certificate security programme opportunity in China for secure and traceable diploma certificates which is expected to go to contract in calendar Q4-2015 to Q1-2016.
- An expanded agreement opportunity with a customer to include an additional 20 plus organisations where the customer manages qualification and certification management.
- A revenue assurance programme for a music licensing organisation opportunity that requires document security as a core part of its licensing solution.
- An initial project to secure certificates of authenticity for BAFTA, completed earlier in 2015 with a substantial gross profit per hologram.

The Bowater sales pipeline includes a number of opportunities entering the pipeline which are specifically focused on document security or include a significant element of document security in the requirement.

The critical factor that makes the **BowaterHologram™** important in the document security market is the technology's ability to enumerate each hologram uniquely and in a way that cannot be tampered with. When integrated with serialisation protocols and a secure database accessed by either a secure app or web connection it becomes easy for an authorised individual to instantly authenticate whether or not the hologram is genuine and secondly by reference to the database whether the document being secured is genuine.

For example qualification certificates are an issue at the moment with vast numbers of counterfeits being in circulation. Using the Bowater Document Assurance solution makes it extremely difficult for a counterfeit certificate to pass even the most cursory examination, let alone a detailed one.

Fund Taxation Advantages

Any shares in which the Fund will invest are to be Qualifying Shares that are newly created and issued by a Qualifying Company, which is independent with less than £15m in gross assets and meets any other restrictions imposed by statute and HMRC, from time to time, on companies seeking to benefit from EIS taxation reliefs..

EIS relief is summarised as follows:

- Income tax relief at 30 per cent to a maximum of £1m.
- Complete shelter from inheritance tax on the investment if held for at least two years at death.
- Total deferral of capital gains tax, which is wiped at death.
- Loss of capital in the investments is eligible for loss relief. (see section six – Taxation).

This is on the assumption that the Portfolio Companies remain qualifying companies for the period of ownership.

Who is this investment suitable for?

This opportunity may be suitable for UK resident individuals and trusts who are looking to:

- Take advantage of income tax relief.
- Defer payment of capital gains tax.
- Properly shelter investments from inheritance tax.
- Harness the potential for significant tax free capital growth.
- Diversify their existing investment portfolio.
- Find a complementary solution to pensions.

3

Professional Team

The Manager

The Fund will be managed by Amersham Investment Management Ltd. Amersham Investment Management Ltd is a specialist investment management firm and fund manager. Founded by two former principals of the Tradepoint Stock Exchange (which as a UK Recognised Investment Exchange in 2001 became, as Virt-x, part of the Swiss Stock Exchange), the firm is authorised and regulated in the UK by the Financial Conduct Authority as an investment manager and fund manager and as an Alternative Investment Fund Manager (AIFM) with FRN 507460.

Paul Barnes FCCA MCSI

Director of Amersham Investment Management Ltd

Paul is a Fellow of the Association of Chartered Certified Accountants. He is also a Member of the Chartered Institute for Securities & Investment with wide experience in venture development, financial management and corporate finance and M&A disciplines.

Paul has been a key member of the teams in the development and admission to the AIM market of both Tristel PLC and Oxford Catalysts PLC, raising substantial funds for both companies, where he served as the Executive Financial Director and in the establishment of Beach Street Limited, a corporate advisory firm authorised and regulated by the FSA (being the predecessor body to the FCA). He maintains close links with business as a director of a pharmaceuticals company and as a non-executive director of bio-mass/renewables companies, an AIM-listed healthcare business and an internationally based wireless software engineering company listed on the Australian Stock Exchange.

Michael Waller-Bridge Chartered FCSI, MInstP

Director of Amersham Investment Management Ltd

Michael is a Chartered Fellow of the Chartered Institute for Securities & Investment. He worked at the Advanced Systems Group and the Strategic Engineering Unit of the London Stock Exchange between 1986 and 1991 prior to co-founding Tradepoint, Europe's first official electronic equities Stock Exchange where he also served as CEO between 1994 and 1997. Tradepoint was admitted to the AIM market in 1996 and in 2001 became, as Virt-x, part of the Swiss Stock Exchange.

From 1998 to 2008 Michael worked as an adviser with ventures including Interactive Investor PLC, an online stockbroker, Sturgeon Ventures LLP, a business incubator and regulatory consultancy, and Pre-X Capital Management, a fund management firm. Michael holds degrees in Theoretical Physics (University of Kent) and History of Science (Imperial College, London University). Michael is a Member of the Institute of Physics and a Member of The Association of Photographers.

The Manager's relationship with Haslers – Chartered Accountants

Haslers Chartered Accountants, through their Business Services Group, are the Manager's Statutory Auditors. The origination agreement referred to on page 11 is between the Manager and Haslers Corporate Finance Limited, an associated company to the Business Assurance Group of Haslers. Mr. Laurence Jacobs, the Manager's Senior Statutory Auditor, is a member of Haslers Corporate Finance LLP and a Partner in Haslers LLP.

Summary of Potential Conflicts

The Manager recognise a number of potential conflicts arising from the operation and management of the Fund. This section summarises some of these conflicts.

Essentially, the Manager considers that potential conflicts of interest are most likely to arise under one or more of the headings below.

1. Conflicts arising from follow-on investment into existing Portfolio Companies or into companies which have received investment from other funds managed by the Manager.

Were the Fund to provide additional capital for such an existing investment, the interests of existing investors into such companies and those of this Fund's Investors may differ, for example, with regard to valuation and speed of exit.

2. Conflicts arising from the Fund's fee structure.

The interest of the Investors and the Manager may diverge with regard to the desired timing of exits or create an incentive for the Manager to make speculative investments on behalf of the Fund.

3. Conflicts between the Fund and third party co-investors.

If there are third party investors in a company other than Investors who have subscribed through this Fund, there may be differing objectives of the Fund and the third party or parties. This would also apply if there were providers of debt capital alongside equity provided through the Fund.

Investment Conflicts Committee

The Manager proposes to deal with these or any other unanticipated conflicts by tabling any such conflicts or potential conflicts at duly convened meetings of an Investment Conflicts Committee, to be resolved in accordance with the Manager's conflicts policy in relation to the Fund with the Manager's (as the case may be) own proposals as to how such conflicts should be addressed or mitigated. Ultimately, the Manager will exercise its judgment so as to balance the interests of all its clients.

Reference to the Investment Conflicts Committee will be made in the form of a written memorandum from the Manager, which explains the background to the matter, the nature of the conflict or potential conflict and the Manager's provisional proposals for conflict resolution.

The Investment Conflicts Committee will comprise of board members of the Manager and professional advisors where necessary. The Committee may be adjusted to ensure that two of its members will at all times be able to deliberate without being required to excuse themselves on grounds of taint by the conflict in question. Where this is not possible the Manager, at its sole discretion, will be able to appoint other members to the Investment Conflicts Committee, solely to consider a particular matter brought before it.

Custodian & Receiving Agent

The Fund's Custodian is Woodside Corporate Services Limited, which is authorised and regulated to hold client assets by the Financial Conduct Authority with firm reference number 467652. Woodside Corporate Services Limited's associate company WCS Nominees Limited will act as Nominee for the Investors and shares issued by the Investee Companies will be held in the name of the Nominee. The Custodian has been involved with corporate and EIS fund administration for a comprehensive range of clients since 1989. It currently administers over 40 EIS funds and two EIS platforms. The Custodian is registered on the Data Protection Public Register with registered number Z2944806.

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Fund structure, Offer Details and Costs

Fund Structure

The Fund has been established to enable investors to invest in companies which qualify for the EIS and to benefit from subsequent EIS tax reliefs. When Investors subscribe to the Fund, they appoint the Manager to invest their Subscriptions on a discretionary basis in Qualifying Companies. The structure of the Fund is that of an alternative investment fund with an agreement (the Investment Management Agreement) between the Manager and each Investor as set out in the Application Form and there is no investment vehicle with separate legal status.

The Investors are to be the beneficial owners of the Shares. The Manager will be responsible for discretionary decisions in relation to the selection of, and (subject to limitations) the exercise of rights in relation to, investments made, but the Investor retains beneficial ownership of the underlying Shares. The Manager may, at its absolute discretion, have regard to any requests made to it to terminate any individual Subscription in the Fund and/or, assuming Shares had been issued, to realise Shares for the Investor's account; such termination may result in a loss of EIS tax reliefs and possible crystallisation of any deferred gain, should the qualifying criteria for such relief be broken.

The FCA has indicated that, while funds such as the Fund are not unregulated collective investment schemes, they may, in their view, fall into the scope of the Alternative Investment Fund Managers Directive (AIFMD). The Manager, whilst principally regulated as a MiFID BiPru Investment Manager is also regulated and authorised to act as an alternative investment manager.

The Manager will treat the Fund as its client for the purpose of determining which provisions of the Conduct of Business Sourcebook (COBS) forming part of the FCA's Handbook of Rules and Guidance will regulate the obligations owed by the Manager to Investors in common.

Investment Amounts

The minimum individual investment in the Fund is £10,000 or lower, at the discretion of the Manager.

There is no restriction on the maximum Subscription by an individual. However, under current UK taxation legislation, the maximum amount on which an Investor can obtain EIS tax reliefs in any tax year is currently limited to £1,000,000.

Each spouse or civil partner has his or her own limit of £1,000,000 and they are not aggregated. This limit applies for all EIS investments made within a given tax year. This limit does not apply to capital gains tax deferral or IHT Relief.

The Manager may, in its absolute discretion, undertake a number of Closes in respect of the Fund prior to, and on, the Final Closing Date in separate tranches in order to commence investment into the Portfolio Companies. The Manager will notify each Investor which Close the Investor's investment will be employed in following investment. In the event that the Manager undertakes multiple Closes of the Fund, Investors may not hold shares in all of the Portfolio Companies in which the Fund invests, or in equal amounts to other Investors.

EIS investors are permitted to carry back their investment to the previous tax year, so long as they have not used their individual limit in the previous tax year. Therefore, for EIS investments carried back to the 2015/16 tax year, if Investors have not used any of their £1,000,000 limit for the tax year ended 5th April 2016, then they could carry back up to £1,000,000 of their investment to that tax year, assuming qualifying investments were made in the tax year 2016/17.

The minimum total subscription for the Fund to proceed is £350,000 or such lower amount as is determined at the discretion of the Manager.

The target total subscription is up to £8,000,000 and the Manager will not accept larger amounts than the target total subscription, as it is felt that receiving excess monies to invest may impede the performance of the Fund. All limits are subject to the discretion of the Manager.

No qualifying Investment will be made on behalf of any Investor that would result in that Investor holding more than 30% of the issued shares of a Qualifying Company.

Close of the Fund

The Manager intends to carry out a first close of the Fund on 17th March 2017, subject to any changes as determined by the Manager in its discretion. This will allow the Manager to make investments into Qualifying Companies as soon as practicable thereafter.

The Manager may, in its absolute discretion, undertake a number of closes in respect of the Fund in separate tranches in order to commence investment into the Portfolio Companies. The Manager will notify each Investor which closing the Investor's investment will be employed in following investment. In the event that the Manager undertakes multiple closes of the Fund, Investors may not hold shares in all of the Portfolio Companies in which the Fund invests, or in equal amounts to other Investors.

Life of the Fund

In order to retain the EIS tax reliefs, Investors must hold Shares in a Qualifying Company for the relevant Three Year Period. The Manager anticipates that the Fund, in respect of first close subscriptions, will be substantially invested within six months from a first close and subsequent close. It is intended that the Fund's investments will be realised as soon as practicable after the expiry of the Three Year from the date that the investment qualifies for EIS relief, where appropriate. Having regard to the Three Year Period from the date of investment into a Portfolio Company, the subsequent receipt of EIS relief, and the feasibility of obtaining a commercial realisation thereafter, the Fund has a target life of 5 years from each close, but there can be no guarantee that this will be achieved. It would be prudent to view an investment in the Fund as medium to long term. A person should only invest in the Fund with a view to leaving the investment intact for at least 4 years from the Final Closing Date.

Exits

EIS investments are not readily realisable investments and investors should be prepared to retain an EIS investment for at least three years or they will lose any initial tax reliefs claimed. The Manager will seek to realise investments after they have been held for the prescribed three-year EIS holding periods. The exit routes are likely to be through:-

- Trade sale of an investee company.
- Management buy-out.
- Refinancing and liquidation as considered appropriate.

Right of Withdrawal

The EIS rules do not permit investments to be withdrawn during the Three Year Period, as to do so would invalidate any claim for tax relief and would lead to relief needing to be repaid. Where an Investor wishes to withdraw their investment, under exceptional circumstances, such as the death of the Investor or proven severe financial hardship or proven health difficulties of the Investor and without any guarantee of success, the Manager will try to match withdrawals with other shareholders and interested parties. However, no guarantee can be given that any proposed matching will be successful or at what price a match might be achieved. If a sale is made within the Three Year Period an Investor will lose their tax relief and could incur a loss on an investment.

Right of Cancellation

Each Investor may exercise a right to cancel by notification to Woodside Corporate Services Limited (the Receiving Agent) within 14 days of acceptance of an Investor's completed Application Form. This should be done by a letter sent to the Receiving Agent's registered office as set out in this Memorandum.

On exercise of the Investor's right to cancel, the Manager shall refund any monies paid to the Receiving Agent's by the Investor, less any charges already incurred for any services undertaken in accordance with the Application Form (but not any initial fees paid to the Manager).

The Receiving Agent's is obliged to hold investment monies until satisfactory completion of checks under the Money Laundering Regulations 2007 undertaken by the Investor's registered intermediary.

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

The right to cancel under the FCA Rules does not give the Investor the right to cancel or terminate or to reverse any particular investment transaction executed for the account of the Investor before their 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 the conditions of application.

Fees and Charges

Investment Fee:

The Manager will collect and administer a fee equal to 2% on the total Subscriptions made by Investors to the Fund on the first close and any subsequent close of the Fund. This fee will be levied by the Manager charging each Portfolio Company 2% of the Investment subscribed to that company at the time the Investment is made.

Launch and establishment charges:

The expected fee for the launch and establishment of the Fund is 1% of total subscriptions raised, subject to a minimum payment of £12,500. In addition the Fund is responsible for paying the Receiving Agent's fees and expenses estimated at £3,000 and certain printing costs estimated at £2,000. The launch and establishment fee will be recovered as an arrangement fee from each of the Portfolio Companies pro rata to the investment made into such Portfolio Company by the Fund.

Annual and arrangement fees and other charges:

- Administration Fee: subject to a minimum payment of £20,000 in total to be recharged to the Portfolio Companies pro-rata to the amount invested by the Fund. 1.65% per annum of the amount invested in the Portfolio Company will be payable by each Portfolio Company to the Manager on an annual basis, payable quarterly in advance once an investment has been made.

Other Fees

Receiving Agent and Custodian Fees are payable to the Fund's nominated custodian at 0.5% per investor per annum to a maximum of £10,000 per annum for the Fund in total.

- The Manager considers there may be additional costs, to be agreed in advance, which may be payable by Portfolio Companies including Fund administration, custodian fees, due diligence, abort fees and any other reasonable fees incurred in managing the Fund.
- The Manager's annual administration fee is payable for a period of five years from each close of the Fund.
- The Manager will charge an additional fee of 0.35% of the value of funds realised on the sale proceeds or an agreed termination value of the Fund's assets subject to a minimum payment of £15,000. This is payable from the investors' sale proceeds.

Performance Fee

The Manager will collect a performance fee equal to 20 per cent of realised amounts in excess of aggregate Subscriptions made to the Fund, above an annualised rate of return of 6.66% per annum (equivalent to a share price of £1.20 after three years per £1 share) which is payable to the Investors as a hurdle rate of return. The performance fee will be recoverable from any net proceeds of realisations of the Fund's investment in the Portfolio Companies. The performance fee is exclusive of any applicable VAT. Investors should note that there is no guarantee that the hurdle rate will be achieved.

Intermediaries

- Following the introduction of the Retail Distribution Review (RDR), commission is not permitted to be paid to Intermediaries who provide a personal recommendation to UK retail clients in respect of the Fund. Instead of commission being paid, a fee will usually be agreed between the Intermediary and the Investor for advice and related services (the "Intermediary Charge").
- The Intermediary Charge can either be paid directly by the Investor to the Intermediary or, if it is an initial one-off fee, the Manager can, out of the Investor's Subscription, facilitate the payment of such fee. The Manager will not facilitate on-going fees.
- If the Intermediary Charge is to be facilitated by the Manager then the Investor is required to specify the amount (inclusive of VAT, if applicable) of the Intermediary Charge on the application form, which is available to eligible recipients from the Manager.
- The Intermediary Charge will be deducted from the Subscription and the amount net of the Intermediary Charge will be invested in Portfolio Companies and be subject to income tax relief of 30%. Therefore, by way of an example, if £50,000 were invested into the Fund with a 2% Intermediary Charge, £49,000 would be subscribed to the Portfolio Companies and any available income tax relief would be £14,700 (being 30% of £49,000).

VAT

The fees and charges described above are exclusive of VAT, which will be charged as applicable.

Please note

It is anticipated that the total investment fee, launch and establishment fees or charges set out above will not be payable directly from Investors' Subscriptions as these will be payable by the Portfolio Companies. Where fees and costs are payable by the Portfolio Companies and not by Investors in the Fund directly, they will, in effect, reduce the returns generated by the Portfolio Companies for Investors.

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Risk Factors

All prospective Investors should be aware that as the Fund will invest in unquoted companies, the value of Shares in the Portfolio Companies can fluctuate. In addition, there is no guarantee that the valuation of Shares in the Portfolio Companies will fully reflect their underlying net asset value, or that Investors will be able to buy and sell at that valuation or at all. The Manager cannot guarantee that all investment will be completed within the target investment period of six months from an initial and subsequent close.

The investment described in this Memorandum will not be suitable for all investors. All potential Investors are accordingly advised to consult an investment adviser authorised under FSMA, and an appropriately qualified taxation adviser, prior to making an investment.

General Risks

An investment in the Fund is subject to a number of risks. Before making any investment decision, prospective Investors should consider carefully the risks attaching to an investment in the Fund together with all other information contained in this Memorandum, including in particular, and not limited to, the risk factors described below. This information does not purport to be exhaustive and the risks described below are not in an order of priority. Additional risks and uncertainties not presently known to the Manager or those that the Manager currently considers to be immaterial may also have an adverse effect on the business or affairs of the Portfolio Companies. Investors should consider carefully whether an investment in the Fund is suitable for them in the light of the information in this Memorandum and their personal circumstances.

The first and considered to be the most important risk is that the Fund will necessarily be investing in very early stage companies. A number of those companies are likely to fail during the life of the Fund or lose a great deal of their inherent value.

The value of the Shares in the Portfolio Companies may go up or down. An Investor in the Fund may not recover the full amount invested. There is neither any active secondary market, nor is there intended to be a market, in the Shares. As such, the Shares will not be readily realisable. It is not intended that any income or capital will be returned to Investors during the initial Three Year Period from the date of issue of the relevant Shares, when the shares in a Portfolio Company are issued. After holding the Shares in the Portfolio Companies for the Three Year Period, it may still be difficult to realise the Shares or to obtain reliable information about their value.

The investment timetable of the Manager may not be achieved, and this may result in the loss of EIS tax reliefs. In some circumstances, a delay could cause certain Investors to lose the opportunity to defer gains that occurred more than 3 years before the Qualifying Investment. No assurances can be given that the Fund will ever be fully invested or that the Fund's investment objectives will be achieved.

The past performance of the Manager is not a guide to the future performance of the Fund. The Portfolio Companies will either not have a trading history or only a limited one.

The performance of the Portfolio Companies may be affected by factors beyond their or the Manager's control including but not limited to adverse conditions and changes in Government policy.

There are circumstances in which an Investor could cease to qualify for the taxation advantages offered by the EIS. If the Portfolio Companies cease to carry on a Qualifying Trade during the Three Year Period, this would prejudice their qualifying status under the EIS. Further, if the funds made available to the Portfolio Companies are not used within 24 months, the Portfolio Companies would be in breach of these rules and tax reliefs would be withdrawn. The situation will be closely monitored with a view to preserving each Portfolio Company's EIS status, but this cannot be guaranteed.

A failure of the Portfolio Companies to meet the qualifying requirements for the EIS could result in:

- Investors being required to repay the 30% income tax relief received, depending on whether relief has been claimed under EIS schemes on the Subscription and interest on the same;
- a liability to capital gains tax on a disposal of Shares;
- any gain covered by CGT deferral relief becoming crystallised.

The Manager will, at its discretion, seek provisional approval from HMRC that the Portfolio Companies in which it plans to authorise an investment should qualify under the EIS rules prior to the investment being made. However, there can be no guarantee that the EIS tax reliefs will be available. If EIS tax reliefs are not available, subscription monies will not be returned to Investors.

A sale of Shares in the Portfolio Companies within the Three Year Period will result in income tax relief being withdrawn and a liability to CGT on disposal.

Investors are advised to take appropriate independent professional advice on the tax aspects of their investment as it is possible for Investors to lose their EIS tax reliefs and/or CGT reinvestment relief and/or IHT Relief by taking or not taking certain steps.

The information in this Memorandum is based upon current taxation and other legislation and HMRC practice, and any changes in the legislation or HMRC practice may affect the value of an investment in the Fund. In particular, those Investors who choose to defer a gain may face a higher CGT liability when the deferred gain comes back to charge following an exit from the Fund. The value of the tax reliefs will depend on the individual circumstances of Investors and may be subject to change in future. In addition, the availability of tax relief depends on the Portfolio Companies maintaining their qualifying status.

If the minimum subscription is not reached by the Initial or Final Closing Date, the relevant closing date may be extended at the discretion of the Manager or the Fund will not proceed and Investors' monies returned without interest.

Although investors are dealt with in common by the Manager of the Fund, they will not all be treated on an identical basis. In particular, because of the structure of the Fund, each investor may not hold shares in each company in which the Fund invests, and shares in any given company may represent different proportions of different investors' portfolios.

Specific Industry Risks relating to the Initial Target Company

There may be competing technologies which may be the subject of patent applications by others, although the Initial Company is not aware of any at present. Bowater may not have the resources to defend its intellectual property if a larger or better resourced company infringes on it.

BIL is reliant on a number of overseas suppliers to source raw materials. These suppliers are subject to different geographical and political risks which may affect their ability to complete these contracts. Bowater is also reliant on generating business overseas where lack of local acceptance, varying legal standards and difficulties meeting local customers' needs provide additional risks.

The holographic market is substantial and it is possible that a larger and better funded competitor may seek to attack the Company's market position.

Other specific risks relating to the Initial Target Company

Although Bowater's management is experienced, BIL has a limited trading history in this market upon which an evaluation of the Target Company and its prospects can be based. The business must also be considered in light of the risks, expenses and problems often encountered by companies at an early stage of development.

Failure to win sales contracts and/or slower demand for the Initial Target Company's products may result in revenues growing more slowly than anticipated. At this stage Bowater cannot be certain that it will penetrate the market to the extent that it has anticipated.

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Taxation

Enterprise Investment Scheme (EIS) Tax Reliefs

Tax treatment depends on the individual circumstances of each Investor and may be subject to change in the future.

Tax Relief for Investors

Each Portfolio Company will undertake to operate within the restrictions laid down by the EIS legislation so that the EIS taxation reliefs should be potentially available to subscribers.

Each Portfolio Company will submit an application for provisional approval to HM Revenue & Customs that its activities will qualify under EIS legislation. There is no guarantee that formal clearance will be achieved for the Portfolio Company or that it will not be subsequently withdrawn. To obtain the tax reliefs described below it is necessary to subscribe in cash for fully paid up ordinary shares (except for those shares which are bonus shares) in a qualifying Portfolio Company and claim the relief. Please note that the value of any relief depends on your individual circumstances.

The summary below is based on current law and only gives a brief outline of how the tax reliefs are given. It does not set out all the rules which must be met by the Investor and the Portfolio Company. The summary is intended only as a general guide and is not a substitute for the Investor obtaining professional tax advice before applying for shares. EIS relief as it currently stands has four elements:

1 EIS Income Tax Relief

Investors may obtain income tax relief in the tax year in which the shares are issued on the amount (or aggregate amount) of shares subscribed for, subject to a maximum investment of £1,000,000 (for the tax year 2015/16 and 2016/2017) for all EIS investment in one or more qualifying companies. Investors cannot obtain the tax relief if they are 'connected' with the issuing company. Relief may not be available if an Investor has or takes out a loan which is linked to the investment. The rate of EIS income tax relief is 30% for the year ended 5th April 2017. Husbands, wives and civil partners can each receive EIS relief on subscriptions as detailed above.

The relief is given against (but cannot exceed) the Investor's individual income tax liability for the tax year in which the shares are issued. It is also possible to carry back an EIS subscription to the preceding tax year providing the limit for relief was not exceeded in that earlier year.

2 Exemption from CGT

Any capital gains on disposal of shares in an EIS qualifying company realised more than three years after the date of issue of the shares or the date the Portfolio Company started trading (if later) on which EIS income tax relief has been given and not withdrawn, are tax free.

3 Loss Relief against Income or Gains

Tax relief is available where there is a loss on a disposal at any time of shares on which EIS income tax relief (see 1 above) or CGT re-investment relief (see 4 below) has been given and not withdrawn, provided the relevant requirements of the legislation are satisfied.

The amount of the loss (after deducting any amount of any income tax relief which remains attributable to the shares sold) can be set against the individual's gains or taxable income in the tax year in which the disposal occurs, any excess can be carried forward as a capital loss to be set off against future capital gains. Alternatively, on making a claim, the loss net of income tax relief may be set off against the Investor's taxable income in either the tax year in which the disposal occurs or the previous tax year.

4 CGT Re-investment Relief

EIS re-investment relief is a deferral relief which allows the investor to defer the capital gain to a later date. Although income tax relief must also have been claimed there is no ceiling to the amount of the gain which can be deferred. For qualifying EIS investments in 2016/17 the relief can be used to defer the gain on disposal of any asset in the 36 months before or 12 months after the Qualifying Investment is made.

The Investor must be UK resident or ordinarily resident for tax purposes both at the time of the original gain and at the time the shares are issued, and generally must not become non resident for three years after reinvestment or the date the trade commenced, if later..

5 Inheritance Tax and Business Property Relief

An investment in an EIS Qualifying Company will usually qualify for business property relief. Provided a shareholder has owned the EIS shares for at least two years at the time of death (and the EIS Qualifying Company is also a qualifying unquoted trading company), 100% business property relief from inheritance tax is available under current legislation. There is no upper limit on the amount of inheritance tax relief that can be claimed in this way.

6 Trusts

Reliefs are available to UK resident Investors as trustees of discretionary trusts or life interest trusts.

Apart from being attractive to individual investors who are UK resident for tax purposes, investing in EIS funds offers beneficial tax planning opportunities to trustees of certain trusts.

Qualifying Company requirements

To qualify for EIS relief, the Portfolio Company must not be listed on a recognised stock exchange and there must be no "arrangements" in place for it to become so listed. A Portfolio Company may be listed on the Alternative Investment Market and still qualify for EIS relief.

In addition, throughout the relevant period (the period from the issue of the shares in the Portfolio Company to the date three years from the date of issue of the shares or from the commencement of trade, if later), the Portfolio Company must not be a 51% subsidiary of, or be controlled by, another company, and there must be no "arrangements" in existence for the Portfolio Company to become a subsidiary of or be controlled by, another company. If, for genuine commercial reasons, a holding company needs to be inserted above the EIS Portfolio Company, this should not result in the Portfolio Company losing its EIS status provided certain conditions are met. The Portfolio Company must either exist to carry on a qualifying trade or else be the parent company of a trading group. A trading group is a group in which directly or indirectly more than 50% of the shares of each subsidiary are held by another member of the group, but any subsidiary employing any of the money raised by the issue must be a qualifying 90% subsidiary. Non-qualifying business activities (broadly, investment activities and non-qualifying trades) must not comprise a substantial part of the business of the group as a whole. The qualifying business activity for which the money is raised by the share subscription must be a trade carried on by the Portfolio Company or a 90% subsidiary of the Portfolio Company, the Portfolio Company must have a permanent establishment in the UK and the trade must be conducted on a commercial basis with a view to the realisation of profits. To qualify as an EIS Company, the value of the gross assets of the Portfolio Company and any subsidiaries must not exceed £15,000,000 immediately before the issue of the shares or £16,000,000 after.

For shares to be eligible for EIS relief the issuing company must not have raised more than £5,000,000 through EIS, Seed Enterprise Investment Scheme and Venture Capital Trust shares in the previous 12 months. As an EIS Company, the Portfolio Company must have fewer than 250 full time employees (or part time equivalent) most types of trades are qualifying trades but certain activities, including dealing in land and property development, are excluded.

Further, the Portfolio Company must be less than 7 years old, unless other provisions which extend the time for a follow-on qualifying EIS investment apply, in which case the age of the Company may be increased. These provisions will apply on a case by case basis to each prospective Portfolio Company.

Subject to the above, please note that the taxation levels, bases and reliefs described in this document are based on existing law and what is understood to be current HM Revenue & Customs practice, but these may be subject to change.

An application will be submitted to HM Revenue & Customs for approval that each proposed Portfolio Company and its activities will qualify under the EIS, based on information disclosed

Following the issue of EIS Shares by a Qualifying Company, and after a Portfolio Company has spent at least 70% of the funds raised from the issue on the Portfolio Company's business, or has traded for four months, if earlier, the Portfolio Company can apply to HM Revenue & Customs for authorisation to issue a compliance certificate to Investors. Although the time taken by HM Revenue & Customs to grant authorisation cannot be controlled by the Portfolio Company, every effort will be made by the Manager to expedite matters and, as soon as authorisation is given compliance certificates will be distributed to Investors. Investors should then submit the certificate to the Inspector of Taxes dealing with their own affairs if they wish to claim their relief.

Where the Investor wishes to make a claim to carry back an EIS subscription to the preceding tax year (as referred to above), it would be necessary to make a separate claim using the compliance certificate. This would amend the tax return for that earlier year.

Dividends:

Any dividends paid by Qualifying Companies are taxable.

Please note that this part is only a condensed summary of the taxation legislation and should not be construed as constituting advice, which a potential Investor should obtain from his or her own investment or taxation adviser before applying under the Offer.

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Day-to-Day Operation of the Fund

Client Account

Investors' Subscriptions will be held in a client account, operated by the Receiving Agent – Woodside Corporate Services Limited, who will also be the Fund's Custodian – with Metro Bank PLC ("Metro"), or such other bank or building society selected by the Custodian prior to investment in the Portfolio Companies. Any monies returned to the Fund following the realisation of investments in the Portfolio Companies and prior to the distribution of proceeds to Investors will also be held by Metro. Any interest arising through the client account will be paid to the Manager as a contribution towards the costs of establishing the Fund.

All documents of title will be held by the Custodian or by the Nominee.

Subscribers Allocations

Following investment monies being subscribed, the Manager will make available, on written request, details showing the amount contributed by an Investor and the amounts invested and yet to be invested on that Investor's behalf.

The number of shares allocated to each Investor will be rounded down to the nearest whole share number corresponding to the amount invested. Any overpayment due to the rounding down will not be reimbursed by the Manager.

Timing of Investment

The Manager intends to pursue investment opportunities for the Fund on receiving the minimum total subscription amount for the Fund of £350,000 (or such lower amount as the Manager, at its discretion, decides). Subject to satisfactory due diligence the Manager anticipates that Subscriptions will be substantially invested within six months of the close of the Fund. There is, however, no guarantee that this will be achieved. If any amounts are invested after six months, this would delay the timing of tax relief under the EIS. Should an Investor die before their Subscription is fully invested, all un-invested sums subscribed by him or her will be repaid by the Manager upon receipt of notice from the Investor's personal representatives.

Investment in Selected Companies

Following recommendation by the Manager, and having agreed terms and conditions with a Portfolio Company, the Manager on behalf of the Fund will subscribe for new ordinary shares in a Portfolio Company on behalf of Investors.

Share certificates will be issued in the name of the Custodian or the Nominee for each Investor. Any dividends received by the Custodian or the Nominee from the Portfolio Companies will be forwarded to Investors. However, given the nature of the Portfolio Companies, the Manager does not anticipate any dividends being paid to the Fund, within the first two full years of a Portfolio Company's trade, and then only if approved by ordinary resolution at a general meeting of the Portfolio Company.

Investment and Fund Documentation; Communication

The Manager will send each investor half-yearly reports with respect to periods ending April 30 or October 31 each year, or some other bi-annual frequency which the Manager may elect to adopt. The report will contain, inter alia, a commentary on the progress of the Portfolio Companies. The first such report for the Fund will be in respect of the period ending six months from the date of the initial close, whichever is the earlier. Should the Manager determine to make such reports available online, these reports may also be posted on the Manager's website where, subject to data protection considerations and procedures, Investors will be given access to them.

Custodian

By completing the Application Form contained in this Memorandum, prospective Investors will, inter alia, be deemed to have irrevocably agreed to a Custodian being appointed to exercise certain powers and to carry out duties, on behalf of the Investors, which include inter alia, the following:

a) Function

The function of the Custodian will be to hold the investments made on behalf of Investors and to exercise the powers and duties which are conferred upon it by the terms of this Memorandum (including this paragraph).

b) Restrictions on transfer

- i) The Custodian shall not be obliged to recognise the title of any person in whom an interest in Shares in any Qualifying Company shall have become vested unless a properly validated notice or evidence of that person's entitlement shall have been produced to the Custodian.

- ii) The Custodian shall not be obliged to recognise any transfer or assignment of an interest in the Shares to any person unless such person shall have first agreed to enter into a transfer or assignment in a form approved by the Manager which shall incorporate an undertaking that such person will be bound by the terms of this paragraph.

Prospective Investors should note the information regarding the potential loss of EIS tax relief on the transfer of Shares set out under the heading "Right of Withdrawal" in Part Four of this Memorandum.

c) Custodian's obligations and powers

The Custodian will:

- i) hold the Shares on behalf of Investors;
- ii) be authorised to buy, sell, retain, convert, exchange or otherwise deal in the Shares as and when the Manager thinks fit,
- iii) be authorised to, on the instruction of the Manager, exercise voting, pre-emption or similar rights in relation to the Shares in accordance with the Articles of Association of the Portfolio Companies or any agreement entered into in connection with the subscription for the Shares, and to deal with any rights relating to any share issue made or proposed by the Portfolio Companies;
- iv) ensure that any dividends shall be paid to the Investors. In the event that any money in relation to the Shares is received by the Custodian it shall pay such money or money's worth to the Investors subject to any legal obligations on the Custodian to make retentions for payment of tax and/or fees and expenses payable to the Manager; and be entitled to carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as a Custodian.

d) Appointment of a new Custodian

The Manager may at any time accept the resignation of, or remove, a Custodian (and any subsequent custodian) and appoint a new custodian in its place.

e) Investment

The Custodian may place any monies for the time being held by it on deposit with any bank or building society.

f) Indemnity

By completing the Application Form, each Investor indemnifies the Custodian (in proportion to their respective interests in the Portfolio Companies at the date of the claim to indemnify) against any claim made against it arising out of the fulfilment of its duties as Custodian and any costs, charges or expenses incurred by it in contesting the same, save where it is established that the subject matter of the claim was the result of a conscious and deliberate breach by the Custodian as custodian of each of its obligations.

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Other Information

Manager

Amersham Investment Management Ltd
25 Lexington Street
London W1F 9AH

Custodian

Woodside Corporate Services Limited
4th Floor, 50 Mark Lane
London EC3R 7QR

Solicitors

Maclay Murray & Spens LLP
One London Wall
London EC2Y 5AB

Taxation Adviser

Haslers Chartered Accountants
Old Station Road
Loughton Essex IG10 4PL

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Definitions

Unless the context otherwise requires, words and expressions used in this Memorandum shall have the following meanings:

"AMIM"	The Fund Manager, Amersham Investment Management Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority with firm reference number 507460
"Application Form"	the application documentation, available to eligible applicants to obtain from the Manager, to apply to become an Investor in the Fund and so be bound by the Investment Management Agreement.
"CGT"	capital gains tax
"Close"	the closing by the Manager of a round of Subscriptions in the Fund and the release of those Subscriptions for investment in Qualifying Companies as set out in the Information Memorandum or as otherwise determined by the Manager
"Closing Date"	in respect of a Fund means an Interim Closing Date or the Final Closing Date as the context may require
"Custodian"	such person as the Manager may appoint to provide, and with whom it has agreed terms for, safe custody and custodian and nominee services in respect of the Fund being at the date of this Information Memorandum, Woodside Corporate Services Limited which is authorised and regulated by the Financial Conduct Authority with firm reference number 467652
"EIS"	Enterprise Investment Scheme
"FCA"	The Financial Conduct Authority or any successor body or bodies thereto
"FCA Rules"	the FCA Handbook of Rules and Guidance
"Final Closing Date"	the final date upon which the Manager will undertake a Close. The Final Closing Date may be extended or brought forward at the discretion of the Manager
"FSMA"	Financial Services and Markets Act 2000 (as amended)
"Fund"	Amersham Corporate Development Capital EIS Fund ("ACDC")
"Fund Manager", "Manager"	Amersham Investment Management Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority with firm reference number 507460 Manager
"HMRC"	Her Majesty's Revenue & Customs
"IHT"	inheritance tax
"IHT Relief"	100% business property relief which reduces the IHT liability on the transfer to nil
"IHTA 1984"	Inheritance Tax Act 1984
"Information Memorandum" or "Memorandum"	this document dated 2nd December 2016
"Initial Target Company"	Bowater Industries Limited, a private company registered in England & Wales with company registration number 08295146
"Interim Closing Date"	a date on which the Manager will undertake a Close before the Final Closing Date. An Interim Closing Date may be extended or brought forward at the discretion of the Manager
"Investment Management Agreement"	the agreement to be entered into between each Investor and the Manager

"Investor"	an individual (and certain trustees or corporates) who completes an Application Form which is accepted by the Custodian and so enters into the investment management agreement and invests into the Fund
"ITA 2007"	Income Tax Act 2007
"Non-Readily Realisable Investment" or "Non-Readily Realisable Security"	an investment in non-readily realisable securities, in which the market is limited or could become so; they can be difficult to deal in and it can be difficult to assess what would be a proper market price for them
"Nominee"	such nominee as the Custodian may appoint to act as the Investor's nominee in respect of investments held in the Portfolio Companies from time to time
"Offer"	the offer for Subscriptions in the Fund set out in this Information Memorandum
"Portfolio Company"	a company in which the Fund invests
"Qualifying Company"	a company meeting the requirements for EIS relief
"Qualifying Trade"	a trade which qualifies for EIS tax relief
"Readily Realisable Investment"	a government or public security denominated in the currency of the country of its issuer or any other security which is admitted to Official Listing on an Exchange in an EEA State; regularly traded on or under the rules of such an Exchange; or 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 a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded. Note that this term does not include AIM, ISDX (formerly PLUS and OFEX), or Sharemark trades investments, nor does it include unlisted securities
"Receiving Agent"	such person as the Manager may appoint to receive applications, at the date of this Information Memorandum Woodside Corporate Services Limited which is authorised and regulated by the Financial Conduct Authority with firm reference number 467652.
"Registered Intermediary"	an Independent Financial Adviser or other suitably qualified professional, regulated by the FCA for the conduct of business, who is responsible for advising an Investor
"SEIS"	Seed Enterprise Investment Scheme
"Spouse"	husband or wife or civil partner
"Subscription"	the amount subscribed to the Fund, as set out in the Application Form
"Three Year Period"	the period beginning on the date the relevant shares in the Portfolio Companies are issued and ending three years after that date, or three years after the commencement of each Portfolio Company's trade, whichever is later

Words used in this Memorandum denoting any gender should be read as including all genders, all words denoting persons shall include individuals, trusts and limited companies and all words denoting the single shall include the plural and vice versa.

The logo for Amersham Investment Management features the company name in a dark red, sans-serif font, arranged in three stacked lines: 'AMERSHAM', 'INVESTMENT', and 'MANAGEMENT'. To the left of the text is a vertical green line that is slightly longer than the height of the text.

AMERSHAM
INVESTMENT
MANAGEMENT

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