

INVESTMENT MANAGEMENT AGREEMENT

These are the terms and conditions on which Prosper Capital LLP (the **Fund Manager, we, us or our** as and where the context may require), will manage your Shares in the Investee Companies selected by the ARIE Capital Technology EIS 3 (the **Fund**). The Fund Manager is authorised and regulated by the Financial Conduct Authority, whose address is 12 Endeavour Square, London, E20 1JN. In accordance with FCA Rules the Fund Manager proposes to treat you as a Retail Client. Unless otherwise agreed, the Fund Manager will communicate with you in English. You may contact the Fund Manager, and the Fund Manager may contact you, by telephone and in writing and by email.

1. DEFINITIONS

1.1 The following terms shall have the following meanings in this Agreement:

ARIE Tech means ARIE Tech LLP, a limited liability partnership with registered number OC398556 whose registered office is at 115 Eastbourne Mews, London, United Kingdom, W2 6LQ;

Adviser Charge the amounts payable, disregarding any VAT which may also be payable, to your Financial Adviser in respect of the advice that you received when arranging this investment;

Application Form means the application form to the Memorandum which you complete to invest in the Fund;

Closing Date means 26th March 2021 or such later closing date as the Fund Manager may in its absolute discretion decide;

Conflicts Policy our policy on managing conflicts of interest;

Custodian means Roffe Swayne Chartered Accountants or such other person as the Fund Manager may appoint to provide receiving agent or custodial services for the Fund;

Exit has the meaning given to it in clause 13;

FCA the Financial Conduct Authority (or any successor regulator);

FCA Rules all relevant rules and regulations made by the FCA from time to time which affect our performance of this Agreement;

Financial Adviser an adviser who is authorised and regulated by the FCA;

Fund Manager Fee has the meaning given to it in clause 8 of this Agreement;

Initial Costs a fee of 2.5% charged to investors payable to ARIE Tech by the Investors prior to investment;

Investee Companies means companies invested in by the Fund;

Memorandum the memorandum in respect of the Fund;

Net Investment your Subscription minus the Initial Costs and any Adviser Charge payable;

Nominee means Prosper Nominees Limited, an associate of the Fund Manager and any replacement nominee appointed by the Fund Manager;

Investors investors in the Fund;

Shares your shares in the Investee Companies held by the Nominee on your behalf;

Subscription the total gross amount subscribed by you in accordance with the terms of the offer set out in the Memorandum.

1.2 Where this Agreement uses and defines a term that is also used in the Memorandum, the definition in this Agreement prevails.

1.3 Words and expressions defined in the FCA Rules which are not otherwise defined in the Agreement shall, unless the context otherwise requires, have the same meaning in this Agreement.

1.4 Any reference to a statute, statutory instrument, rules or regulations are taken to refer to such statute, statutory instrument, rules and regulations amended, re-enacted or replaced from time to time and to any codification, consolidation, re-enactment or substitution of them.

2. APPOINTMENT

2.1 This Agreement comes into force on the date the Custodian receives your Application Form and Subscription (or, if later, the date on which the Custodian completes any relevant procedures for the verification of your identity etc., in accordance with prevailing anti-money laundering regulations).

2.2 By completing and signing the Application Form, you:

- a) appoint the Fund Manager as manager of your Shares and to hold your Shares in the name of the Nominee on your behalf after the Closing Date;
- b) appoint the Custodian to act as custodian of your Subscription until the Closing Date; and
- c) agree to the terms of this Agreement.

2.3 If you entered into this Agreement without face-to-face contact with a Financial Adviser, then under the FCA rules you have the right to cancel this Agreement for a period of up to 14 days from the day on which the Custodian accepts your Application Form. In this regard, you are advised that:

- a) in order to cancel this Agreement, you must ensure that your written instructions to cancel are dispatched to the Custodian before the expiry of the 14 day cancellation period;
- b) if you cancel in accordance with (a), we will arrange for the return of your Subscription (but may deduct out-of-pocket expenses incurred in relation to your application to invest), and will use reasonable endeavours to do so within 30 days of receipt of your written instructions to cancel; and
- c) the cancellation right under this clause 2.3 applies only to this Agreement and does not require us to cancel the issue of your Shares.

2.4 The Fund Manager or the Custodian are entitled in their absolute discretion to reject your application in part or in full.

3. SUBSCRIPTIONS

The maximum investment is £1,000,000, although this is at the Fund Manager's discretion. The minimum amount that may be subscribed to the Fund, after deduction of any Adviser Charge, is £10,000. Until the Closing Date, your Net Investment will be held in a client bank account in the name of the Custodian. No interest will be payable to you on any amounts held in the client bank account.

4. INVESTMENT MANAGEMENT

4.1 After you invest in the Fund we will invest your Net Investment into unlisted shares on the terms set out in this Agreement and the Memorandum.

4.2 We expect to invest your Net Investment in emerging tech companies. The Fund will only invest in companies that meet its criteria for investment after due diligence has been carried out. You are advised, however, that it is possible that the Fund's capital will not be put to work immediately if sufficient quality companies cannot be found.

4.3 Subject to this Agreement (and in particular but without limitation clause 4.4 below) and the Memorandum, we will exercise all discretionary powers in relation to the exercising of rights relating to your Shares (including the execution of contracts on your behalf). We shall not, except as expressly provided in this Agreement or unless otherwise authorised, have any authority to act on your behalf or as your agent.

4.4 You shall retain the right to exercise or direct the exercise of all voting and other rights attaching to your Shares other than in relation to the issue of new shares of any class by any Investee Company; rights issues; share subdivisions and consolidations; share conversions; and/or share transfers (whether for shares and/or cash); (**Excepted Voting Rights**). We shall have discretion to exercise (or not as the case may be) the Excepted Voting Rights. If your vote is required in relation to your Shares in relation to a matter not covered by the definition of Excepted Voting Rights we will request your guidance as to how you wish your vote to be exercised and shall direct the Nominee to vote in accordance with the wishes of the majority (by investment amount) of those Investors who respond.

4.5 In performing our functions, we shall have regard to and shall comply with, the investment objective and the investment restrictions applicable to the Fund. However, you accept that:

- a) the Memorandum sets out investment objectives; and
- b) we shall have the discretion to arrange the sale of your Shares or a winding up of the Fund at any time in order to provide all Investors of the Fund with an exit.

4.6 We have categorised you as a retail client for FCA Rules purposes and accepted your application to invest in the Fund on the basis of an assessment of this investment as suitable for you. That assessment has been conducted either (a) through your having provided us with information in the suitability questionnaire included in the Application Form or (b) with the benefit of appropriate information from your financial adviser. We will rely on this information in assessing the appropriateness of the investment for you.

5. CUSTODY

5.1 All your Shares will be registered in the name of the Nominee. They will therefore be beneficially owned by you at all times, although the Nominee will have the legal title to them and will hold any documents evidencing ownership.

5.2 Neither the Fund Manager nor the Nominee may, subject to clause 5.3, lend your Shares or documents evidencing ownership to a third party or borrow against the security of your Shares or documents.

5.3 Individual customer entitlements will not be identifiable by separate certificates or other physical documents or external electronic record. In the event of an irreconcilable shortfall were the Nominee to default, all those investing in the Fund will share in that shortfall pro-rata to their Net Investments. The Fund Manager may deliver or accept delivery of certificates and/or CREST balances on behalf of the Nominee. The Fund Manager accepts responsibility for holdings in the name of the Nominee and for the acts and omissions of the Nominee.

5.4 We may realise your Shares in order to discharge any obligation that you may have under the Agreement, for example the payment of fees, costs and expenses.

5.5 You irrevocably empower and authorise us to direct the Nominee to exercise any conversion, subscription, voting or other rights (such as may arise in takeover situations, other offers and capital reorganisations) relating to your Shares (which we may nevertheless exercise or refrain from exercising, at our discretion). You acknowledge and agree that the Nominee is not obliged to seek or to accept any instruction or direction directly from you to exercise any rights in respect of your Shares.

5.6 Your Subscription will be deposited with an authorised credit institution in the UK in the name of the Custodian and with customer trust status, together with cash balances belonging to deposits held by the Custodian on behalf of third parties. Your Subscription will be treated as client money (as understood under the FCA Rules) and will be deposited by the Custodian in a client bank account in the name of the Custodian with an authorised credit institution in the UK. No interest will be payable to you on any amounts held within your investment.

5.7 We are responsible for complying with all requirements under the Takeover Code to notify the FCA and the Takeover Panel of dealings in relevant shares during a takeover or merger.

6. REPORTS AND INFORMATION

You will receive reports twice a year, with details of the investments made on your behalf by the Fund.

7. ADVISER REMUNERATION

7.1 Where instructed, we will arrange payment of any initial Adviser Charge due to the Financial Adviser through whom you have invested in the Fund. You may instruct us to do this by completing the relevant details on the application form. This will be deducted at outset and will reduce the amount of your Subscription.

8. FEES AND EXPENSES

8.1 In consideration for the provision of the Fund Manager services Prosper shall receive an annual fee equal to 1% of the total aggregate amount of funds raised (subject to a minimum fee of £10,000) plus VAT (the **Fund Manager Fee**) and the **Success Fee** (as defined below). The Fund Manager Fee

for the first year shall be payable by the ARIE Tech out of the Initial Costs. For each subsequent year the Fund Manager Fee shall, where possible, be charged to the Investee Companies and failing that shall be paid by ARIE Tech.

8.2 After Investors have received cash proceeds equal to £1.35 for every £1.00 invested, a performance fee will be charged at 20% on the amount of the increase over and above £1.35 (based on a £1.00 investment). This performance fee of 20% will be split 16% to ARIE Tech and 4% to Prosper and will be paid out of the proceeds of sale of your Shares on an exit (the **Success Fee**).

8.3 The costs of the Nominee are a set-up fee of £2,000 plus VAT and an annual fee of 0.15% of funds raised (minimum £2,000) plus VAT and shall be paid by ARIE Tech (the **Nominee Fees**).

8.4 If any fees or VAT payable under this clause 8 remain outstanding on an exit, such unpaid fees shall be paid out of the proceeds of sale of your Shares.

9. YOUR OBLIGATIONS

9.1 By signing the Application Form you have made representations which we will rely upon. You must immediately inform us in writing of any material change in circumstance and any change in the information provided in the Application Form.

9.2 In addition, you must provide us with any information which we may reasonably request for the purposes of managing the Fund.

10. DELEGATION AND ASSIGNMENT

10.1 We or the Custodian may engage agents, including associates, to perform any of our respective functions under this Agreement. We or the Custodian (as applicable) will act in good faith and with due diligence in the selection, use and monitoring of these agents. Any such engagement of agents shall not affect our or the Custodian's respective liability under this Agreement.

10.2 For the avoidance of doubt, we will not be liable for the acts or omissions of the Custodian and the Custodian will not be liable for our acts or omissions.

11. INTERESTS AND DISCLOSURE

11.1 We may provide investment management or other services to any person and shall not in any circumstances be required to account to you for any profits earned in connection with such services. However, we will use reasonable endeavours to ensure fair treatment as between you and other customers of the Fund Manager in accordance with the FCA Rules and the Conflicts Policy.

11.2 We may recommend transactions in which we or any associate of ours may have, directly or indirectly, a material interest or in relation to which we may have a relationship of any description with another party, which may involve a potential conflict with our duty to you. However, our employees are required to comply with the Conflicts Policy and disregard any such interest, relationship or arrangement when managing your investment.

11.3 A copy of the Conflicts Policy is available from us on request.

12. LIABILITY

12.1 Both we and the Custodian will at all times act in good faith and with reasonable care.

12.2 We shall not be liable for any loss to you arising from any investment decision or for other action taken in accordance with this Agreement, except to the extent that such loss is directly due to our negligence, wilful default or fraud or that of our employees.

12.3 Neither we nor the Custodian shall be liable for any defaults of any counterparty, agent, banker or other person or entity which holds money, investments or documents of title for the Fund.

12.4 In the event of any failure, interruption or delay in the performance of our or the Custodian's obligations resulting from acts, events or circumstances not reasonably within the relevant party's control, neither we nor the Custodian shall be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by you. Such acts, events or circumstances shall include: war, riot, civil commotion or acts of terrorism; epidemic, severe weather conditions; industrial action; acts of governmental or regulatory authorities and breakdown of computer or communications systems.

12.5 By subscribing for Shares you are purchasing unquoted securities. Unquoted securities carry a higher degree of risk than securities quoted on a stock exchange or regulated market. There is a restricted market for such securities and it can be difficult to obtain reliable valuations for them. By signing the Application Form and entering into this Agreement you confirm:

- a) your understanding that there is no promise as to the performance of the Fund; and
- b) that you have properly considered the risk warnings set out in the Memorandum or have taken professional advice as to their significance and importance as you judged appropriate.

13. EXIT

13.1 The Fund will look to invest in EIS qualifying companies where there appears to be a clear view of a potential exit within the timeframe of the Fund's estimated 5-year life cycle (each an **Exit**). These exit scenarios will typically be a trade sale, a management buy-out or a refinancing. When an exit has been identified for a particular Investee Company, we will notify you of the date and arrange for the Investee Company to provide you with consideration for your Shares. On an exit your Shares will either be:

- a) realised (with the net cash proceeds after fees, expenses and any applicable VAT or other taxes transferred to you); or
- b) transferred into your name or as you may otherwise direct, or a combination of the two.

13.2 The proceeds from each Exit in respect of an Investee Company shall be paid in the first instance to the client bank account in the name of the Custodian. On an Exit the Custodian shall distribute all proceeds to the Investors on each Exit after payment of the fees, expenses and liabilities of the Fund.

13.3 You shall be liable for any taxation which may become payable by you as a result of the receipt of any distribution under this Investment Management Agreement or on an Exit. For the avoidance of doubt, where an investment ceases to be an EIS qualifying investment then each Investor shall be liable to account to HMRC for their respective tax liability and neither the Fund Manager nor the Custodian shall be liable to the Investors or HMRC for any sums due.

13.4 If we:

- a) give you not less than three months' written notice of our intention to terminate the Fund as a whole, or our role as manager of the Fund; or
- b) cease to be appropriately authorised by the FCA or become insolvent,

we shall endeavour to make arrangements to transfer management of the Fund to another manager on the basis that the latter shall assume our role under this Agreement. If, however, in any such circumstances, we are unable to appoint a successor, this Agreement shall at that point terminate and, subject to clause 14, your Shares shall be transferred into your name or as you may otherwise direct.

14. TERMINATION

14.1 On termination of this Agreement, we will use reasonable endeavours to expeditiously complete all transactions in progress at termination.

14.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments, except that you will pay fees, expenses and costs properly incurred by us up to the date of termination and payable under the terms of this Agreement.

14.3 On termination, we may retain cash or realise such number of your Shares as may be required to settle transactions already initiated and to pay your outstanding liabilities, including fees and expenses payable to us.

15. CONFIDENTIAL INFORMATION

15.1 The Fund Manager and the Custodian will at all times keep confidential all information acquired in consequence of their respective roles and duties as manager and custodian of the investments comprised within your investment, except for information in the public domain; or which we or the Custodian may be entitled or bound to disclose under compulsion of law; or required by regulatory agencies; or given by us to professional advisers where reasonably necessary for the performance of their professional services; or which you authorise us or the Custodian to disclose, and shall use all reasonable endeavours to prevent any breach of this sub-clause.

15.2 Neither the Fund Manager nor the Custodian shall be obliged to make use of any information which comes to the notice of an employee, officer or agent of theirs or of any respective associate but properly does not come to the actual notice of the personnel whom we or the Custodian respectively designate to actually provide services under this Agreement.

16. COMPLAINTS AND COMPENSATION

16.1 We and the Custodian have established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available on request. Should you have a complaint, you should contact either us or the Custodian, as appropriate. If we or the Custodian cannot resolve the complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service.

16.2 The Financial Services Compensation scheme deposit protection does not apply to the Fund.

17. COMMUNICATIONS

17.1 Notices of instructions to us should be in writing and signed by you.

17.2 We may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by you under the Application Form or subsequently notified by you from time to time and, unless we receive written notice to the contrary, whether or not the authority of such person shall have been terminated.

17.3 All communications which we make with you under this Agreement shall be in English.

17.4 You accept that we may communicate an unsolicited real time financial promotion (e.g. a telephone call promoting investments) to you.

18. GENERAL

18.1 We shall devote such time and attention as may be required to enable us to manage the Fund in compliance with the FCA Rules.

18.2 We may amend this Agreement by giving you not less than 10 business days' written notice. We may also amend this Agreement by giving you written notice with immediate effect if such amendment is necessary in order to comply with the FCA Rules or other legal requirements.

18.3 All data which you provide to us or the Custodian is held by us or the Custodian subject to the General Data Protection Regulations 2017. You agree that we and the Custodian may pass personal data:

- a) to other persons insofar as is necessary in order to provide services as set in this Agreement;
- b) to the FCA and any other relevant regulatory authority; and
- c) in accordance with all other applicable legal requirements.

We will not share data obtained from you with other persons or in other circumstances without your prior consent.

18.4 We may assign this Agreement to any appropriately regulated associate and will give you notice if we do so. You may not assign this Agreement as it is personal to you.

18.5 This Agreement, together with the Application Form and the Custodian's terms and conditions, comprises the entire agreement between us, the Custodian and you relating to the management and administration of your investment.

18.6 A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

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

18.8 This Agreement shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

19. CONFIRMATIONS AND REPRESENTATIONS

19.1 By signing and returning the Application Form, you confirm each of the following:

- a) you are applying on your own behalf;
- b) you have read the Memorandum and taken its provisions into consideration, in particular with regard to the risk factors;
- c) you have sought financial advice on the implications of investing in the Fund;
- d) you require the Nominee to accept instructions from us in relation to the holding or disposal of the shares in your investment, or the exercise of rights attaching to them and you agree not to give instructions to the Nominee regarding your investment directly, nor to deal in the shares of your investment;
- e) you acknowledge that from time to time we or the Nominee will receive notice of extraordinary general meetings, voting rights, details of rights issues, conversions, takeovers, open offers and other matters relating to the shares in your investment and agree that we shall act as we see fit on your behalf in respect of such matters; and
- f) you acknowledge that we will also collect any dividends and other entitlements arising on your shares, and that as the beneficial owner of the shares you will be liable for all personal taxation in respect of your investment; however, you agree and understand that tax may be deducted from payments due to you if it is due to be deducted under any applicable law and practice.
- g) If applicable, any indication which you have given in the Application Form as to the treatment of Initial Adviser Fees represents your clear and irrevocable instruction to us to make the payment in the amount and the manner indicated.