



EOS

Technology Investment Syndicate

A new dawn in seed funding for technology startups

EOS TECHNOLOGY INVESTMENT SYNDICATE MEMBERSHIP TERMS AND CONDITIONS

These are the terms and conditions under which opportunities may be offered to members of the EOS Technology Investment Syndicate ("**EOS**" or "**the Syndicate**") and the procedures adopted for completion of investments by members.

The provisions of the Financial Services and Markets Act 2000 and the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (together "**the FSMA**") have been taken into account in framing these terms and conditions.

1. EOS is an unincorporated association consisting of its members (the "**Members**").
2. The syndicate is administered by a management company appointed by the Members (the "**Management Company**"). The arrangements between EOS and the Management Company shall be reviewed annually by the Members and submitted for approval by a majority of the Members on or around the 31st of May in each year.
3. The current Management Company is EOS Syndicate Management Limited, a 'not for profit' company limited by guarantee (reg. no SC478867).
4. The Members elect the board of this management company annually (the "**Board**"). The board consists of up to four EOS members, and two external professional advisors who are legal and financial/tax experts.
5. The Management Company is responsible for controlling and managing the Syndicate's finances and financial reporting.
6. Copies of the Management Company's board minutes and the Syndicate's accounts are made available to all members.
7. Under the arrangements between EOS and the Management Company, the Management Company shall provide a "**Gatekeeper**" for EOS. The Gatekeeper shall perform the role of gatekeeper for and on behalf of the Management Company, and will not therefore be deemed to be acting in his/her own legal capacity. Kevin Grainger is the current Gatekeeper and therefore the day to day administrator of EOS.
8. The role of the Gatekeeper is to (i) identify, assess and vet investment opportunities (ii) carry out initial due diligence and (iii) manage external due diligence and the investment process more generally, and (iv) run all day-to day operations of EOS, all under the supervision of the Management Company.
9. All business applications for investment will be reviewed by the Gatekeeper. Members shall be entitled to send information memoranda to the Gatekeeper on behalf of companies seeking investment. The Gatekeeper will have the sole discretion over which proposals to short list for Board approval for presentation to the Members. The Board shall have the sole discretion over which short listed proposals are ultimately presented to Members.
10. All written and oral information provided to Members shall be provided by or on behalf of the company seeking investment. No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by EOS, any of the Members, the Management Company or the Gatekeeper in relation to the accuracy or completeness of this information.
11. Each Member acknowledges that a decision to invest is a personal decision and that no responsibility for the consequences of that decision is accepted by EOS, any of the Members, the Management Company or the Gatekeeper. Members also acknowledge that dissemination of post-investment information is the responsibility of the investee company to each of its individual investors and, whilst the Management Company will request that investee companies provide it with this information, EOS, the Management Company, and the Gatekeeper will not be responsible, or bear any liability, as a result of any failing on the part of investee companies to provide this information or otherwise comply with the terms and conditions on which investments in investee companies are made.
12. EOS is not regulated by the Financial Conduct Authority and the Financial Services Compensation Scheme, established for the protection of investors, does not apply to it. The content of information memoranda and the terms of investment opportunities will not be approved by an authorised person within the meaning of the FSMA.

13. Investing in private companies is very speculative and Members should be aware that no established market exists for the trading of shares in private companies. Engaging in any investment activity may expose Members to a significant risk of losing all of their investment and before investing in a company about which information is provided by EOS, Members are recommended to seek independent financial advice from their stockbroker, solicitor, accountant or other independent financial adviser authorised for the purposes of the FSMA if they are resident in the United Kingdom or, if not so resident, from another appropriately authorised independent financial adviser.
14. All Members are required to comply with the certification requirements of the FSMA and the terms of the Money Laundering Regulations 2007 (as amended) upon joining. FSMA certification and money laundering requirements must be renewed every year and failure to comply with these requirements shall result in the immediate termination of membership.
15. The completion of investments will be co-ordinated by the Gatekeeper on behalf of the Management Company, which company shall act as the agent for the investors. Members shall make their own investment decisions and the Gatekeeper shall obtain their consent to decisions which will affect any investment. Members will be asked to sign a power of attorney nominating Board members to execute investment agreements and ancillary documentation relating to any investment in accordance with the instructions of the Member.
16. If a Member commits to proceed with an investment and it ultimately aborts and does not complete then that Member, along with the other Members who committed to proceeding with such investment, shall bear the costs of any external due diligence and other legal and/or accountancy costs in relation to such investment if they cannot recover these costs from the investee business.
17. Any Member who is unsure about the legal terms of any proposed investment should first contact the Gatekeeper and, if necessary, thereafter contact the legal representatives of EOS (the costs of which the relevant investee company will normally be liable to pay on conclusion of the investment) before taking their own legal advice (for which the relevant investee company will not be liable to pay). This ensures a common approach by EOS and its Members and will help avoid unnecessary delays.
18. Members will fully disclose to the other Members any matter which might reasonably be considered to prejudice any investment by other Members or which might reasonably be considered to constitute a conflict of interest.
19. Members acknowledge that as a Member they will receive confidential information about EOS, other members of EOS and companies that EOS members are considering investing in or have invested in and they hereby agree to keep such confidential information secret and not to disclose such confidential information to any third party.
20. Membership of EOS costs £250 per year, payable upon joining and annually thereafter (subject to being reviewed on an annual basis by the Board). This membership fee covers 6 investor meetings.
21. The minimum investment by Members in any single investment shall be £5,000.
22. Members will each be charged a £250 transaction fee for every investment they participate in.
23. Each Member hereby agrees to indemnify EOS, the other Members, the Management Company and the Gatekeeper against any claims made as a result of their failure to comply with these Membership Terms and Conditions.
24. Members agree that the Membership Terms and Conditions may be varied from time to time by the Board and that Members shall be bound by the terms of any such variation.
25. Conditions 10, 11, 19 and 24 shall survive the termination of membership of EOS and shall continue to be binding upon Members in any question with EOS or their former co-Members.
26. EOS may suspend or terminate the membership of any Member who, as determined by the Board (acting in its sole discretion):-
 - 26.1 has breached any of these Membership Terms and Conditions;
 - 26.2 has failed to disclose a material fact or makes a material misrepresentation in an application for membership;
 - 26.3 has engaged in conduct that reflects poorly on EOS, or which is deemed to be against the best interests of EOS; or
 - 26.4 has solicited or accepted any compensation for presenting an investment opportunity to, or for raising capital from, the Members of EOS.
27. Decisions regarding the termination, suspension or non-renewal of membership are final and not subject to any appeal. The sole recourse any Member has over any disagreement with a decision of EOS, regardless of its scope or nature, is to withdraw from membership of EOS.