

## Mainspring's Terms of Business

### ("Mainspring's Terms" or "Terms")

#### 1 DEFINITIONS

Mainspring's Terms shall be interpreted in accordance with the definitions as set out in Schedule 1.

#### 2 APPOINTMENT

2.1 Pursuant to the conditions of Mainspring's Terms and the Agreement, the Manager hereby appoints Mainspring to provide the Services in accordance with the Regulatory Rules and the Standard of Care.

2.2 Mainspring will not provide advice on the merits of or assess the suitability of transactions it carries out as part of providing the Services and this will be the responsibility of the Manager. Mainspring's Services shall not include investment advice or advice on any legal, tax or other financial consequences of any transaction in which Mainspring is involved pursuant to Instructions.

2.3 Mainspring may in its sole discretion offer additional services to the Manager, as agreed between the Manager and Mainspring separately in writing.

2.4 In providing the Services, Mainspring is entitled to take or to refuse to take any action that Mainspring regards as necessary to comply with the FCA Rules or any applicable law.

#### 3 CLIENT CATEGORISATION

3.1 For the purposes of the FCA Rules, Mainspring will treat the Manager as its client and has categorised the Manager as a professional client.

3.2 It is the responsibility of the Manager to request a different categorisation if so required and to report to Mainspring any change to its circumstances that might affect the appropriate categorisation. Any change of categorisation must be agreed in writing by Mainspring.

#### 4 MANAGER OBLIGATIONS

4.1 From the commencement and duration of the Agreement, the Manager will be responsible for:

- a) all contact with Investors, including advising them of necessary action if they wish to make investments. Mainspring will only be able to subscribe for an issue or make a payment on an Investor's behalf on receipt of cleared funds in Mainspring's client account prior to the date of subscription for new shares (or other securities) or payment. Mainspring will inform the Manager as required when such cleared funds have been received;
- b) distributing documents such as valuation statements, contract notes, tax certificates or information (or Instructing Mainspring as relevant);
- c) dealing with any questions from Investors.
- d) ensuring any transfers, mandates or other documents are completed and doing acts required by Mainspring to bring the Securities and/or Cash which are the subject of the Services to be dealt with by Mainspring, the Nominee, or a Sub-Custodian;
- e) providing Mainspring with all such identification information, other information, documentation and records as Mainspring may reasonably require to perform its duties under Mainspring's Terms and comply with applicable law, or shall use reasonable endeavours to procure the same;
- f) notifying Mainspring of the Cash and Securities to be received for the Portfolio;
- g) notifying Mainspring of: (i) such other information concerning the business and financial condition of the Manager; (ii) the receipt by the Manager of any communication from any regulatory authority; and (iii) the commencement of any lawsuit or Proceeding to which the Manager and/or its agents are a party or any other event which significantly affects their business, in each case which is relevant to Mainspring's Terms;

h) all decisions regarding any Securities. Mainspring is neither responsible nor liable to assess, advise, or exercise any judgement in relation to the relative merits, suitability or appropriateness of any market, transaction or Security, nor for their selection, acquisition or disposal;

i) giving prior written notification to Mainspring of all obligations it has appointed an agent to undertake on its behalf; and

j) complying with any notification or other requirement of any jurisdiction relating to or affecting the Investor's beneficial ownership of the Securities.

#### 5 ESTABLISHMENT OF ACCOUNTS

5.1 As Instructed by the Manager, Mainspring is authorised to establish on its books for each Investor's Portfolio, Securities Account(s) and Cash Account(s).

5.2 Mainspring's obligation to open up the Custody Account is conditional upon Mainspring's receipt of an Investor's signed application form and completion of the relevant AML checks per Clause 21.

5.3 The assets of each Portfolio shall be segregated from the assets of other Portfolios, remaining the sole property of the Investor and shall not, other than on the Manager's Instructions, be used to discharge the liabilities or claims against any other Portfolio. Any liability incurred on behalf of or attributable to any Portfolio shall be discharged solely out of the assets of that Portfolio.

5.4 The duties and obligations of Mainspring and its Delegates to hold Securities and Cash shall extend only to Securities and Cash properly delivered to and accepted by them, and under their control.

5.5 The Manager hereby acknowledges and agrees that:

- a) Securities held by Mainspring and its Delegates may be combined with Securities belonging to other clients of Mainspring or Delegates;
- b) the Manager shall not have any rights to the redelivery of the same Securities as originally deposited with Mainspring or Delegates but will instead be entitled to Securities of the same number, class, denomination and issue as those originally deposited;
- c) where Securities and Cash are held in an omnibus accounts together with, cash or registered collectively in the same name as, securities held by Mainspring or Delegates for other clients, the Manager's entitlements may not be separately identifiable, and accordingly in the event of an irreconcilable shortfall, as a result of a bank failure per Clause 8.3 below, any shortfall may be shared pro-rata among all the clients of Mainspring or the Delegate (including the Manager) whose cash and securities are held in such omnibus accounts or registered in such name; and
- d) where Securities and Cash are held in countries outside of the UK, there may be different settlement, legal and regulatory requirements in overseas requiring different practices for the separate identification of client assets and the Manager's rights in relation to such Securities and Cash may differ accordingly.

#### 6 SECURITIES ACCOUNT PROCEDURES

6.1 The Investor shall retain at all times exclusive beneficial ownership of the Securities, and the Securities Account will indicate this and segregate them from Mainspring's assets. Mainspring will identify in its books that the Securities belong to the Portfolio and the amount attributable to the Securities Account.

6.2 Documents evidencing title to Securities will be held in the physical possession of Mainspring, a Nominee or a Sub-Custodian. Mainspring shall segregate or instruct the segregation of such documents from its own or the holder's documents.

6.3 Mainspring will determine whether to accept Securities for custody in the Securities Account. Mainspring is not obligated to credit Securities to the Securities Account before their receipt by final settlement.

6.4 Mainspring shall exercise reasonable care in receiving Securities but does not warrant or guarantee their form, authenticity, value or

validity. Mainspring shall promptly notify the Manager upon becoming aware of any defect in title or forgery of any Security.

- 6.5 If Mainspring has received Instructions that would result in the delivery of Securities exceeding credits to the Securities Account, Mainspring may reject the Instructions or may decide which deliveries it will make (in whole or in part and in the order it selects).
- 6.6 The Manager shall bear the risk and expense associated with investing in Securities denominated in any currency.
- 6.7 Other than as permitted in Mainspring's Terms, the Securities shall not be used to discharge directly or indirectly liabilities or claims against any other undertaking or entity and shall not be available for any such purpose.

## **7 CASH ACCOUNT PROCEDURES**

- 7.1 Mainspring has elected to hold Cash as client money as defined in and in accordance with the FCA Rules and will record the specific interests of the Investor in such account and will only make third party transfers in accordance with the FCA Rules. Any client bank account shall be set up by Mainspring with a relevant banking institution with an acknowledgement of trust document in place which satisfies the requirements in the FCA Rules.
- 7.2 Client bank accounts will be opened as omnibus accounts, and where any distributions or other entitlements or benefits arise or charges and fees are levied by the bank in respect of the Investor's Cash held upon Instruction, they shall be allocated among the Investors and the other customers pro rata in proportion to the amount of such pooled cash held for each such Investor.
- 7.3 Mainspring will provide information to the Manager with respect to such accounts as is required by the FCA's Rules on client money, and the Manager will communicate such information to each Investor and, when necessary, obtain appropriate consents from and give appropriate notifications to each Investor.
- 7.4 Upon the Manager's written request, and provided Mainspring is permitted to do so by the FCA Rules and applicable law, Mainspring may agree to hold Cash with a particular entity outside the UK or with entities of a particular jurisdiction. However, for the purposes of the foregoing, Mainspring shall not be considered to have selected or appointed such entity.
- 7.5 The Manager may instruct Mainspring to allow another person, such as an exchange or broker, to hold or control the Manager's Cash, in order to carry out the Services hereunder, and in such circumstances the Cash may be passed outside the UK.
- 7.6 Mainspring is not obliged to make a credit or debit to the Cash Account before receipt by Mainspring of a corresponding and final payment in cleared funds. Mainspring may at any time reverse all or part of any credit or debit (including any interest thereon) it makes, make an appropriate entry to the Cash Account, and if it reasonably so decides, require repayment of any amount corresponding to any debit.
- 7.7 Mainspring is not obliged to but may make any debit to the Cash Account that might result in or increase a debit balance. If the total amount of debits to the Cash Account in any time would otherwise result in a debit balance or exceed the immediately available funds credited to the Cash Account, Mainspring may decide which debits it will make (in whole or in part and in the order it selects).
- 7.8 Unless otherwise agreed between the Manager and Mainspring in writing, Mainspring will pay interest on Cash held in the Cash Account at a rate of two percent (2%) below the Royal Bank of Scotland interest rate or nil if negative. In the event the bank of the Cash Account is charging negative interest on cash held in the Cash Account, such charge will be a cost of the Cash Account. All interest earned, if any, on Cash held in Cash Accounts will be calculated daily on each Portfolio and will be allocated quarterly during January, April, July and October. If relevant, details of interest rates from time to time will be supplied on request.
- 7.9 The Manager acknowledges that the allocation of cash receipts to the Cash Account may result in fractional entitlements of less than a penny. In such cases, having taken adequate steps to allocate such receipts to the relevant Cash Account on a basis that enables their fair

distribution, Mainspring may in circumstances agreed with the Manager and where consistent with the FCA Rules, cease to treat the fractional entitlements as client money of the Investor.

- 7.10 The Manager shall bear the risk and expense associated with Cash denominated in any currency. Unless Mainspring receives Instructions from the Manager to the contrary, Mainspring shall itself or arrange for another party to convert the amount received into pounds sterling and credit the relevant Custody Account with the conversion proceeds.
- 7.11 The Manager acknowledges and agrees that Cash Account deposits are subject to cross-border risk, and therefore Mainspring will have no obligation to make payment of deposits if prevented from doing so by reason of applicable law or regulation or any Sovereign Risk event affecting the applicable currency of the deposit.
- 7.12 If there has been no movement on a client money balance in a Cash Account of less than £1,000 for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and Mainspring has taken steps to contact the Manager to return the balance, Mainspring will write to the Manager informing them of Mainspring's intention to cease to treat the balance as client money, giving the Manager at least 28 days to notify the relevant Investor so they can claim the balance. Mainspring will make good any valid claim against released balances.

## **8 SOLICITOR CLIENT ACCOUNTS**

- 8.1 Where the Manager instructs Mainspring to transfer any Cash or Securities in an account operated by a solicitor (such as a solicitor's client account), the Manager acknowledges and agrees that Mainspring accepts no liability for such Cash or Securities whilst held by the solicitor.
- 8.2 It is the Manager's responsibility to conduct any due diligence that may be appropriate upon such solicitor.
- 8.3 Mainspring may request sight of this due diligence and may at their sole option, without any responsibility or liability, not carry out an Instruction to transfer until receipt of any satisfactory due diligence information.
- 8.4 Mainspring may only accept using a solicitor's client account arrangement with firms of solicitors who are prepared to indemnify Mainspring in writing in respect of their obligations, attest compliance with Solicitors Regulatory Authority rules and disclose their client account procedures.
- 8.5 Mainspring reserves the right to require a contractually binding liability release letter from the Manager, if Mainspring are instructed to transfer Cash or Securities to any solicitor before effecting any such transfer.

## **9 PERFORMANCE BY MAINSPRING**

- 9.1 Upon receipt of and in accordance with specific Instructions, Mainspring shall:
  - a) make payment for and/or receive any Securities or deliver or dispose of any Securities (except as otherwise specifically provided for in Mainspring's Terms);
  - b) deal with Rights, conversations, options, warrants and other similar interests or any other discretionary right in connection with Securities;
  - c) execute foreign exchange transactions as agreed between the Manager and Mainspring in writing. When Mainspring or its Affiliate is so engaged it may be dealing as principal with the Manager, or acting as agent for the counterparty as well as for the Manager, and Mainspring may be remunerated or make profits from those activities.
  - d) on behalf of the Manager, be responsible for the execution of subscription documentation when instructed by the Manager. Mainspring shall not be responsible for any liability arising out of any such investment nor for any representation or warranty given by Mainspring or its Nominee on behalf of the Manager to such investment pursuant to the provisions of its documentation.

9.2 Absent of a contrary Instruction, Mainspring shall, without further Instructions:

- a) sign affidavits and any certificates or documents relating to Securities which may be required to obtain Securities or Cash, or for disclosure purposes to evidence beneficial ownership to any tax or regulatory authority;
- b) collect, receive, and/or credit the Custody Account with all income, payments and distributions in respect of Securities and any capital arising out of or in connection with them (including those received as a result of a stock dividend, bonus issue, share sub-division or reorganisation, capitalisation of reserves or otherwise) and take any action necessary in connection therewith;
- c) exchange interim or temporary receipts for definitive certificates, and old or overstamped certificates for new certificates;
- d) open Cash and Securities accounts in the name of the Portfolio with other financial institutions provided that such accounts are subject only to drawings, instructions or orders by Mainspring;
- e) endorse for collection, in the name of the Manager, cheques, drafts and other negotiable instruments;
- f) notify the Manager of notices, circulars, reports and announcements from investee companies which Mainspring has received, in the course of acting in the capacity of custodian, concerning Securities held on their behalf requiring discretionary action. Mainspring is not responsible for the form, accuracy content or translation of any material not prepared by Mainspring.
- g) make any payment by debiting the Cash Account or any other designated account of the Manager with Mainspring as required to effect any Instruction;
- h) attend to non-discretionary matters in connection with any Instruction;
- i) provide reporting on the Securities and Cash positions held at the Manager's Instruction and deliver to the Manager, transaction advices and/or their regular account statements at such intervals as agreed between the Manager and Mainspring;
- j) comply with all necessary reporting obligations which may be applicable to Mainspring as a custodian under the FCA Rules.

9.3 Mainspring may not enter into arrangements for securities financing transactions or otherwise use assets in the Custody Account for its own account or the account of another client (including where held on behalf of a client in an omnibus account maintained by a third party) unless the Manager has given prior written consent and the use is restricted to the terms specified in writing.

## 10 ADVANCED CREDIT

10.1 The Manager agrees that in some cases Mainspring will be effecting delivery or payment of Securities and Cash against an expectation of receipt.

10.2 Mainspring shall be authorised, but not obligated, to automatically credit or debit the Custody Account provisionally on the contractual settlement date with Cash or Securities in connection with any sale, exchange or purchase of Securities. Otherwise, such Cash or Securities shall be credited to the Custody Account on the day they are actually received by Mainspring and reconciled to the Custody Account. In cases where Mainspring credits or debits the Custody Account with Cash or Securities prior to actual receipt and reconciliation, Mainspring may reverse such credit or debit as of the contractual settlement date if and to the extent that any Securities delivered by Mainspring are returned by the recipient, or if the related transaction fails to settle (or fails, due to market change or other reasons, to settle on terms which provide Mainspring full reimbursement of any provisional credit granted) within a period of time judged reasonable by Mainspring under the circumstances.

10.3 Mainspring is authorised, but shall not be obligated, to credit the Custody Account provisionally on the payable date with interest, dividends, distributions, redemptions or other amounts due.

Otherwise, such amounts will be credited to the Custody Account on the date such amounts are actually received by Mainspring and reconciled to the Custody Account. In cases where Mainspring has credited the Custody Account with such amount prior to actual collection and reconciliation, the Manager acknowledges that Mainspring shall be entitled to recover from the Manager any such credit on demand and further agrees that Mainspring may reverse such credit as of the payable date if and to the extent that it does not receive such amounts in the ordinary course of business.

## 11 TAX STATUS/WITHHOLDING TAXES

11.1 The Manager authorises Mainspring to pay or withhold any Taxes payable on assets in the Custody Account .

11.2 The Manager will provide when required by Mainspring, with information and proof as Mainspring reasonably requests as to the Investor's and/or the underlying beneficial owner's tax status or residence and will notify Mainspring promptly of any change in such status or residence. Information and proof may include, as appropriate, executing certificates or affidavits, making representations and warranties, or providing other information or documents in respect of Securities, as Mainspring deems necessary.

11.3 Mainspring will rely entirely on information provided by the Manager with no obligation to make any independent investigation of the same. The Manager will provide Mainspring written confirmation from the Investor that such information and any subsequent updates, are true and correct.

11.4 Unless otherwise agreed between the Manager and Mainspring, the Manager shall be responsible for, and Mainspring shall have no obligations with regard to all tax filings, tax returns and/or reports which may be required to be delivered by the Manager to any relevant authority, governmental or otherwise, for payment of unpaid taxes, levies or duties arising out of or in connection with the assets of the Custody Account, including, but not limited to, trades undertaken or settled pursuant to Mainspring's Terms.

## 12 OVERSEAS-REGISTERED SHARES

Mainspring's Terms apply to Services to be provided in respect of Sterling denominated investments. Mainspring reserves the right to charge the Manager additional Fees for investments denominated in any currency other than Sterling.

## 13 USE OF DELEGATES AND THIRD PARTIES

13.1 In accordance with the Standard of Care and subject to the Manager's Instructions, Mainspring and its Affiliates are authorised to appoint Delegates to perform any of the Services and will maintain appropriate supervision and make appropriate enquiries to confirm that such Delegates obligations are competently discharged (unless Instructed by the Manager to select and use a specific Delegate in which case Mainspring shall have no such supervision responsibility).

13.2 In accordance with the Standard of Care, Mainspring and its Delegates and Affiliates may use Third Parties to perform any Services that may be necessary or desirable to assist or enable their performance of the Services under Mainspring's Terms. If Instructed by the Manager to select and use a specific Third Party Mainspring shall have no responsibility for its selection, use and continued appointment.

13.3 Securities deposited with Clearance Systems hereunder will be subject to its laws, rules, statements of principle and practices. Mainspring may deposit or procure the deposit of Securities with any Clearance System as required by law, regulation or best market practice.

13.4 Subject to the Manager's Instructions, Mainspring will only deposit Cash and Securities held on behalf of the Manager with a Sub-Custodian in a third country, which regulates the holding and safekeeping of Cash and Securities except as otherwise permitted under the FCA Rules. Any appointed Sub-Custodian will comply with such FCA Rules in the event it delegates any of its functions concerning the holding and safekeeping of the Cash and Securities to another third party.

13.5 Mainspring will seek to ensure that the Manager's Cash and Securities deposited with a Sub-Custodian will be identifiable separately from the applicable assets of Mainspring and the Sub-Custodian.

- 13.6 The Manager confirms that if permitted by applicable law and where the Manager instructs Mainspring to appoint a specific Sub-Custodian, the Manager's Cash and Securities may be held in an omnibus account of a Sub-Custodian of which may not be separately identifiable to other assets held. Such Cash and Securities may be subject to non-UK laws and so the Manager's rights may differ accordingly.
- 14 CORPORATE ACTIONS AND PROXIES**
- 14.1 Mainspring will not be responsible for taking up Rights other than as instructed by the Manager.
- 14.2 Save where restrictions may be imposed by applicable law, local market regulations or the issuer of the relevant Securities, Mainspring will make all reasonable efforts to:
- notify the Manager of any Rights which are exercisable by the legal owner of Securities, as soon as reasonably practicable after Mainspring has received notice of the existence of such Rights from the issuer of such Securities, and specify a deadline by which Instructions must be received by Mainspring from the Manager in relation to the exercise of the relevant Rights; and
  - following receipt by Mainspring of Instructions from the Manager prior to the relevant deadline, procure the exercise of the relevant Rights in accordance with such Instructions. In the absence of specific Instructions from the Manager, Mainspring will take no action in relation to the relevant Rights.
- 14.3 If in relation to any Rights in the reasonable opinion of Mainspring:
- there is insufficient time to enable Mainspring prior to any relevant deadline to notify the Manager of the existence of such Rights, or to receive Instructions from the Manager, or to procure the exercise of the Rights in accordance with the Instructions received; or
  - there is insufficient Cash in the Cash Account to fund the exercise of Rights in accordance with the Instructions received,
  - Mainspring is entitled to take no further action in relation to such Rights and shall have no liability for such Rights not being exercised.
- 14.4 The Manager acknowledges that in certain circumstances, it may be prohibited or restricted from exercising the Manager's Rights in respect of the Securities, including without limitation:
- where the Securities are out on loan;
  - where the Securities are out for registration; or
  - in circumstances where restrictions are imposed by law, local market regulations, or the issuer.
- 14.5 In the event the Manager instructs Mainspring to sell any Rights attaching to Securities, Mainspring's responsibility shall be limited to transmitting the Manager's order to the relevant broker for execution.
- 14.6 Mainspring shall not be required to make payment in respect of any Rights or otherwise except out of assets held by Mainspring in the Custody Account.
- 14.7 If any fractional entitlement arises in relation to any investment held in the Custody Account, Mainspring shall sell such fraction unless otherwise directed by an Authorised Person. Where any distributions or other entitlements or benefits arise in respect of Securities which are held by Mainspring for the Manager in an omnibus account together with securities held by Mainspring for its other customers, such distributions, entitlements or benefits shall be allocated among the Manager and the other customers pro rata in proportion to the amount of such pooled securities which are held for each such customer and the Manager.
- 14.8 The Manager, by itself or its duly appointed agent, shall execute such representations, disclaimers or warranties as Mainspring, any Delegate, or issuer may require, or which may otherwise be required pursuant to any law, regulation or local market requirement in connection with any matter relating to any Right or voting rights in respect of the Securities of the Custody Account.
- 15 INSTRUCTIONS**
- 15.1 If contacted by an Investor, Mainspring will seek Instructions from the Manager. If the Manager fails to respond within a reasonable period of time, Mainspring will comply with the Investor's reasonable instructions if they relate to a quoted security or cash transfer transaction. If this causes Mainspring to incur any Losses, the Manager will indemnify Mainspring and keep Mainspring indemnified against any such Losses.
- 15.2 The Manager's Authorised Persons may give Instructions to Mainspring directing Mainspring to take, or refrain from taking, particular actions under Mainspring's Terms. The Manager shall ensure it and Mainspring's adherence to the FCA Rules remains enabled throughout performance of such Instruction.
- 15.3 The Manager may provide Mainspring with instructions in writing (to include email or a documentation of the Manager's instructions issued at meetings). Where the Manager provides instructions at a meeting, the conversations may be recorded by Mainspring using written minutes or notes.
- 15.4 Any direction given to Mainspring seeking to amend or vary Mainspring's Terms shall not be deemed to be an Instruction.
- 15.5 The Manager may notify Mainspring in writing of any changes to the Authorised Persons and shall provide any evidence Mainspring may require of such authority. Until Mainspring receives written notice to the contrary, it is entitled to assume that any of the Authorised Persons have full and unrestricted power to give Instructions on the Manager's behalf. The Manager covenants promptly to notify Mainspring of any alteration to the identity of Authorised Persons.
- 15.6 Mainspring shall rely and act upon any Instruction or the relevant part thereof, from any person reasonably believed by Mainspring to be an Authorised Person without further enquiry in relation to such person's genuineness, authority or identity.
- 15.7 If Mainspring believes an Instruction to be ambiguous or that necessary actions may not be practicable or could result in a breach of FCA Rules and/or any applicable law or Mainspring's Terms, Mainspring may choose not to act and will promptly notify the Manager.
- 16 CONFLICTS OF INTEREST AND EXCLUSIVITY**
- 16.1 None of the Services of Mainspring are to be provided on an exclusive basis to the Manager.
- 16.2 A copy of Mainspring's Conflicts of Interest Policy is available from Mainspring at the following link <https://www.mainspringfs.com/important-information/policies/conflict-of-interest/> Mainspring shall disclose to the Manager any conflicts that Mainspring is not able to manage effectively as soon as reasonably practicable.
- 17 NO IMPLIED DUTIES**
- 17.1 The relationship under Mainspring's Terms is between Mainspring and the Manager. There is no contractual relationship between Mainspring and the Investors.
- 17.2 The relationship between the Manager and Mainspring is as described herein. Nothing shall:
- oblige Mainspring or any Affiliate to accept responsibilities more extensive than those contained in Mainspring's Terms;
  - oblige Mainspring to make any investment review, to consider the propriety or holding or selling of any Securities in the Securities Account or to proffer any advice; or
  - give rise to any fiduciary or equitable duties which would prevent or hinder Mainspring or any Affiliate from performing Services or any other client agreement, or effecting the settlement of transactions with or for the Manager.
- 17.3 Mainspring is not acting as an investment manager, nor as an investment, legal or tax adviser to the Manager, and Mainspring's duty is solely to provide the Services in accordance with Mainspring's Terms.
- 18 RECORDS AND ACCESS**
- 18.1 Mainspring will in accordance with applicable requirements, laws or rules or of any regulatory or fiscal body, perform a reconciliation check of and keep books, records and statements of the Custody Account to

give a complete record of all the Cash, Securities and documents held and transactions carried out by Mainspring on behalf of the Portfolios.

18.2 On written agreement between the Manager and Mainspring, Mainspring and if applicable, it's Affiliate or Delegate will allow the Manager and its independent accountants, auditors or regulators reasonable access to the books, records and statements of Mainspring relating to the Services as is required by the Manager to examine books, records and statements pertaining to the affairs of the Manager.

## 19 STATEMENTS AND VALUATIONS

19.1 For purposes of Portfolio valuation statements and individual investment reports, the Manager will be responsible for valuing Investors' non-readily realisable securities in accordance with prevailing guidance issued by the British Venture Capital Association (or other similar bodies), or sourcing such valuation information and providing it to Mainspring, along with any other information Mainspring may require to compile the portfolio valuation statements. Mainspring will rely on any such valuation without responsibility to review it.

19.2 Valuation for Readily Realisable Investments will be determined by Mainspring using information received from reputable published sources and/or Mainspring's reasonable judgement.

19.3 In the event that either the valuation of particular Securities should be zero, and that there is no reasonable expectation that the Manager is going to receive any financial return from such Securities, the Manager may, after having given notice to the Investor and Mainspring and where the relevant Securities are not to be sold or will be liquidated, dissolved or wound-up with any relevant proceeds being credited to the Custody Account, instruct Mainspring in writing to remove the Securities from the Securities Account, register the Securities in the Investor's name and deliver any documents of title to the Manager. Such Securities will cease to form part of the relevant Portfolio.

## 20 REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

20.1 Mainspring hereby represents, warrants and agrees from the Effective Date and on an on-going basis as and when any Services are used or provided that:

- a) it is authorised and regulated by the FCA to provide the Services and shall remain so at all times;
- b) it is duly organised and validly existing under the laws of its jurisdiction of incorporation and every jurisdiction where so required; and
- c) it has all necessary power, authority and authorisations to perform its Services and such performance will not violate or breach any Regulatory Rules, or other applicable law, regulation, contract, constitutive powers or other requirement.

20.2 The Manager hereby represents, warrants and agrees from the Effective Date and on an on-going basis that:

- a) it is authorised and regulated by the FCA and has the appropriate permission and authority to appoint Mainspring on behalf of the Investors and shall remain so throughout the term of the Agreement;
- b) it is duly organised and validly existing under the laws of its jurisdiction of incorporation and every jurisdiction where so required as the appointed representative for each Investor pertaining to Mainspring's Terms;
- c) it has all necessary power, authority, authorisations and third party consents to perform under Mainspring's Terms without reliance on any oral or written representation made by Mainspring (other than those contained herein);
- d) made full disclosure to Mainspring prior to the Effective Date of all facts in relation to it and its business affairs in connection with the Services, as are material and ought properly to be made known to any person entering into the Agreement;
- e) the Investors are the sole beneficial owner of all assets in the Portfolio;

f) it has authority to deposit the Portfolio in the Custody Account, that the Securities have not been lent to a third party, and there is no mortgage, lien, charge, claim, pledge, right of set-off, encumbrance or any security interest in favour of a third party that adversely affects any delivery of Securities or payment of Cash made in accordance with Mainspring's Terms; and

g) it will not, nor will any Investor, transfer or charge, or purport to transfer or charge, its interests in any of the assets in the Custody Accounts to a third party.

20.3 The Agreement and these Terms constitutes a legally binding obligation that is validly enforceable without violation or breach of any Regulatory Rules, applicable law, regulation or contract. The Manager covenants to ratify or ensure the Investors ratify, all acts carried out by Mainspring, its Affiliates and Delegates performed in accordance with Mainspring's Terms.

20.4 Save as expressly provided herein, no other representation or warranty, expressed or implied, is made by either Party. Each Party shall promptly notify the other Party if any representation ceases to be true, accurate or complete in any material respect.

## 21 AML

21.1 Mainspring will open up the Custody Account in relation to those Investors where the necessary AML checks have been carried out.

21.2 Once the Custody Account has been established, Mainspring will only hold Securities and Cash received from Investors with "pending" status until,

- a) where the Manager has undertaken AML checks on the Investors, Mainspring has received from the Manager an AML Confirmation, or
- b) where the Manager has agreed to rely on AML provided by a Third Party and such Third Party has agreed that Mainspring may rely on their performance of such CDD (further to clause 21.3(b)), until it is receipt of an AML Confirmation from the Third Party, or
- c) where Mainspring has agreed to undertake AML on the Investor and confirm to the Manager, when the AML has been completed and signed off by Mainspring as shown on the Daily Update Status.

21.3 The Manager represents and warrants that:

- a) where it is carrying out the AML checks on the Investors, it has carried out CDD") in respect of each Investor in accordance with the Money Laundering Regulations and consents to Mainspring relying on it to identify each Investor;
- b) in cases when the Manager relies on a third party to perform CDD, the Manager shall ensure that the third-party consents to Mainspring relying on their performance of such CDD; and
- c) it shall notify Mainspring of any changes to the Manager or the Investor's circumstances which may result in a change in status which may affect the ongoing AML monitoring to be carried out by Mainspring.

21.4 The Manager acknowledges that:

- a) Mainspring may request information in order to carry out AML, CDD and Know Your Client ("KYC") checks or to meet its internal policies and/or applicable Money Laundering Regulations and the Manager agrees to promptly provide access to any information requested for such purposes; and
- b) where it is carrying out AML checks on the Investors, Mainspring is still responsible for monitoring the AML checks carried out by the Manager and the Manager agrees to provide access to any information requested by Mainspring for these purposes.

21.5 Mainspring reserves the right to request additional information from the Investor and to cease to perform the Services until satisfactory additional information is provided.

21.6 Mainspring may agree with the Manager to carry out administrative support including but not limited to reviewing and running any additional checks of the CDD documentation. Such support is undertaken on the understanding that this is part of the provision of

the Services and is carried out only in relation to the Services provided to each Investor. Notwithstanding the administrative support provided by Mainspring, the Manager will always remain ultimately responsible for signing off on the CDD.

21.7 Where the Manager requests certain information to be provided in relation to Mainspring or the Nominee in order to assist the Manager in completing AML checks, Mainspring is only required to provide commercially reasonable information.

## **22 FEES, EXPENSES AND COMMISSIONS**

22.1 Fees payable to Mainspring will become due on receipt of either the first Investor application form, or the first Portfolio into the Custody Account. Fees exclude value added tax, which (subject to applicable law and to change in the VAT liability created by a change in applicable law), which shall be borne by the Manager and shall accrue on a pro rata basis from receipt of each Portfolio into the Custody Account. Fees shall cease to be payable on the earlier of the removal of an Investor's Portfolio from the Custody Account or the date of Agreement's termination, unless so specified in the Agreement.

22.2 Mainspring may debit from the Custody Account any amounts due to Mainspring under the Agreement or any other agreement between Mainspring and the Manager, that are not paid by the Manager in a timely manner as per the Agreement and Mainspring's Terms.

22.3 The Manager shall be responsible for any sums which may become payable on any of the assets of the Portfolio or any taxes or similar liabilities levied or arising on or in respect of them.

22.4 The Manager shall pay or reimburse Mainspring in respect of:

- a) all reasonable out-of-pocket expenses incurred in the performance of its Services;
- b) subject to the Manager's Instructions, fees and customary agents' charges paid by Mainspring to any Sub-Custodian, charged at normal commercial rates together with any value added tax; and
- c) all expenses reimbursed by Mainspring to Delegates and Third Parties which were otherwise payable to Mainspring along with their respective fees.

22.5 The Manager will send Mainspring a statement of the brokerage commission or other fee due to the Manager, containing a breakdown of the payments due to the Manager from each Portfolio and when it shall be paid. Subject to there being sufficient Cash in the relevant Cash Account, upon Instruction, Mainspring will transfer to the Manager sums due in respect of that Portfolio as set out in the Agreement.

22.6 The Manager will be responsible for calculating any fees or other payments (e.g. carried interest) payable by each Portfolio under any separate agreement between the Manager and the Investor, and the Manager may instruct Mainspring to make payments to the Manager from any Cash held in the relevant Custody Account by Mainspring. Mainspring will act and rely absolutely on such Instruction with no obligation to confirm the Manager's calculations. If the Manager requests that Mainspring prepare calculations, it remains the Manager's responsibility to ensure for its own purposes that such calculations or workings are correct.

22.7 The Manager will indemnify Mainspring and keep Mainspring indemnified against any Losses incurred by Mainspring as a result of any dispute with Investors about any transfer Mainspring makes to the Manager regarding commissions (or other payments) made on the Manager's Instructions.

22.8 Mainspring will provide the Manager with reporting, no less than on an annual basis with necessary information relating to costs or related charges in accordance with the FCA Rules.

## **23 LIMITATION OF LIABILITY**

23.1 Mainspring shall be liable to the Manager for any Losses incurred by the Manager only to the extent that such Losses arise under the law of

contract and are the direct result of any act or omission taken or omitted by Mainspring or its Affiliates during the term of the Agreement, and under, Mainspring's Terms which constitutes negligence, wilful default or fraud of Mainspring, its Affiliates or Delegates or their directors, officers or employees in providing any of the Services under the Agreement and Mainspring's Terms.

23.2 Mainspring shall not otherwise be liable for any other Losses suffered by the Manager including without limitation Losses arising from:

- a) acts, omissions, negligence, wilful default, fraud of any other person;
- b) the insolvency of any other person;
- c) Mainspring carrying out or relying on any Instructions and/or on any information provided or made available to Mainspring by the Manager, any agent of the Manager or any person appointed by Mainspring, and/or Delegates, under Clause 13;
- d) The Manager failing to forward relevant information to Investors, or failing to do so in a timely manner in a way that impacts the provision of Services;
- e) delays or inability to effect re-registration of Securities;
- f) any delays due to market conditions or changes in market conditions;
- g) any delayed receipt, non-receipt, loss or corruption of any information contained in email or for any breach of confidentiality resulting from email communication;
- h) any representation made by the Manager being untrue and/or breach of warranty by the Manager;
- i) a situation in which the Manager could have mitigated to reduce or avoid such Losses; or
- j) Mainspring's compliance with applicable laws, Regulatory Rules and the rules, operating procedures and practices of any relevant stock exchange, Clearance System or market, in any country in which Securities and Cash are held.

23.3 Where in the Agreement Mainspring has an obligation which relies on a Manager Input, then if Mainspring does not receive that Manager Input in a timely or complete manner, Mainspring shall follow up with the Manager or the Manager Third Party and request the required Manager Input and if Mainspring still has not received the required Manager Input to allow Mainspring to achieve the outcome required in the Agreement, then Mainspring shall be excused from its failure to achieve the required outcome in the Agreement.

23.4 Mainspring shall not be liable in any circumstances for any Losses that constitute indirect, special or consequential loss, punitive damages or damage, or loss of profits, information, opportunity, goodwill or reputation in connection with or arising out of Mainspring's Terms, even if Mainspring has been advised of the possibility of such Losses.

23.5 Mainspring shall not be responsible for any Losses incurred after the termination of the Agreement unless and to the extent that the negligence, wilful default or fraud causing such Losses can be evidenced to have occurred prior to the termination of the Agreement.

23.6 Nothing in Mainspring's Terms shall exclude or restrict any duty or liability that Mainspring may have to the Manager in respect of the Services under the Regulatory Rules.

23.7 Subject to Clauses 23.1, 23.3 and 23.4 Mainspring's total aggregate liability arising from or in connection with the Agreement and Mainspring's Terms and in relation to anything which Mainspring may have done or not done in connection with the Agreement and Mainspring's Terms (and whether the liability arises because of wilful default, negligence or for any other reason) shall be limited to a sum which is 100% of the total aggregate Fees paid to Mainspring by the Manager for the provision of the Services to the Portfolio hereunder in the 12 month period immediately preceding the month in which the relevant claim arises; or (ii) if less than 12 months have expired since the date of the Agreement, 100% of the total aggregate Fees paid to Mainspring by the Manager for the provision of the Services to the Portfolio hereunder. Nothing in these Terms shall reduce or affect the liability of the Manager to mitigate its loss.

**24 INDEMNITY**

- 24.1 The Manager shall fully indemnify the Indemnified Persons against all Losses paid, suffered, incurred or made against the Indemnified Persons, directly or indirectly arising as a result of:
- the performance by the Indemnified Persons of their duties under Mainspring's Terms;
  - carrying out or relying on any Instructions and any information provided or made available to the Indemnified Persons by the Manager, Manager's Group, Manager Third Party, its auditor or any other agents of the Manager;
  - any party claiming to be entitled to assets which form part of the Portfolio; and
  - any representation made by the Manager being untrue and/or for breach of warranty by the Manager.

24.2 Any indemnity given to the Indemnified Persons under these Terms is in addition to, and without prejudice to, any indemnity allowed to the Indemnified Persons under applicable law.

**25 LITIGATION ASSISTANCE**

25.1 Mainspring shall have no authority or responsibility to take any action with regard to any Litigation. The Manager acknowledges and agrees that it, and any legal adviser of the Manager, shall remain solely responsible for the conduct of such Litigation.

**26 TERMINATION**

26.1 The Agreement and Mainspring's Terms will commence on the Effective Date and remain in full force and effect unless terminated by either the Manager or Mainspring in accordance with this Clause 26. Subject to Clause 26.2, after the initial 12 months from the Effective Date, either the Manager or Mainspring may terminate the Agreement and Mainspring's Terms by giving not less than 6 months' prior written notice (the "**Standard Notice Period Notification**") to the other party.

26.2 If Mainspring is or has been subject to a cyber-attack in its capacity as custodian and administrator and such cyber-attack has or does become a significant concern for you, your introducers and/or advisers, the Manager may in its sole discretion unilaterally terminate Mainspring's Terms and the Agreement by giving no less than 3 months' written notice to Mainspring.

26.3 If at any time a Termination Event with respect to a party occurs, the Manager if the Termination Event applies to Mainspring, or Mainspring if the Termination Event applies to the Manager may by written notice specifying the relevant Termination Event, designate a termination date not earlier than the day such notice is effective.

26.4 Upon termination of the Agreement Mainspring shall:

- be entitled to receive all Fees and expenses accrued up to the date of such termination, including those involved in the termination process; and
- deliver the Securities, Cash, documents evidencing title or ownership and all other documents or assets related to the Agreement or Mainspring's Terms that are in Mainspring's possession and belonging to the Manager (in either hard copy or electronic format).

If by the termination date the Manager has not given delivery Instructions for such return, Mainspring will continue to safekeep such Securities and/or Cash until the Instructions are provided and the Manager shall continue to pay Mainspring all Fees and expenses associated with the Services provision. Mainspring will provide no other services for such Securities and Cash except to collect and hold any cash distributions. Notwithstanding termination of the Agreement or any Instruction, Mainspring may retain sufficient Securities or Cash to close out or complete any transaction that Mainspring will be required to settle on the Manager's behalf.

26.5 Termination of the Agreement shall be without prejudice to the completion of any settlement transactions already initiated by

Mainspring and shall not affect accrued rights or any commitments contractual provision intended to survive termination.

**27 CONFIDENTIALITY**

27.1 Services provided to the Manager by Mainspring includes Confidential Information and may not, in whole or in part, directly or indirectly, be used by the Manager for any purpose outside of Mainspring's Terms, nor be disseminated to, or relied upon by, any other person.

27.2 In providing its Services, neither Mainspring nor any Affiliate shall be obliged to disclose or to take into consideration (or to require the same of any third party) any information:

- of which the disclosure or use might breach any prohibition, duty or confidence to any other person or arising under any Regulatory Rules or is subject to legal privilege;
- an employee, officer, affiliate or agent of Mainspring is aware of, unless it amounts to actual notice;
- relating to any interest Mainspring or any Affiliate has in any investments.

27.3 Either Party may disclose Confidential Information:

- to its Affiliates or Recipients (where the recipient is Mainspring) and members of the Manager Group (where the recipient is the Manager) and their representatives who need access to that Confidential Information to comply with obligations under Mainspring's Terms. Such persons will be made aware of the confidentiality obligations will not do or omit to do anything which would constitute a breach of this Clause 27;
- to the extent necessary to refer a dispute for resolution; and
- to the extent required by any court, applicable law, Regulatory Rules or the rules of any listing authority, stock exchange, Clearance System or any competent regulatory authority. Where reasonably practicable and not prohibited by applicable law, the recipient will give advance notice to the discloser and consult with them as to the timing, content, purpose and means of disclosure, seeking to make such disclosure so far as possible, subject to the obligations of this Clause 27.

27.4 Confidential Information shall remain confidential for a period of one year from the termination of the Agreement.

27.5 The Manager and Mainspring agree that damages may not be an adequate remedy for any breach of this Clause 27 and each shall be entitled to seek injunctive or other equitable relief restraining the other from breaching this Clause.

**28 DATA PROTECTION**

The Manager and Mainspring agree that Schedule 4 of the Agreement shall apply to and, in the event of conflict, take precedence over Mainspring's Terms. When providing the Services, Mainspring is a Processor, and the Manager is a Controller (as defined in the Data Protection Laws).

**29 INTELLECTUAL PROPERTY RIGHTS**

Mainspring retains all copyright and other intellectual property rights in (i) everything developed, designed or created by it either before or during the course of carrying out the Services; and (ii) all reports or other materials provided by Mainspring to the Manager in relation to the Services, and, where applicable.

**30 USE OF NAME**

30.1 The Manager may use Mainspring's name and disclose the fact that Mainspring has been appointed to provide the Services. Mainspring may mention that the Manager is a client in marketing materials, including displaying its logos, in any client lists electronic or otherwise. For all other purposes, a Party is required to obtain the other Party's prior written consent.

30.2 For so long as the Agreement is in effect, Mainspring grants the Manager a revocable, non-exclusive, non-transferable, licence to use Mainspring's name and trademark in its offering documentation, registration statements or other filings, forms or reports (to the extent such use is necessary to make any disclosures thereunder not misleading) and in any promotional or sales related materials,

provided they have been approved by Mainspring (in its sole discretion) and subject to the following conditions:

- a) Mainspring is provided with templates of any materials where names or trademarks are used within 10 Business Days ahead of the Manager's initial use;
- b) this permission to use Mainspring's name and service mark will be revoked automatically on termination of the Agreement or should Mainspring (at its sole discretion) notify the Manager that such use of name contravenes any applicable laws. Upon such revocation, the Manager shall forthwith cease to use Mainspring's name and trademark; and
- c) the Manager shall indemnify Indemnified Persons against any Losses paid, suffered, incurred or made against the Indemnified Persons as a result of or in connection with any use or misuse by the Manager of Mainspring's name (and any derivatives thereof) or trademark and such indemnity shall survive termination of the Agreement.

### 31 RECORDINGS

In compliance with Regulatory Rules, the Manager and Mainspring consent to telephonic recordings or electronic readings. The Manager and Mainspring may record conversations and agree that such recordings may be produced as evidence in any Proceedings brought in connection with Mainspring's Terms.

### 32 RECORD KEEPING

Record keeping of the documents agreed between Mainspring and the Manager shall be maintained by Mainspring for at least the duration of the relationship with the Manager. Records and accounts will be maintained by Mainspring for use as an audit trail.

### 33 COMPLAINT

All formal complaints (including MiFID Complaints as defined under the FCA Rules) by the Manager relating to the Services provided by Mainspring should in the first instance be made in writing, free of charge, to the compliance officer of Mainspring. Subsequently, the Manager may have a right to complain directly to the Financial Ombudsman Service. A copy of Mainspring's complaints handling procedures is available from Mainspring at the following link <https://mainspringfs.com/policies/complaints>, and will otherwise be provided in accordance with the FCA Rules. Any proposed solution shall not be deemed a compromise by either Party to the Agreement of its respective rights under these Terms or generally at law.

### 34 COMPENSATION

Mainspring is covered by the Financial Services Compensation Scheme (the "Scheme") in the UK. The Manager may be entitled to compensation from the Scheme up to a maximum of £85,000 per client if Mainspring cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Generally, a professional client will not be eligible for compensation. The amount and scope of the cover offered by the Scheme as well as other entities covered by the Scheme will be made available to the Manager on request or at the Scheme's official website at [www.fscs.org.uk](http://www.fscs.org.uk).

### 35 FORCE MAJEURE

No party will be deemed to be in breach of Mainspring's Terms, nor otherwise liable to the other for any failure or delay in performance of any or all of its obligations under Mainspring's Terms if it is due to a Force Majeure.

### 36 NOTICES

Any notice or other communication shall be in writing, in English and served on a Party at the address, fax number or email address as provided to the other Party. Any notice shall be deemed to have been received if delivered personally, or in the case posted correspondence, 3 Business Days from the date of posting; or in the case of fax or email, at the time of transmission. This Clause does not apply to the service of Proceedings or other documents in any legal action.

### 37 ASSIGNMENT

The Manager may assign, transfer or novate any of its rights or obligations under Mainspring's Terms, with prior written consent of Mainspring. Mainspring may assign, transfer or novate its rights or obligations to one or more of its Affiliates by giving the Manager notice which shall specify a date upon which the assignment shall become effective.

### 38 ENTIRE AGREEMENT, WAIVERS AND REMEDIES

38.1 Mainspring's Terms together with the Agreement constitutes the entire agreement (and supersedes any previous written or oral agreement or undertaking) between the Manager and Mainspring. Neither party has relied or will rely on any statements or representations during the negotiations other than those expressly incorporated herein.

38.2 Neither Party's failure to exercise or delay in exercising a right or remedy provided by Mainspring's Terms or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

38.3 So far as permitted by law and except in the case of fraud, the Manager agrees and acknowledges that its only rights and remedies shall be for breach of Mainspring's Terms, to the exclusion of all other rights and remedies including those in tort or arising under statute.

### 39 NON-SOLICITATION

39.1 Neither the Manager, its affiliates, during the term of the Agreement and for a period of one year following the termination of the Agreement, howsoever caused, shall directly or indirectly approach, solicit or otherwise endeavour to remove any employee from the employ of Mainspring or any of its Affiliates or agents, save with the agreement of Mainspring. This Clause 39.1 shall not prevent the Manager engaging staff as a result of an unsolicited response to an advertisement.

39.2 If the Manager offers any form of work either directly or indirectly to any employee of Mainspring or any Affiliate or agent of Mainspring, which they accept, the Manager shall pay compensation to Mainspring or the Affiliate or agent in accordance with this Clause 39.2. The compensation shall be calculated as the total payable to the employee over the previous six (6) month period, or where six (6) months have not been completed, it shall be calculated on a pro-rata basis as if six (6) months had been completed. In addition, an amount of 20% of salary plus benefits shall be payable immediately by the Manager (as appropriate) to Mainspring, its Affiliate or agent as applicable.

### 40 TUPE

Mainspring and the Manager confirm that they do not consider that the TUPE will apply to transfer the employment of any person from Mainspring to the Manager or Replacement Provider where all or part of the Services cease to be provided by Mainspring for any reason and/or where all or part of the Services continue to be provided by the Manager or a Replacement Provider, or where the scope of the Services changes.

### 41 SEVERABILITY

If any clause or part of Mainspring's Terms is held by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be given no effect and shall be deemed not to be included however where possible, the other provisions of Mainspring's Terms will remain in full force and effect.

### 42 AMENDMENT

Mainspring may amend Mainspring's Terms by providing a written notice to the Manager of such amendment which shall take effect on the date specified in the written notice, not be less than 5 Business Days after the issue of the notice.

### 43 RIGHTS OF THIRD PARTIES

A person who is not a Party to the Agreement (other than a successor in title, permitted assignee, or Indemnified Persons) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of Mainspring's Terms but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

### 44 GOVERNING LAW



The Agreement, Mainspring's Terms and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with their subject matter or formation shall be governed by, and shall be construed in accordance with, the laws of England and Wales. Mainspring and the Manager submit to the exclusive jurisdiction of the courts of England.

#### SCHEDULE 1

##### DEFINITIONS

In Mainspring's Terms, the following words and expressions shall have the following meanings:

**"Affiliate"** means in relation to Mainspring, any entity controlled, directly or indirectly, by Mainspring, any entity that controls, directly or indirectly, Mainspring or an entity directly or indirectly under the common control with Mainspring, which for the avoidance of doubt includes Nominees;

**"Agreement"** means the custody agreement entered into between the Manager and Mainspring which sets out the agreed level of Services and Fees;

**"AML"** means anti-money laundering, financial crime (including but not limited to Fraud, Bribery, Tax Evasion, Market Abuse), and terrorist financing;

**"AML Checks"** means initial AML CDD checks performed by Mainspring via its online AML screening and identity verification platform or through review of IDV documentation;

**"AML Confirmation"** means the relevant AML Confirmation, template (which will be provided separately by Mainspring);

**"Authorised Persons"** means a person whose name, details and signature appears in Schedule 2 of the Agreement, as amended by the Manager from time to time by giving notice to Mainspring, and who is authorised to give Instructions on behalf of the Manager;

**"Business Day"** means a day on which commercial banks are generally open for business (including dealings in foreign exchange and foreign currency deposits) in London;

**"Cash"** means all cash or cash equivalent in any currency received and held by Mainspring under Mainspring's Terms (whether by way of deposit or arising out of or in connection with the Securities) and credited to the Cash Account in accordance with Mainspring's Terms;

**"Cash Account"** means an omnibus cash account opened in the books of Mainspring for each Portfolio recording all Cash received or paid by Mainspring from or on account of such Portfolio;

**"Clearance System"** means Euroclear, Clearstream or any market clearance facility, settlement system, dematerialised book entry system, centralised custodial depository or similar facility, system or depository (including any entity that acts as a system for the central handling of Securities in the country where it is incorporated or organised or that acts as a transitional system for the central holding of Securities) used in connection with transactions relating to Securities and any nominee of the foregoing;

**"Confidential Information"** means all information or material communicated between the Manager and Mainspring, including Mainspring's Terms, provided that Confidential Information shall exclude information or material which at the time of its disclosure is, or which thereafter becomes, (in each case otherwise than as a result of any act or default by the recipient), part of the public domain by publication or otherwise;

**"Conflicts of Interest Policy"** means the policy of Mainspring relating to the identification, management and mitigation of conflicts of interest as required by the FCA Rules and as amended by Mainspring from time to time. For the avoidance of doubt, the Conflicts of Interest Policy does not form part of Mainspring's Terms and is relevant for the provision of custody services only;

**"Controller"** means as defined under GDPR;

**"Custody Account"** means all the Securities Accounts and Cash Accounts of each Investor for which the Services are provided by Mainspring to the Manager, and **"Custody Accounts"** means all Securities Account and Cash Accounts of all Investors;

**"CDD"** means customer due diligence measures as defined under and pursuant to the Money Laundering Regulations;

**"Daily Update"** means, when Mainspring performs AML checks and provides AML confirmation to the Manager, a daily update email in which Mainspring confirms the list of Investor who have passed the AML checks;

**"Data Protection Laws"** means all applicable laws and regulations relating to the processing of Personal Data and privacy including, but not limited, to the DPA, UK GDPR and the PECR (as re-enacted, applied, amended or superseded from time to time, together with any equivalent legislation relating to the protection of personal data following the United Kingdom's exit from the European Union) and all law and regulations implementing or made under them, any amendment or re-enactment of them and, where applicable, the guidance and codes of practice issued by any applicable regulatory bodies or supervisory authorities;

**"Data Protection Policy"** means, together, Mainspring's privacy and data protection notices and policies that may be published in Mainspring's website from time to time, as these may be from time to time amended, supplemented and/or restated;

**"Data Subject"** means as defined under GDPR;

**"Delegate"** means any party that Mainspring has delegated the provision of Services to, which may include Affiliates, Nominees and Sub-Custodians, and any other party as appropriate ;

**"DPA"** means the Data Protection Act 2018;

**"Effective Date"** means the effective date of the Agreement;

**"EU Withdrawal Act"** means the European Union (Withdrawal) Act 2018 as amended, supplemented or replaced from time to time;

**"Fees"** means the fees agreed between the Manager and Mainspring and set out in the Agreement;

**"Force Majeure"** means any event preventing either the Manager, and Mainspring from performing any or all of its obligations under Mainspring's Terms and the Agreement which arises from or is attributable to acts, events, omissions or accidents beyond the reasonable control of the Party so prevented, including, without limitation, nationalisation, expropriation or other governmental actions; any change of law or regulation; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry (including changes in market rules); postal or other strikes, act of terrorism or of God, fire, flood, storm, war, riot, civil commotion, malicious damage; failure or breakdown in communications, computer facilities or software; default of suppliers or sub-contractors; market closures; the failure of any relevant exchange, clearing house, settlement system or broker for any reason to perform its obligations; and any restrictions on convertibility, transferability, requisitions, involuntary transfers of securities;

**"FCA"** means the Financial Conduct Authority of the UK, of 12 Endeavour Square London E20 1JN, its successors or assigns;

**"FCA Rules"** means the rules and guidance contained in the Handbook issued by the FCA;

**"Fund"** means the River Capital EIS AI Fund;

**"GDPR"** means the UK GDPR, as it forms part of the law of the United Kingdom by virtue of section 3 of the EU (Withdrawal) Act 2018, as amended, modified and reinstated from time to time, and any succeeding UK law or regulation which becomes enforceable by law from time to time;

**"IDV"** means identity checks using independent sources such as electronic verification or primary documents including but not limited to, for an individual investor, certified copies ID proof and address proof documents;

**"Indemnified Persons"** means Mainspring, its Affiliates and Delegates and their directors, officers and employees;

**"Insolvency Event"** means the occurrence, in respect of either Party, of any of the following events: (a) it enters into a composition or arrangement or convenes a meeting of its creditors; (b) a receiver, administrative receiver or a liquidator is appointed; (c) an order made

or resolution passed for its administration or winding-up; (d) it ceases or threatens to cease to carry on business or suspends or threatens to suspend payment of any of its debts or is deemed by statutory provision to be unable to pay its debts as and when they fall due; (e) it makes a voluntary arrangement or composition with or for the benefit of its creditors; or (f) it allows, permits or does anything analogous to any of the foregoing events under applicable law;

**“Instruction(s)”** means instructions (including standing instructions) in writing, or in such other form as may be set out in Schedule 2 of the Agreement, in respect of any of the matters referred to in these Terms and **“Instruct(s)”**, **“Instructed”** and **“Instructing”** shall be construed accordingly;

**“Investor”** means, where applicable, the underlying individual investor or investment vehicle whose Cash and Securities are being safeguarded per Mainspring’s Terms;

**“JMLSG”** means the Joint Money Laundering Steering Group;

**“Litigation”** means any claim or potential claim in any insolvency proceedings, class action, securities litigation or other litigation, collective redress or proceedings affecting assets held from time to time within the Portfolio;

**“Loss(es)”** includes, but is not limited to, losses, damages, charges, expenses, claims, actions, liabilities, damages, costs (including legal costs), proceedings and taxes. Losses shall include Losses suffered or incurred in (a) responding to, disputing or defending any claim, action, liability, demand or proceedings as aforesaid; (b) appealing against any judgment, award or decision of any court, tribunal, arbitrator or regulatory or other authority; (c) in connection with any investigation conducted by on or behalf of any authority; and/or (d) establishing its right to be indemnified pursuant to this paragraph; and/or (e) in seeking advice as to any claim, action, liability, demand, proceedings or investigation aforesaid;

**“Manager”** means, where applicable, the client appointing Mainspring to provide the Services per the Agreement which may include (but is not limited to) a discretionary investment manager, an advisor, a general partner, or an alternative investment fund manager;

**“Manager Group”** means any person that is connected to the Manager, including the Manager’s ultimate holding company and any subsidiary of the Manager and/or that ultimate holding company from time to time;

**“Manager Input”** means, without limitation, data, Instructions, confirmations or documentation from the Manager, an Authorised Person of the Manager or a Manager Third Party;

**“Manager Third Party”** means any transfer agent, bank or third party lending agent, any member of the Manager Group, and any supplier or sub-contractor to any such person from time to time selected and duly appointed by the Manager;

**“Money Laundering Regulations”** means the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended from time to time;

**“Nominee”** means a body corporate wholly owned by Mainspring whose business consist solely of acting as a nominee holder of investments or other property;

**“PECR”** means the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as may be amended by the proposed Regulation on Privacy and Electronic Communications);

**“Personal Data”** means as defined under GDPR;

**“Portfolio”** means the portfolio of assets of each Investor, including uninvested cash, designated from time to time by the Manager as subject to the Services of Mainspring pursuant to the Agreement as agreed between the Manager or Mainspring in writing from time to time. The Portfolio includes all Securities and Cash held in a Custody Account. **“Portfolios”** shall mean all Portfolios of all Investors;

**“Proceedings”** means any suit, action or proceedings relating to any dispute arising out of or in connection with Mainspring’s Terms including any dispute relating to any non-contractual obligations arising out of or in connection with Mainspring’s Terms;

**“Processor”** means as defined under GDPR;

**“Readily Realisable Investment”** means either a packaged product (as defined in the FCA Rules), a government or public security denominated in the currency of the country of its issuer, or any other Securities which are admitted to official listing in the UK and in an EEA State or is regularly traded on or under the rules of such an exchange or a designated exchange, or a newly issued security which can be expected to fall into any of the above categories;

**“Recipients”** means any counterparties, Clearance Systems, Delegates, Affiliates, Third Parties, agents, other third parties and service providers used by Mainspring for the purposes of providing Services to the Manager under Mainspring’s Terms;

**“Regulatory Rules”** means all relevant statutes, regulations or regulatory rules contained in the FCA Rules applicable to the Services provided under Mainspring’s Terms by Mainspring;

**“Replacement Provider”** means any alternative service provider appointed by the Manager;

**“Rights”** means rights arising in takeovers, other offers or capital reorganisations, rights issues, subscription options, conversion options, elections, calls and other similar corporate action rights arising in respect of the Securities;

**“Securities”** means any financial asset (other than Cash) from time to time held for the Manager in accordance with these Terms, including without limitation certificates of deposit, shares, notes and in general any instrument evidencing the ownership of securities, Rights to securities or creditor’s or bondholder or indebtedness rights, shares or units in a collective investment scheme, whether in bearer or registered form, whether endorsable or not, and any interest or right which Mainspring considers, in its discretion, to be a security credited to the Securities Account in accordance with these Terms;

**“Securities Account”** means a securities account opened in the books of Mainspring for each Portfolio, recording all Securities received by Mainspring from or on account of such Portfolio;

**“Services”** means the FCA regulated activity of safeguarding and administering investments, including custodial, settlement and other associated services to be provided by or on behalf of Mainspring to the Manager for the Portfolios under these Terms and as set out in the Agreement;

**“Sovereign Risk”** means: (a) nationalisation, expropriation, devaluation, revaluation, confiscation, seizure, cancellation, destruction or similar action by any governmental authority, de facto or de jure; (b) enactment, promulgation, imposition or enforcement by any such governmental authority of currency restrictions, exchange controls, taxes, levies or other charges affecting the property rights of persons who are not residents of the affected jurisdiction; (c) acts of war, terrorism, insurrection or revolution; or (d) any other government or country related act or event beyond Mainspring’s control;

**“Standard of Care”** means, in relation to Mainspring, the standard of care that could reasonably be expected of a professional custodian acting in good faith and with reasonable care and skill;

**“Sub-Custodian”** means a third party institution (which may include Affiliates) appointed by Mainspring pursuant to Clause 13.1 of Mainspring’s Terms for the purposes of custodial, settlement and other associated services for the Securities and Cash;

**“Taxes”** means all taxes, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of: (a) Securities or Cash; (b) the transactions effected under Mainspring’s Terms; or (c) the Manager; provided that **“Taxes”** does not include income or corporate taxes imposed on or measured by the net income of Mainspring or its agents;

**“Termination Event”** means the occurrence at any time with respect to of any of the following events: (a) Mainspring or the Manager is required by applicable law or by any competent regulatory authority to terminate the Agreement; (b) Mainspring or the Manager are subject to an Insolvency Event; (c) Mainspring or the Manager are in material breach of Mainspring’s Terms and (if remediable) has failed

to make good such breach within 20 calendar days of receipt of written notice from the other Party requiring it to do so; (d) Mainspring or the Manager are affected by Force Majeure which persists for 20 calendar days; or (e) Mainspring or the Manager cease to have the necessary regulatory authorisation or permission to carry on its business under Mainspring's Terms;

**"Third Party(ies)"** means administrative support providers (which may include Affiliates) or market infrastructures and Clearance Systems (which may include Affiliates). Administrative support providers are those persons utilised to perform ancillary services of a purely administrative nature including without limitation couriers, messengers, data processors and risk analysts. Market infrastructures include without limitation public utilities, external telecommunications facilities and other common carriers of electronic and other messages and external postal services; and

**"TUPE"** means the Transfer of Undertakings (Protection of Employment) Regulations 2006;

**"UK"** means the United Kingdom.

In Mainspring's Terms:

- a) the FCA Rules shall not be incorporated except as otherwise stated in Mainspring's Terms;
- b) any other words or phrases used which are defined in the FCA Rules shall have the same meanings in Mainspring's Terms (to the extent that the FCA Rules are applicable) unless the context requires otherwise;
- c) references to statutory provisions, regulations, notices or the FCA Rules shall include those provisions, regulations, notices or rules as amended, extended, consolidated, substituted or re-enacted from time to time;
- d) references to legislation, Acts of Parliament or other statutory provisions are, for the avoidance of doubt, references to UK legislation, Acts of Parliament and statutes; and
- e) In the event of any conflict between Mainspring's Terms and the terms of the Agreement, Mainspring's Terms shall prevail.

**"UK GDPR"** Regulation (EU) 2016/679 of the European Parliament and of the Council of 27<sup>th</sup> April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EU Withdrawal Act.