

Select Television Production EIS 7

INFORMATION MEMORANDUM
2018



Important notice

An investment in the Select Television Production EIS 7 (the **Fund**) will not be suitable for all recipients of this Information Memorandum. If you are in any doubt about the content of this Information Memorandum (**Information Memorandum**) and/or any action you should take, you are strongly recommended to seek advice immediately from an Intermediary authorised under the Financial Services and Markets Act 2000 (**FSMA**) who specialises in advising on investment opportunities of this type. Nothing in this Information Memorandum constitutes investment, tax, legal or other advice by Great Point Investments Limited (**GPI** or the **Manager**) or Great Point Media Limited (**GPM** or the **Media Adviser**) or RAM Capital Partners LLP (**RAM** or the **Promoter**) and your attention is drawn to the section headed "Risk Factors" on page 17.

This Information Memorandum constitutes a financial promotion pursuant to Section 21 of the FSMA and is issued by GPI, 3rd Floor, 14 Floral Street, London WC2E 9DH; registered in England and Wales as a limited company with the registered number 08653224 and authorised and regulated by the Financial Conduct Authority in the United Kingdom (with firm reference number 606798). The Manager is unable to give investment or taxation advice or to advise on the suitability and appropriateness of the Fund.

This Information Memorandum relates to investments in non-readily realisable securities, is an alternative investment fund (**AIF**) and is only intended for existing clients of authorised firms that will confirm whether the investment is suitable for the investor in accordance with COBS 4.7.8 (2), or persons who meet the criteria for being a professional client in accordance with COBS 4.7.7 (1). For clarity, the Fund does not constitute a collective investment scheme nor a non-mainstream pooled investment, by virtue of meeting the definition in paragraph 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001.

By accepting this Information Memorandum, the recipient represents and warrants to GPI that he is a person who falls within the above description of persons in respect of whom GPI has approved it as a financial promotion. This Information Memorandum is not to be disclosed to any other person or used for any other purpose. Any other person who receives this Information Memorandum should not rely on it.

An investment in the Fund may not be suitable for all recipients of this Information Memorandum. A prospective investor should consider carefully whether such an investment is suitable for him in light of his personal circumstances and the financial resources available to him.

The Manager has taken all reasonable care to ensure that the facts stated in this Information Memorandum are true and accurate in all material respects and that there are no material facts in respect of which omission would make any

statement, fact or opinion in this Information Memorandum misleading. Delivery of this Information Memorandum shall not give rise to any implication that there has been no change in the facts set out in this Information Memorandum since the date hereof or that the information contained herein is correct as of any time subsequent to such date. The Manager accepts responsibility accordingly. This document is not intended to constitute a recommendation or provide advice of any sort to any prospective Investor.

RAM, which is authorised and regulated by the Financial Conduct Authority (with firm reference 470347), is acting as Promoter in connection with the Fund and is not acting for anyone else and will not be responsible to anyone other than the Manager for providing the protections offered to customers of RAM. No liability is accepted by RAM for the accuracy of any information, appropriateness of the Fund structure, or opinions contained in or for the omission of any material information from this document. RAM is unable to give investment or taxation advice or advise on the suitability and appropriateness of the Fund.

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

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

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

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Summary

Offer Details

Closing Date:	5.00pm on 28 March 2018 ¹	Minimum Fund Size:	£10,000,000 ²
Minimum Investment:	£10,000	Maximum Fund Size:	£20,000,000 ²

There may be an Early Allotment Date prior to the Closing Date.³

Investment Opportunity

The Select Television Production EIS 7 (the **Fund**) will invest across a selection of EIS qualifying television production companies creating high quality content for major broadcasters and with international appeal.

Investment risk will be diversified through the Fund's investment in a number of investee companies (each a **Company**). The Fund will be managed by Great Point Investments Limited (the **Manager**), with each Investor receiving a pro-rata interest in each investee company (subject to rounding).

Companies will be carefully selected for their ability to deliver an attractive risk/return profile, blending a conservative core business model with an ambitious approach to rights ownership and exploitation.

The Manager anticipates deploying all proceeds of the Fund into shares qualifying for the Enterprise Investment Scheme (**EIS**) during the 2017/18 tax year and advance assurance that each Company is carrying on an EIS Qualifying Trade will be secured from HM Revenue & Customs (**HMRC**) prior to investment being made by the Fund.

Media Adviser

The Fund benefits from the extensive industry knowledge and network of relationships of the Media Adviser, Great Point Media Limited (**GPM**). GPM is a specialist media business whose commercial management team have over 60 years of experience successfully investing in the global media and entertainment sector. The team have worked on television hits including *Lonesome Dove*, *Foyle's War*, *Doc Martin*, *The Fall* and *Line of Duty*.

Risks

Investment in the Fund involves a high degree of risk. Past performance is not a guide to future performance and may not be repeated. The value of investments can go down as well as up and you could lose part or all of your capital invested. You should consider the Fund to be a medium to long term investment and that the investments made by the Fund are likely to be illiquid and hard to value due to their unquoted nature. Investors are strongly advised to seek independent legal, financial and tax advice before making a decision to invest. Full details of the risk factors and associated mitigation strategies can be found in the "Risk Factors" section on page 17 of this Information Memorandum.

Benefits of the EIS

The Enterprise Investment Scheme comprises a variety of tax benefits available to UK tax paying individuals, subject to investments complying with the relevant conditions and requirements.

Reliefs available include:

- **30% income tax relief** on investments of up to £1 million reducing the net cost of investment to 70p per £1.

- Unlimited deferral of **capital gains tax** liabilities.

- Tax Free Growth – no capital gains tax payable on disposal after three year qualifying period.

- **100% relief from inheritance tax** for investments held for more than two years, or immediately if investment qualifies as replacement property.

- Tax relief on shares disposed at a loss. This means that a 45% taxpayer with sufficient income in the year of disposal may reduce their **capital at risk to 38.5p per £1 invested**.

The value of the tax benefits will be contingent on each Investor's personal circumstances and may be subject to changes in those circumstances or to changes in tax law.

Costs

- Upfront Initial Fee of 1.95% of subscription amount.

- Annual Management Fee of 1.00% plus an annual Administration Fee of £7,500 per Company, along with an on-going charge to meet Custodian charges.

- A Performance Fee (or equity) equivalent to 35% of any aggregate profits generated by the Fund in excess of £1.10 for every £1 invested will be charged.

See page 16 for full details of the costs and fees.

How to Apply

If after reading the Information Memorandum and Fund Management Agreement, and having consulted your Intermediary, you consider this investment suitable to your personal circumstances, please complete the relevant Application Form and return to Woodside Corporate Services, 4th Floor, 50 Mark Lane, London EC3R 7QR.

¹ Subject to the discretion of the Manager to extend or shorten the Closing Date and taking into consideration the Royal Assent date for the Autumn Budget & Finance (No.2) Bill 2017-2019

² Subject to the discretion of the Manager to increase or decrease the Fund size

³ Subject to reaching the Minimum Fund size

The offer

1. Summary

The Select Television Production EIS 7 (the **Fund**) offers Investors access to EIS qualifying television production companies. The Fund will be invested in companies (each a **Company** and together **Companies**) creating high quality television content (**Productions**) for major broadcasters and with international appeal. Each Investor will receive a pro-rata interest in each Company into which the Fund invests (subject to rounding).

Each Company will focus on producing made-for-television drama and action Productions, as historically this category of programming has experienced a consistent level of market demand from broadcasters and distributors. Attractive commercial returns will be targeted through the sale of Productions to major international television networks, broadcasters, sales agents, distributors and other acquirers of entertainment rights (**Buyers**).

Great Point Investments Limited (**GPI**, or the **Manager**) specialises in the design, implementation and management of alternative investment opportunities. GPI currently manages six AIFs which qualify for reliefs under the Enterprise Investment Scheme (**EIS**) and the Seed Enterprise Investment Scheme (**SEIS**).

The Fund will benefit from the extensive knowledge and network of industry relationships of the Manager's media adviser, Great Point Media Limited (**GPM**, or the **Media Adviser**). The Media Adviser is a specialist media business whose commercial management team have over 60 years of experience, successfully investing in the global media and entertainment

sector. The principals at GPM have a unique blend of experience in both the television industry and the management of EIS qualifying media businesses, having previously managed over 215 EIS qualifying television businesses.

The Manager intends to identify a suite of Companies and Productions to ensure that the Fund delivers a diversified approach, with all Companies carefully selected for their ability to deliver an attractive risk/return profile. The business model of each Company must be designed to take a conservative approach to risk and cost management but also have ambitious goals as to volume of production activity and its approach to rights ownership and exploitation.

The Manager will invest the Fund across Companies where Productions have been recommended by the Media Adviser and which have been granted advance assurance from HM Revenue & Customs (**HMRC**) that they should qualify for the benefits of EIS relief.

The Manager currently intends to invest across 4 standalone Companies, subject to the Manager retaining the absolute discretion to invest monies raised through the Fund in the best interest of Investors. The minimum investment into any one Company will be £2,500,000 and the maximum will be £5,000,000. Each Company is expected to pursue a similar commercial business model, but will carry on its own trade independently and therefore deliver Investors a unique risk/reward profile.

2. Investment Objective

The Fund aims to manage risk for Investors and maximise potential returns by investing across a portfolio of Companies creating high quality television productions for major broadcasters and with significant international appeal.

The Great Point Media Group believes the television production industry offers Investors attractive, medium term returns. Each Company is expected to benefit from the commissioning model that is standard to the industry, whereby television content is pre-ordered by major broadcasters and distribution companies prior to production. The Great Point Media Group expects that this model should create a stable platform for building a successful production business, as each Company can more accurately forecast revenues and effectively manage its cashflow. Equally, the Great Point Media Group considers that the buying market for high quality television content is as buoyant as it has ever been, driven largely by the proliferation of digital channels broadcasting programmes, as well as a growing demand for television shows and series. Taken together, the Great Point Media Group believes there exists a significant commercial opportunity for businesses that are able to produce and ex-

plot new, high quality content for television platforms. Companies targeted by the Fund are therefore expected to perform well in this growth sector by virtue of a strong capitalisation and the Great Point Media Group's extensive access to broadcasters and media buyers.

It is anticipated that each Company will produce and exploit a slate of Productions and will adopt a conservative approach to risk and cost management. Accordingly, risks will be commercially mitigated in keeping with standard industry practice, with each Company seeking to generate a base level of revenues, alongside offering the scope for further uncapped returns through the exploitation of residual intellectual property rights. In order to achieve this blended profile, the Manager and the Great Point Media Group have identified a suite of Minimum Criteria (see page 7 "Minimum Criteria"), which must be met prior to the Company commencing the detailed trading activities in respect of each Production.

3. The Television Market

The quality and appeal of television continues to rise both in the UK and internationally. Television drama series have dominated viewing figures in recent years with hits such as *Game of Thrones*, *True Detective*, *Breaking Bad*, *Sherlock* and *Down-ton Abbey* capturing public attention. Networks are increasingly finding success with new, innovative for-mats, and there are a growing number of high profile movie stars appearing in television series, including Kevin Spacey, Tom Hardy and Matthew McConaughey.

Far from being threatened by the advance of the internet, television content is more popular than ever, with productions benefiting from access to much wider audiences and an increasing number of home and mobile devices. In addition to standard broadcast viewing, a viewer can now choose to watch programmes on pay per view, DVD, Blu-ray, online or via internet-enabled television. As technologies advance, the ability to view television content on mobile platforms is expected to increase the demand for content, both from traditional broadcasters and new entrants who operate through specific channels, or online platforms such as Netflix or Amazon Instant Video, which have driven a 79% increase in digital rights sales in 2016.⁵ This proliferation of platforms gives completed productions additional routes to market, as well as increasing their potential revenue sources. Gains have been fuelled by the increasing penetration of subscription video on demand (SVOD) services, which doubled between 2014 and 2016 to 34% of television-watching households, leaving significant headroom for further growth.⁶ Moreover, programmes which once would have been commissioned in the UK and screened only to domestic audiences now have

access to a far wider global audience. UK productions such as *Sherlock*, *Poldark* and *Downton Abbey* have met with popular and critical acclaim all over the world, helping drive a 10% increase in UK sales to international markets to £1.32 billion in 2016, and a 40% increase to large emerging markets such as China and India.⁵

Meanwhile, new platforms have driven increased demand for high-quality content throughout the industry. The three largest broadcasters, BBC, ITV and Channel 4 have increased content spend across their flagship channels by an average of 11% in 2017.⁷ A high proportion of this spend continues to go to the independent production sector, which has been bolstered in recent years via the introduction of attractive tax incentives for UK productions. 2016 saw 84 high-end television programmes commence filming in the UK with a total gross value added of £726 million.⁸ However, positive television industry performance is not isolated to the UK. Global subscription television revenues continue to rise, especially in emerging markets where growth is forecasted at 6.8% through 2021, while the number of digital cable subscribers is expected to grow 9.6% per year globally to reach 455 million in 2018, making television one of the most promising sectors of the entertainment industry.⁵

The Manager therefore considers that the television production industry affords an increasing number of opportunities for each Company to develop and exploit Productions, which not only adhere to the Minimum Criteria, but also provide the prospect of maximising longer term value from a growth market.

4. Genre Focus – Drama and Action

The Fund will focus on Companies producing made-for-television drama and action Productions, as this category of programming offers a consistent level of market demand from broadcasters and distributors. Indeed, drama remains a key driver of British export success as it continues to sell to the greatest number of territories.⁵

Conversely, international sales of programmes such as comedies tend to be much more volatile, as humour can vary considerably across territories and so the chances of producing a successful “hit” new series are generally modest. In turn, such uncertainty impacts on the appetite from overseas networks to pick up programmes of this nature in advance of production, thereby making it much more difficult to accurately forecast returns.

Therefore, the Manager and Media Adviser believe that

drama and action programming offer Investors the best prospect of achieving the returns illustrated on page 8 “Financial Illustration”.

Target Productions will comprise the following types:

- Made-for-Television Films (typically 2 commercial hours in length);
- Mini-Series (generally between 4 to 6 hours in length); or
- Drama Series (4 episodes upwards)

Companies will not participate in the making of television pilot episodes.

⁵ Pact, UK television exports 2015/16, February 2017

⁶ Barb, The Viewing Report, April 2017

⁷ BBC, Channel 4, ITV annual reports, 2017

⁸ BFI: Film, high-end television and television animation production in the UK: full year 2016

5. Revenues

Each Company will look to earn income through a combination of the following revenue sources:

- Contractual commitments from buyers, such as networks, entered into before commencement of Production activities, to purchase the rights from the Company to distribute or broadcast the Production in a particular territory for a specific period or prescribed medium (**Presale Income**). Typically the Company will be entitled to receive Presale Income following delivery of the completed Production materials to the relevant buyers;
- Government backed incentives and subsidies (**Incentives**), designed to attract television production to qualifying locations. For example, the UK Television Production Tax Credit, which was introduced on 1 April 2013. Incentives are available throughout the world and effectively reduce the element of production cost incurred in the relevant country for a producer. The Company would be entitled to receive the relevant Incentive once the

Production is complete and the final qualifying expenditure can be determined and certified; and

- The retention of residual Production rights (those not comprising Presale Income) which can be exploited across ancillary channels or remaining territories (**Retained Rights**). While the Company will not benefit from the degree of certainty which Presale Income can provide, Retained Rights do offer the potential to generate significant, uncapped long term upside for the business if the Production proves popular with viewers.

By focusing on the types of Productions where demand is strongest, the Company will be able to maximise Presale Income and in turn, better assess the future commercial prospects of a Production prior to committing significant funds. The Media Adviser will utilise its extensive production experience and network of industry contacts to ensure that each Company is able to secure an attractive commercial position to exploit each Production.

6. Minimum Criteria

The business model of each Company must be designed to produce and deliver television content that is of high quality, is commissioned by major broadcasters or distributors, and which has viable commercial appeal in the international marketplace.

Before investing into any Company, the Manager and Media Adviser must be satisfied that it will adhere to the following minimum criteria as to the green lighting of Productions (**Minimum Criteria**):

- Presale Income contractually agreed with a Buyer equivalent to at least 75% of the budgeted costs of completing and exploiting the Production; or
- Incentives, as assessed by an appropriately qualified accountant, secured to a value equivalent to at least 75% of the budgeted costs of completing and exploiting the Production; or
- Combination of Presale Income and Incentives are secured as set out above, to a value equivalent to at least 75% of the budgeted costs of completing and exploiting the Production; and
- Sales estimates for all of the Retained Rights equal to at least twice the difference between the budgeted Production costs and the Presale Income and/or the Incentives; and
- Retention of the Company after securing Presale Income contracts of rights to receive future revenues or to further exploit the Production at least equal to the difference between the Production Costs and the Presale Funding or/and the Incentives; and

- Ability of the Company to secure, control and own all of the rights associated with the Production to ensure the Company has sole exploitation rights.

The Directors of each Company, which will include a representative of the Media Adviser, must approve all due diligence before committing the Company to each Production. In all instances, the Fund will only invest in a Company once it has received advance assurance from HMRC that it should be carrying on a qualifying trade for the purposes of EIS relief. Before investing into any Company, the Manager and Media Adviser must be satisfied that its initial target Production will adhere to the recommended Minimum Criteria.

In order to qualify for EIS Relief, the A Ordinary Shares in each Company (the **EIS Qualifying Shares**) will need to be held by Investors for a minimum of three years from the later of the date shares are issued by the Company to the Fund, or the date each Company commences trading (the **Expected Minimum Period of Trade**). Once this period has elapsed, the Manager will consider all commercial options for realising value from these investments.

It should be noted that EIS1 tax forms are unlikely to be applied for prior to April 2019.

7. Investment Policy

The Manager intends to work closely with the Media Adviser who will be responsible for identifying and evaluating target Productions for prospective Companies, for recommendation to the Manager, and for overseeing Companies once the Fund has invested in them. The Manager will exercise its discretion in deploying the Fund's subscriptions, and in doing so will consider the recommendations and analysis provided by the Media Adviser in relation to each target Production for each Company. The Fund intends to deploy its funds across a selection of television production companies each adopting the proposed business model identified by the Media Adviser and adhering to the Minimum Criteria specified by the Manager. Each Company will have its own individual business plan and independent management team, including at least one independent director (each a **Director**) thereby further assisting in diversification

of risk. The Manager currently intends to invest across a minimum of 4 individual Companies, subject to the Manager retaining absolute discretion in investing funds raised for the Fund in the best interest of Investors. The minimum investment into any one Company will be £2,500,000 and the maximum will be £5,000,000. Each Company will follow a similar target business model but will carry on its own trade independently, and therefore will deliver to Investors its own unique risk/reward profile. All Companies will be UK incorporated companies. Investment will only be made into Companies which have received advance assurance from HMRC that they should qualify for EIS relief.

The Fund may not be invested equally into each Company and investments made into each Company may vary according to that Company's capital requirements.

8. Financial Illustration

It is anticipated that Investors' returns from the Fund will be derived predominantly through a realisation of shares in each Company. Following the expiry of the Expected Minimum Period of Trade, the Manager will consider all options available to maximise the value of the Fund's portfolio.

Investors should be aware that the Fund will be invested in unquoted companies and consequently, the shares are likely to be highly illiquid, since there is currently no active market in such securities. For illustrative purposes, it has been assumed that a disposal of the Fund's investments occurs 4 years after the Closing Date.

The Financial Illustration assumes that the Fund raises £20,000,000 and invests equally across 4 Companies.

The calculations shown below are net of all related fees, charges, expenses and taxes and are contingent on the number, size and performance of Productions completed by each Company over a 4 year timeframe.

The Illustrative Return has been prepared on the assumption that each Company undertakes three Productions, each of which satisfying the Minimum Criteria, and each Production delivering value from Retained Rights in line with the Media Adviser's expectations based on the Minimum Criteria.

Summary Financial Illustrations	Illustrative Return (Mid Case)
Cost of Investment	£100,000
Less: Income Tax Relief (30%)	(£30,000)
Net Cost of Investment	£70,000
Investment Proceeds ⁹	£108,000
Average Annual Return ¹⁰	14%
Average Gross Annual Return ¹¹	25%

The above returns are set out for illustrative purposes only and are not a reliable indicator of future performance. The Fund will be invested in small companies and an Investor may not receive any Investment Proceeds and may lose the entirety of their investment. No warranty as to future outcome is implied or should be inferred. Investors' attention is drawn to the information set out in the front of this Information Memorandum and the "Risk Factors" section of this Information Memorandum.

⁹ Investment Proceeds are shown net of all related fees, charges, expenses and taxes (see page 16), and are based on the assumption that the Company deploys all share proceeds in three successive Productions of a similar size, all of which deliver returns to target case level

¹⁰ The Average Annual Return is based on total returns calculated over a simple 48 month investment period

¹¹ The Average Gross Annual Equivalent Return is the Average Annual Return that a 45% income tax rate Investor would need to achieve from an equivalent investment in order to obtain the same return after income tax as that anticipated to be provided by the Company

9. The Media Adviser

The Media Adviser is Great Point Media Limited. GPM was founded by Jim Reeve and Robert Halmi in 2013, to develop, distribute and consult on projects for and with a range of production companies, producers, writers and television networks internationally.

In its role as Media Adviser, GPM will leverage over 60 years of experience in the media and entertainment industry to identify and evaluate opportunities with tangible potential for success. The principals of GPM have a unique blend of experience in both the television industry and the management of media companies, having previously managed over 215 EIS qualifying television businesses. The Media Adviser will provide the strategic and commercial support necessary to the Directors and wider management teams

of each Company where required, to give the Companies the best possible start and chance of success in the long term. Further detail concerning the Media Adviser can be found on page 11 of this document.

The Manager believes that this relationship will benefit each Company by providing an additional channel through which to source a high standard of marketable TV production opportunities, along with the ability to attract premium creative talent such as writers, actors and directors. GPM possesses a strong distribution network, which each Company may elect to utilise if this represents the best commercial opportunity to maximise value for Investors from Productions that it creates and owns.

10. Monitoring of Investments

The Manager and Media Adviser will play an active role in monitoring and managing the performance of the Companies and in ensuring that the rights and interests of the Fund are appropriately preserved and exercised, where applicable.

To achieve this, one or more representatives of the Media Adviser will be appointed to the board of each of the Companies prior to investment being made by the Fund. This will enable the Manager, via the Media Adviser, to directly influence the principal operating and strategic decisions of the business to ensure that they accord with the mandate of the Fund. The representatives of the Media Adviser who are

appointed to the board of each Company will not be paid a separate fee in respect of this office.

Through the Fund, each of the Companies will gain access to a team of qualified individuals experienced in production strategy, finance and operations all of which are essential inputs for the Companies' success and are provided without the costs of paying external consultants or hiring equivalent staff. This frees up each of the Directors and wider management team or staff to focus precisely on where they add the most value, which is utilising their specialist expertise and knowledge to create and exploit new television content.

11. Tax Reliefs

An investment in the Fund is expected to benefit from the tax advantages offered by the EIS. Shareholders in EIS qualifying companies can, depending upon their individual circumstances, enjoy none, some or all of the following benefits:

- 30% income tax relief, reducing the initial cost of investment to 70p per 100p invested. Relief may be claimed in the financial year in which the Fund invests in EIS Qualifying Shares. Alternatively an Investor may elect to treat EIS Qualifying Shares as though subscribed for in the previous financial year;
- Exemption from capital gains tax (**CGT**) on gains made from the disposal of EIS shares, provided that income tax relief has been claimed in respect of those shares;
- Unlimited deferral of capital gains realised in the three years prior to, or up to 12 months after, subscription for shares, up to the amount subscribed;
- Income tax or CGT relief for any loss (net of the initial income tax relief obtained) made on the disposal of EIS shares, either in the year of the loss or the previous tax year; and
- Business property relief from inheritance tax (**IHT Relief**) if shares are held at the date of IHT charge providing the shares have been held by the Investor for more than two years while each company is trading. There is no limit on the amount of investment qualifying for this exemption.

The maximum amount of income tax relief which a Shareholder may claim by virtue of investment in EIS qualifying companies is £1,000,000 in the current tax year. There is no limit to the amount of gains that can be deferred for CGT purposes.

The above section provides only a brief summary of the tax reliefs available under the EIS. A more detailed explanation of the tax advantages and conditions

pertaining to the EIS is set out in pages 21-23. **The value of the tax benefits will be contingent on each Investor's personal circumstances and may be subject to changes in those circumstances or to changes in tax law.**

The Manager, Media Adviser and RAM do not provide tax advice and potential Investors are strongly recommended to seek independent tax advice.

12. Liquidity

Each Investor will have an interest in the Fund that is pro-rata to the investment they make. The Fund will use the investment proceeds to subscribe for EIS Qualifying Shares in unquoted companies, where there will be no active market. As such, Investors will most likely be dependent upon a realisation of the Fund investments by the Manager to redeem their investments. The Manager

will consider options for realising value from the Fund portfolio, and returning funds to Investors, from the end of the Expected Minimum Period of Trade onwards. The investment into the Companies is not expected to be readily marketable or realisable and an investment in the Fund should be considered illiquid.

13. Target Market

This opportunity is likely to be appropriate for individuals looking for a medium to long term investment and whose personal circumstances allow them to access the EIS Reliefs, such that they are able to avail themselves of income tax relief and/or capital gains deferral relief. It is unlikely that EIS1 tax forms will be submitted prior to April 2019.

This opportunity is generally only aimed at informed investors (both retail and professional) who have one,

or more, of the following characteristics:

- has an existing knowledge of relevant financial products
- some financial industry experience
- meets the criteria for being a professional client.

The minimum investment in the Fund is £10,000.

The Media Adviser and the Manager

The Manager will work closely with the Media Adviser to implement the investment objectives of the Fund, further to the Media Advisory Agreement. Together, the investment team combines direct expertise in the development, production, exploitation and distribution of television content, and has extensive experience of managing EIS qualifying television production businesses of the type targeted by the Fund. The Media Adviser has an in-depth understanding of the television industry and a wide network of relevant contacts and experience which it will bring to the Manager, and hence the Fund.

1. The Media Adviser

The Media Adviser is Great Point Media Limited, founded by Jim Reeve and Robert Halmi in 2013, to develop, distribute and consult on projects for and with a range of production companies, producers, writers and television networks internationally.

The principals of GPM have a unique blend of experience in both the television industry and the management of EIS qualifying media companies, having previously managed over 215 EIS qualifying television businesses. The Media Adviser will be responsible for identifying and evaluating potential television opportunities for the Companies which comply with the objectives of the Fund. A representative of the Media Adviser will be appointed to the board of each Company, to represent the interests of the Investors.

2. The Manager

The Manager is Great Point Investments Limited, a fund manager authorised and regulated by the Financial Conduct Authority in the United Kingdom, which specialises in the creation, promotion and management of alternative investment funds across the media sector.

The Manager looks to invest in early stage and growth capital opportunities. It focuses on sectors, such as entertainment, where relatively small investments can create new and highly scalable asset owning and exploiting businesses. To achieve this requires specialist knowledge, and in the specific case of the Fund, a detailed understanding of the media and entertainment industries. GPI is a wholly owned subsidiary of GPM. Details of conflicts of interests are detailed on page 25.

3. MiFID II

As of 3 January 2018, the EU Markets in Financial Instruments Directive II (the **MiFID II**) was implemented into UK law and regulation. The Manager complies with all applicable requirements under MiFID II.

4. The Great Point Media Group Team



Robert Halmi

Robert is an Emmy Award and Golden Globe Award winning film and television producer, with in excess of 250 production credits to his name, including *Lonesome Dove*, which earned seven Emmy Awards and a Golden Globe for best mini-series.

Robert has been the Chief Executive Officer of four publicly listed entertainment conglomerates, alongside serving as Chairman of Crown Media, Inc. where he founded the US television network, Hallmark Channel, now broadcast to over 80 million homes.



Jim Reeve

Jim is an Emmy award winning producer with over 25 years' experience in the development, production, financing and distribution of television programmes and films, with credits including *Foyle's War* and Jack Higgins' *On Dangerous Ground*.

Jim has worked extensively in media EIS and SEIS businesses and over the past decade has managed over £300m worth of EIS investment in television content.



Kok-Yee Yau

Kok-yeey specialises in sourcing and evaluating suitable EIS opportunities within the television sector, and has overseen the production of over 100 television programmes.

Kok-yeey qualified as a chartered accountant at Grant Thornton, focussing on the audit of companies in the media and financial services sectors. She has also worked at the global alternative hedge fund manager, Man Investments, within the structured products valuation team.



Fergus Haycock

A qualified solicitor, Fergus now specialises in managing television and media project financing opportunities, having managed a £300m EIS television production fund and over 100 television productions.

In addition, Fergus has a wealth of experience in the development, management, and capital raising for new alternative investment opportunities, including Corporate Venturing, EIS and BPR investments.



Dan Perkins

Dan is a qualified chartered accountant with significant experience in the management and capital raising for alternative investment opportunities, including Corporate Venturing, EIS and BPR investments.

Prior to joining GPM, Dan was an Investment Director with a leading media investment boutique responsible for investment and distribution strategy. Previously, Dan spent four years at a Big Four accountancy firm providing corporation tax advisory and compliance services to companies across a broad range of sectors.



Laura Macara

Laura has five years' experience in sourcing and evaluating suitable EIS opportunities within the television sector and managing over £350m of EIS funds for a leading media investment house.

Laura qualified as a chartered secretary and has managed the corporate governance and company secretarial matters for over 200 companies.



Matt Stevens

Matt is a qualified chartered accountant and chartered business valuator and has a MBA from the London Business School.

Matt qualified as a chartered accountant at a Big Four accountancy firm and subsequently spent three years working in Corporate Finance and Business Valuations on a wide range of projects in M&A, financing, tax planning, and litigation.



Ellen Fraser

Ellen qualified as a barrister in July 2000 and later as a solicitor and was previously a senior lawyer at a leading media investment boutique.

Ellen has over 10 years' experience in media legal and business affairs, specialising in advising content producers and financiers on all matters relating to the development, production and exploitation of films and television programmes.

Portfolio structure, offer details and fees

1. Portfolio Structure

The Fund is an AIF pursuant to the EU Alternative Investment Managers Directive (AIFMD). GPI is authorised to act as an AIF manager (AIFM) and, accordingly, is the AIFM of the Fund. The Fund will be the client of the Manager for the purposes of the rules of the AIFMD. Prospective investors' attention is drawn to the fact that GPI is exempted from the full requirements under the AIFMD pursuant to Article 3(2)(a) of the AIFMD (the so-called 'de minimis exemption'). Therefore, prospective investors shall not benefit from any rights from the AIFMD, nor will GPI be obliged to comply with any obligation thereunder, except to the extent provided under Article 3(2) of the AIFMD. The Fund is not a collective investment scheme, and nor is it approved by HM Revenue & Customs. Investments in the Companies will be managed in accordance with the terms of the Fund Management Agreement.

The proceeds of the Fund will be aggregated for the purposes of making investments and the Manager will instruct the Custodian to subscribe for shares in Companies on behalf of Investors. Consequently, Investors will be the beneficial owners of EIS Qualifying Shares

in each Company pro-rata to their subscriptions to the Fund. The shares will be held by the Nominee. The Manager may not invest an equal amount into each Company into which the Fund invests, depending on each Company's particular capital requirements. The Manager will be responsible for discretionary decisions in relation to the selection of, and exercising the rights in relation to, such investments. The Manager will select investments to be made by the Fund utilising information provided by the Media Adviser in identifying and evaluating opportunities.

An Investor will not be able to require the Manager to dispose of his/her interest in a Company prior to realisation of the Fund's overall holding. However, the Manager may, at its absolute discretion, have regard to any requests made to it by Investors to liquidate any individual shareholdings in the Fund (such termination may result in a loss of income tax and capital gains deferral tax relief).

2. Subscriptions

The minimum individual subscription in the Fund is £10,000. While there is no limit on the maximum investment into the Fund, it should be noted that an Investor may only claim income tax relief on investments of up to £1,000,000 in any single tax year. Each spouse has his/her own annual limit of £1,000,000 and they are not aggregated. The limit applies to the aggregate EIS investments made by an Investor within the tax year. The Manager intends to invest the Fund in EIS qualifying companies in the 2017/18 tax year.

The Manager intends to invest the Fund in EIS qualifying companies in the 2017/18 tax year. Accordingly, an investor should be entitled to elect to treat part or all of their investment as if made in the 2016/17 tax year.

It may therefore be possible to claim income tax relief on subscriptions to the Fund of up to £2,000,000 in total. If the amount of an Investor's subscription is such that, in combination with the subscription of any of his/her Associates, his/her pro-rata beneficial interest in a Company amounts to more than 30% of the capital, voting rights or assets on a winding up, he/she will be "connected" with the Company and will, therefore, not be entitled to income tax relief in respect of that investment.

There is no limit on the value of assets qualifying for IHT Relief, nor the amount of investment which may qualify for deferral relief from capital gains tax.

The minimum Fund size necessary to proceed is £10 million. The maximum Fund size is £20 million, subject to the discretion of the Manager to increase this amount.

3. Withdrawals

Once subscription monies have been invested, an Investor is not permitted to make a partial withdrawal of his/her investment from the Fund. Subject to an Investor's right of cancellation, he/she may withdraw his/her uninvested subscription monies from the Fund. Once subscription monies have been invested, at the sole discretion of the Manager, an Investor may be permitted to make an early withdrawal of his/her investment from the Fund, provided that he/she does so in full. Early withdrawal will result in termination of the Fund Management Agreement, in which case the relevant Investor's investments (whether EIS Qualifying Shares and/or cash), will be transferred into the Investor's name.

However, if a disposal of EIS Qualifying Shares occurs before the end of the Expected Minimum Period of Trade, that Investor would have to repay the initial

income tax relief and any capital gains deferral relief (if either or both has been claimed). The Manager's entitlement to the Performance Fee will survive any withdrawal.

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

As there is no ready market for the shares which the Fund intends to hold in the Companies and the investment should be considered to be illiquid, it may not be possible for the Manager to facilitate an early withdrawal.

4. Realisation Strategy

To qualify for EIS Reliefs, Investors must hold the EIS Qualifying Shares acquired by the Fund for the Expected Minimum Period of Trade. The Manager anticipates that all subscription proceeds will be deployed, and EIS Qualifying Shares issued during the 2017/18 tax year.

Assuming that all investments can be realised, the Fund has a target life of a minimum of 4 years, but there can be no guarantee of this and so Investors

should consider the Fund a medium to long term investment. The Manager will pursue a strategy of maximising returns for Investors when considering the value and timing of EIS Qualifying Share disposals.

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

5. Offer Details

Launch Date:	9.00am on 8 January 2018
Closing Date:	5.00pm on 28 March 2018 ¹²
Minimum Fund Size:	£10,000,000
Maximum Fund Size:	£20,000,000 ¹³

¹² Subject to the Manager's discretion to extend or shorten the Closing Date

¹³ Subject to the Manager's discretion to increase or decrease the Fund size

6. How to Apply

Once you have read the Information Memorandum and Fund Management Agreement, and having consulted with your Intermediary, please complete the relevant Application Form which accompanies this Information Memorandum and return it to John Rowe, Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London EC3R 7QR.

You will need to include as part of your application (i) the supporting documentation as requested therein; and (ii) a cheque made out to “WCSL Select TV EIS 7 Client A/C”, to arrive no later than 2.00pm on 21 March 2018 or, in the case of payment by bank transfer, to clear no later than 5.00pm on 28 March 2018 in the Custodian’s client bank account!¹⁴

7. Right of Cancellation

An Investor may exercise a right to cancel his/her adherence to the Fund Management Agreement by notification to the Manager within 14 days of the Manager accepting the Investor’s Application Form provided that money has not already been committed to investment. This should be done by a cancellation notice sent to John Rowe as set out in this document. For convenience, a cancellation notice form is provided at the end of this Information Memorandum.

On exercise of the Investor’s right to cancel, the Manager shall refund any monies paid to the Fund by the Investor, less any charges the Manager has already incurred for any services undertaken in accordance with the Fund Management Agreement (but not any initial fees paid to the Manager). Investors should check with their Intermediary whether they will refund any Intermediary fees in respect of a cancelled investment.

The Custodian is obliged to hold investment monies until satisfactory completion of checks under the Money Laundering Regulations 2007 (as amended from time to time). The Investor will not be entitled to interest on monies refunded following cancellation.

The right to cancel under the FCA rules does not give you the right to cancel, terminate or reverse any particular investment transaction executed for your account before cancellation takes effect.

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

¹⁴ Note the payment dates will be earlier if the Fund closes before 28 March 2018

8. Charges and Fees

The following fees will be chargeable to each Company by the Manager in respect of the Fund:

Initial Fee

A one-off, upfront fee (charged by the Manager to each Company on Investment by the Fund) further to the terms of the Management Agreement. An Investor's share of the Initial Fee shall not exceed 1.95% of that Investor's investment in the Fund.

Management Fee

An annual fee equivalent to 1.00% of an Investor's investment in the Fund (charged by the Manager to each Company), further to the terms of the Management Agreement, plus a fixed Annual Administration Charge of £7,500 per Company per annum. The Management Fee will accrue and be payable on each anniversary of the Closing Date.

Custodian Fee

Annual Custodian charges as required to meet the costs of the Custodian will be charged by the Manager to each Company monthly in arrears. The Custodian Fee charged by the Manager will be up to 0.125% of the aggregate Fund subscriptions per annum.

Performance Fee

The Manager and Directors will collectively be entitled to deduct an amount economically equivalent to 35% of all distributions (or amounts payable or realised) to holders of all share classes in each Company, subject to Investors first receiving 110 pence per 100 pence invested in the Fund.

Where applicable, the Directors will receive their share of the Performance Fee through an allocation of B Ordinary Shares in each Company. The Manager will reduce the Performance Fee it charges to the Fund by so much as has been attributed to the Directors through their B Ordinary Shareholding. Investors will therefore receive 65% of the remaining incremental value created by the Fund in excess of 110 pence per 100 pence invested.

In turn, the Manager will pay a fee to the Media Adviser, further to the Media Advisory Agreement, equal to 87.5% of the Performance Fee.

All fees and costs are exclusive of VAT, which will be charged where applicable. Legal, transactional and due diligence costs will be incurred by the relevant Company, where applicable. The Manager or any affiliated entity shall be entitled to recover reasonable third-party expenses incurred in managing, administering and servicing the Fund and its Companies through a charge to the Companies or Fund as appropriate. The reasonable costs of the Media Adviser and any affiliated entity incurred at the request of a Company in sourcing or providing services to the Fund or the Companies may be charged to the Companies, including legal, accounting, company secretarial, taxation, audit, insurance, administration, transactional and all other associated costs.

As a result of the fee structure, the Manager and Media Adviser believe that their interests, and those of the Companies' wider management teams are aligned with those of the Investors. For the Manager or Media Adviser to incrementally benefit from the envisaged arrangements, a Company must first, in priority, have yielded distributions or value for Investors of 110p per 100p invested, without taking tax relief into consideration.

The Directors are independent individuals, and will negotiate their remuneration on a Company by Company basis. In addition to holding B Ordinary Shares, Directors may be paid a salary in respect of their office and or other roles performed for a Company.

Any fees, such as an adviser charge, due to an Intermediary for providing investment advice to an Investor should be paid directly by the Investor or may be facilitated by the Manager on behalf of an Investor prior to subscription to the Fund.

Risk factors

Investors must carefully consider all of the information contained in this Information Memorandum and whether an investment in the Fund constitutes a suitable investment for them in light of their personal circumstances, tax position and the financial resources available to them. The Fund will be investing in unquoted companies and may not be suitable for all types of Investor. Potential investors are, therefore, strongly recommended to seek independent financial and tax advice from a suitably qualified professional adviser before undertaking an investment in the Fund. If in any doubt whatsoever, an Investor should not proceed.

This section details the material risk factors that the Manager believes could adversely impact an investment in the Fund or the availability of tax reliefs to Investors and should be considered in detail before deciding to invest. If any of the following circumstances or events arise, the financial position and/or results of the Fund could be materially and adversely affected; as could the availability of tax reliefs to Investors. In such circumstances, Investors could lose all or part of their investment. Additional risks and uncertainties not presently known, or that are deemed to be immaterial, may also have an adverse effect on the Fund and the risks described below do not represent an exhaustive list of risks factors.

1. Investment Risk

- The value of EIS Qualifying Shares and income from them can go down as well as up. An Investor may not get back the full amount invested and may, therefore, lose some or all of their investment.
- Assumptions, projections, intentions, illustrations or targets included within this Information Memorandum cannot and do not constitute a definitive forecast of how the Fund and/or its investments will perform, but have been prepared on assumptions that the Manager and Media Adviser consider to be commercially reasonable.
- All investments of the Fund will be in unquoted television production companies. Such companies operate in a competitive market and may not produce the anticipated returns, which could affect an Investor's ability to realise his/her initial investment. Investments made by the Fund are unlikely to be readily realisable and due to their unquoted nature, may be difficult to value.
- Investor returns will be reliant on the commercial performance of the Companies, the contractual terms entered into with transaction counterparties and advisers, the financial health and performance of such contractual parties, changes in media trends and, to a lesser extent, the level of bank base rates from time to time.
- The performance of the Fund is contingent on the Manager being able to identify suitable Companies which carry on, and continue to carry on, an EIS Qualifying Trade for the Expected Minimum Period of Trade. There is no guarantee that the objectives of the Fund will be met.
- The Manager intends to invest the Fund across a portfolio of Companies following consultation with the Media Adviser. However, there is a risk that the Fund's investments will be relatively concentrated and the total return to Investors may therefore be adversely affected by the unfavourable performance of a small number of Companies.
- The Companies will typically have small management teams and therefore will be dependent to a large degree on the abilities and experience of a small number of people.
- In the event that the maximum size of the Fund is not raised, there will be less opportunity to diversify investments across a range of different projects, which may increase the volatility of returns.
- If the £10,000,000 minimum size of the Fund is not reached by the Closing Date, the Fund may not proceed and Investors' monies may be returned without interest.
- Each Investor should note that it is possible that other taxes or costs may arise for the Investor in connection with its investment in the Fund that are not paid via, or imposed by, the Manager.
- It may not be possible to meet the investment timetable, which would delay the availability of EIS Relief and the financial year in respect of which a claim for EIS Relief could be made. This could result in funds being returned to Investors, such that EIS Relief would not be obtained in respect of all or part of the Investor's subscription. It is unlikely that EIS1 tax forms will be submitted prior to April 2019.
- The returns accruing to the Fund by way of holdings of cash deposits or money market funds will principally be affected by fluctuations in interest rates.
- Investors may find it difficult to sell their interest in the Fund as there is currently no market for the EIS Qualifying Shares in the Companies for which the Fund intends to subscribe. The realisation of value by the Fund will depend on a number of factors, including each Company's performance and the timing of such a realisation by the Fund is uncertain and may vary on a Company by Company basis. Investors are likely to find it difficult to sell their interest in the Fund and should be able to afford their chosen lifestyle without any further recourse to their investment.

2. Taxation Risks

- Prospective Investors should be aware that the various tax benefits described in this Information Memorandum are based on the Manager's understanding of the existing tax legislation and HMRC practice. Such interpretation may be incorrect and it is possible that tax legislation may change in the future which would adversely affect the performance of the Fund and/or the economic position of the Investor.
- The amount of EIS Relief an Investor may gain from subscription to the Fund depends on their own personal circumstances. Therefore, EIS Relief may not be available to all Investors and/or may be lost by Investors in certain circumstances.
- Tax law is complex and prospective Investors should seek independent tax advice to determine and understand the suitability of investing in the Fund and any effect that this may have on their own position generally.
- The Manager will take all reasonable steps to obtain HMRC advance assurance that EIS Relief will be available for all investments made by the Fund, but no guarantee can be given that this will be granted. Further, tax relief could subsequently be withdrawn or modified in certain circumstances and neither the Manager nor the Custodian accepts any liability for any loss or damages suffered by an Investor or other person as a consequence of such relief being denied or withdrawn or reduced.
- An Investor may lose some or all of the tax benefits derived under the EIS if they fail to comply with the relevant legislation. Such a situation might arise, for example, if an Investor ceases to be UK tax resident during the Expected Minimum Period of Trade or an Investor receives value from a Company, other than by way of an ordinary dividend, in the period commencing one year prior to the issue of EIS Qualifying Shares to the Fund to the end of the Expected Minimum Period of Trade.
- An Investor whose pro-rata beneficial interest in a Company, in combination with that of his/her associates, amounts to more than 30% of the capital, voting rights or assets on a winding up will be deemed to be "connected" for the purposes of the EIS legislation and in such circumstances will not be entitled to claim income tax relief in relation to that investment. Since investment will be through the Fund, this limit should only be breached where an Investor holds a greater than 30% interest in the Fund.
- While the Manager will take all reasonable steps to ensure that the Fund's capital is fully invested by 5 April 2018, it cannot guarantee that this will be achieved. In the event that investments may not be made until 2018/19, this would postpone the ability to claim income tax relief in respect of 2017/18 although an Investor could still do so by way of electing to carry-back. It would prevent a carry back to 2016/17 from being made, however.
- Where a Company ceases to carry on an EIS Qualifying Trade during the Expected Minimum Period of Trade, whether through the actions taken by the Company or otherwise, its EIS qualifying status may be adversely affected and therefore, so will the EIS Relief accruing to Investors. While the Manager will require various safeguards to be provided against this risk, the Manager cannot guarantee that all Companies will retain their qualifying status.
- Any disposal of EIS Qualifying Shares during the Expected Minimum Period of Trade will crystallise an obligation to repay the income tax relief and capital gains tax deferral relief claimed in respect of those shares and any capital gain accruing on such disposal will not be exempt from CGT.
- Companies must employ all of the EIS funding they raise in their Qualifying Trade within two years of issuing the relevant EIS Qualifying Shares. Failure to employ the funds within this time limit would be a breach of the EIS rules and result in a withdrawal of tax relief on that investment.
- A Company must submit an EIS1 form to claim that it is a Qualifying Company and therefore, to establish that EIS Relief can be claimed by Investors. This can only be done when the Company has carried on the qualifying trade for at least four months. It is unlikely that the EIS1 tax forms will be submitted prior to April 2019 which will postpone the ability to claim income tax relief in respect of 2017/18 until later in 2019.
- If a Company fails to meet the EIS qualifying requirements: (i) Investors may, as a result, be required to repay 30% income tax relief received on a particular investment (along with any related interest); (ii) a liability to CGT may arise on the subsequent disposal of the relevant EIS Qualifying Shares; and (iii) any Investors may be required to repay capital gains deferral relief received on a particular investment (along with any related interest).

3. Risks Relating to Productions

- The level of return to Investors will be a function of the economic performance of the Productions and the commercial terms which each Company is able to secure in respect of the exploitation of the Productions. Therefore, any assumptions, projections, intentions or targets included within this document cannot and do not constitute a definitive or comprehensive forecast of how any Company will perform, but have been prepared upon assumptions which the Manager and Media Adviser consider commercially reasonable.
- Due to their contingent nature, the value to each Company of the Retained Rights will be uncertain. Therefore, the future performance of each Company over and above Presale Income and Incentives cannot be quantified before Production expenditure is incurred and it is possible that the only revenues which a Production generates are those from Presale Income and Incentives, which may result in an economic loss for a Company. As described herein, the Directors will seek to mitigate such risk by ensuring that each Production satisfies the Minimum Criteria set out on page 7 of this Information Memorandum before the Company can contractually engage in relation to a Production. The Directors will also ensure that the level of risk taken on by a Company is accurately reflected in the potential value of Retained Rights retained by the Company. It is also possible that some Productions may yield revenues further to the Retained Rights while others do not.
- Each Company will be responsible for producing the Productions and profitability will depend on each Company's ability to complete the Production within budget. To mitigate this risk, the Directors will include an allowance for an element of cost and time overrun, based on an industry standard approach, but if overruns do occur, these could adversely impact a Company's financial positioning.
- Each Company will be responsible for delivering the Productions according to the technical specifications and timescale required by Buyers. To the extent the Production overruns, or is not completed to a suitable standard, or is rejected by Buyers for any or no reason, returns to Investors could be adversely impacted. The Directors will use their production experience to anticipate appropriate deadlines and to anticipate potential problems in order to mitigate this risk.
- Returns negotiated under the Presale Income will be subject to a Buyer's ability to make payments due thereunder. To the extent that a Buyer is not able to make contractual payments, each Company would attempt to maximise returns on the Production or minimise losses incurred through the sourcing of a further Buyer.
- Returns will in part be determined by the number and size of Productions that each Company can successfully deliver over the Expected Minimum Period of Trade. It is entirely possible that some Productions may take longer to complete than anticipated, or that a Company may experience a delay in sourcing a Production, or one on which it can engage further to the Minimum Criteria.
- To the extent that Presale Income, Incentives and Retained Rights are received by each Company and are re-applied by the Company in its Qualifying Trade on similar terms to enable the Company to enter into further Productions, the same risks apply to the returns from such further activity. It may be that profits realised by a Company in respect of an earlier Production are applied to a further Production which is not profitable.
- The value of each Company may go down as well as up. Investors may therefore realise less than their original investment.
- Each Company may be exposed to currency risk as a portion of its revenues earned through its trade may arise in foreign currency, the value of which may be affected by movements in exchange rates. In order to mitigate this, each Company will ensure that such revenues are paid in sterling or that suitable hedging arrangements are put in place, where possible.

4. Risk Relating to Cash

The Custodian shall not be liable to the Investor in the event of an insolvency of any bank with which any funds held by the Custodian, on behalf of the Investor, have been deposited nor in the event of any restriction on the ability of the Custodian to withdraw funds from

such bank for reasons which are beyond the reasonable control of the Custodian. This does not affect the Custodian's regulatory responsibility to Investors prior to subscription monies being invested.

5. Forward-Looking and Performance Statements

This Information Memorandum includes statements that are (or may be deemed to be) “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology including the terms “believes”, “continues”, “expects”, “intends”, “may”, “will”, “would” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Information Memorandum based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under applicable laws and

regulations, the Manager undertakes to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Assumptions, projections, intentions, illustrations or targets included within this Information Memorandum cannot and do not constitute a definitive forecast of how the Fund and/or its investments will perform, but have been prepared on assumptions that the Manager and Media Adviser consider to be commercially reasonable.

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

Tax Benefits

The summary below provides an indicative guide to the tax implications stemming from an investment in the Fund and is based on current understanding of UK tax law and practice. It does not set out all of the rules or regulations that must be adhered to and should not be interpreted as the provision of tax, legal or financial advice. Investors are strongly recommended to seek independent professional advice on the tax consequences of acquiring, holding and disposing of EIS Qualifying Shares before proceeding with an investment into the Fund.

The Fund has been structured to enable Investors to claim EIS Relief and IHT reliefs on the amount of their subscription, as described below. The amount and timing of these reliefs will depend on the individual circumstances of each Investor and may be subject to change in the future. The illustrations included in this section are for indicative purposes only and should not be construed as forecasts or projections of the likely performance of the Fund.

In order to access the tax reliefs described it is necessary to be a UK taxpayer and subscribe for EIS Qualifying Shares. The summary below gives only a brief outline of the available tax reliefs and assumes that an Investor is an additional rate taxpayer.

1. EIS Reliefs

EIS Relief consists of a number of income tax and capital gains tax reliefs and is only available to subscribers for shares in an EIS qualifying company. Persons to whom shares are later transferred will not benefit. To qualify for EIS Relief, subscribers must be individuals, or, in respect of CGT Deferral only (see below), may be trustees of certain kinds of trust.

(a) Reliefs

Income Tax Relief

Shareholders may deduct an amount, equal to the rate of EIS income tax relief applied to the amount subscribed for EIS Qualifying Shares, from their total liability to income tax for the tax year in which the EIS Qualifying Shares are issued, subject to an overall maximum subscription of £1,000,000 per tax year. EIS income tax relief is obtained at a rate of 30%.

In addition, an amount of an investment in EIS Qualifying Shares of up to £1,000,000 may be carried back to the previous tax year to the extent that the shareholder did not utilise the full amount of EIS income tax relief to which he/she was entitled in that year.

Investors should note that shares are only issued when the share application is completed by entry of the shareholding in the Company's share register.

CGT Exemption

Provided that EIS income tax relief has been claimed and not withdrawn on the EIS Qualifying Shares, no CGT is due on gains arising on disposal of the shares provided that they have been held throughout the Expected Minimum Period of Trade.

CGT Deferral

All or part of any chargeable gain arising on the disposal of an asset may be deferred by making a claim for relief on an investment in EIS Qualifying Shares. The gains which may be deferred are those that have arisen in the three years before the EIS Qualifying Shares are issued and those which arise up to one year after that date. CGT Deferral relief is also available on a disposal of

assets in certain kinds of trust, where the trustees themselves subscribe for EIS Qualifying Shares.

Loss Reliefs

Where a loss is incurred by a Shareholder on the disposal of EIS Qualifying Shares on which EIS Relief has been claimed, the loss, calculated after deducting any income tax relief previously claimed in respect of the investment, may be set against the Shareholder's taxable income of the tax year of disposal or the previous tax year. Alternatively, the loss may be offset against capital gains in the tax year of disposal. Any excess losses may be carried forward for relief against future capital gains.

(b) Conditions applicable to EIS Reliefs

Shareholders Qualifying for EIS Relief

A holder of EIS Qualifying Shares must not be connected with the Company during the period which begins two years before EIS Qualifying Shares in the Company are issued to him/her and ends three years afterwards (or three years after the commencement of the Company's trade, if later) if he/she is to obtain and retain income tax relief. A Shareholder will not be connected with the Company if he/she passes the following tests:

(i) neither the shareholder nor he/she and his/her Associates together may control the Company, or directly or indirectly, possess or be entitled to acquire, more than 30% of the ordinary share capital or loan capital and issued share capital or voting powers in the Company, or rights carrying entitlement to more than 30% of the assets available for distribution on a

winding-up or in any other circumstances. Control means the power of a person to secure by means of shareholding, voting power, the articles of association or any other document (whether relating to the Company or another company) that the affairs of the Company are conducted in accordance with his/her wishes;

(ii) neither the shareholder nor any Associate of his/her may be an employee, partner, employee of a partner or paid director of the Company (subject to the paragraph below) or its subsidiaries. An unpaid director is not disqualified if he is reimbursed travel or subsistence expense which would otherwise be allowable for taxation; and

(iii) a shareholder may become a paid director of the Company following the issue to him of EIS Qualifying Shares, provided that at the time he subscribes for the shares he was not, and had not previously been, connected with the Company nor with the trade carried on by the Company. Any remuneration paid to a shareholder director in these circumstances must be reasonable for the services rendered to the Company.

Share Subscriptions

The Company must not raise more than £5 million from EIS or Venture Capital Trust sources in any period of twelve months, and all of the money raised from the share issue must be employed for the purposes of the Qualifying Trade within two years.

Qualifying Trade

The Company must carry on a Qualifying Trade for EIS Relief to be available to its Shareholders. The production and exploitation of television content to be undertaken by the Company should be a Qualifying Trade for this purpose and confirmation has been requested from HMRC that this will be the case.

Gross Assets

The gross assets of the Company must not exceed £15 million immediately before the issue of EIS Qualifying Shares and £16 million immediately afterwards.

(c) Withdrawal of EIS Relief

If the Company ceases to carry on its Qualifying Trade before the end of the Expected Minimum Period of Trade, EIS Relief obtained by the shareholders of the Company may be withdrawn. EIS Relief will also be wholly or partially withdrawn if, for example, the Shareholder receives value from the Company (dividends which do not exceed a normal return on investment do not constitute a receipt of value for this purpose), or if he/she disposes of the EIS Qualifying Shares during the Expected Minimum Period in relation to those EIS Qualifying Shares (a transfer of EIS Qualifying Shares between spouses is not deemed to be a disposal for these purposes). EIS Relief will also be withdrawn if a Shareholder takes out a loan under special terms connected in any way with the subscription for EIS Qualifying Shares.

(d) EIS Relief Certificate

Following the issue of the EIS Qualifying Shares, but no earlier than four months after commencement of its trade, the Company will need to apply to HMRC for authorisation to issue tax relief certificates (Form EIS3) to Investors. These certificates will enable Investors to claim the EIS Reliefs to which they are entitled. Although the time taken by HMRC to grant authorisation cannot be controlled by the Company, every effort will be made by the Directors to expedite the process and, as soon as authorisation is given, Form EIS3s will be distributed to Shareholders, however it is unlikely that the EIS1 tax forms will be submitted prior to April 2019.

Any person who is in doubt as to his/her taxation position, or is subject to taxation in a jurisdiction other than the UK, should consult an appropriately qualified professional adviser without delay.

2. Inheritance Tax

An inheritance tax liability on the estate of a deceased person, or on the transfer of assets by way of a lifetime gift, may be reduced or eliminated to the extent that the assets comprise "Relevant Business Property" (as defined in IHTA). For this purpose, "Relevant Business Property" includes shares where the company concerned is unlisted and is either a trading company or the holding company of a trading group.

To obtain the relief, the shares must have been owned

during the previous two years or must have been inherited from a spouse or civil partner and, when the spouse's or civil partner's period of ownership is taken into account, the combined period of ownership must be at least two years.

Shares in each Company should qualify for business property relief provided that the Company continues to carry on the trade of television production and exploitation.

3. Stamp Duty

No stamp duty or stamp duty reserve tax will be payable on the issue of share certificates relating to EIS Qualifying Shares. No stamp duty or stamp duty reserve tax will be payable on the registration of the original holders of

EIS Qualifying Shares. Stamp duty will be payable by a purchaser on any disposal of EIS Qualifying Shares by the original shareholders.

4. Claiming EIS Relief

An Investor cannot claim income tax relief until a Company has submitted an EIS1 form and HMRC has issued a compliance certificate to confirm that it is EIS Qualifying. An application will be made to HMRC once a Company has been trading for four months, however it is unlikely that the EIS1 tax forms will be submitted prior to April 2019.

Relief must be claimed within five years after 31 January following the year of assessment in which each investment was made by the Fund. Investors are strongly

recommended to seek professional tax advice on making claims for EIS Relief as personal circumstances may differ.

A Form EIS3 is required by an Investor to claim EIS Relief for each investment made by the Fund. The Manager will distribute the forms to Investors in respect of each Company.

Mechanics of the fund

1. Nominee

While the EIS Qualifying Shares will be issued in the name of the Nominee, for EIS purposes, they will be treated as if subscribed for by, and issued directly to, the Investors who will retain the beneficial ownership over

them throughout the life of the Fund. All distributions made by the Companies during the term of the Fund will be paid onward by the Nominee to the Investors. All documents of title will be held by the Nominee.

2. Custodian

Upon completion of the Application Form, the prospective Investor will, inter alia, be deemed to irrevocably agree to the Manager having appointed the Custodian on their behalf, to exercise the powers, and carry out the duties, on

behalf of the Investor in accordance with the Custodian Agreement. Investors are permitted to request a copy of the Custodian Agreement from the Manager.

3. Client Accounts

The Custodian will hold Investors' funds prior to investment in Companies, or ahead of any distribution of disposal proceeds upon realisation, on client

account in cash or cash equivalents. The interest or return arising thereon will be paid to the Manager as an advance against its Management Fee and/or Performance Fee.

4. Application of Funds

Investors will be allocated EIS Qualifying Shares in each investment pro-rata to their respective subscriptions in the Fund (subject to rounding). There may be small variations to this rule where, for example, this would give rise to a requirement to issue fractional shares.

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

5. Reporting

The Manager will report to Investors on a six monthly basis, with the first report due for the period to 31 March 2018. Each report will detail the progress of the investments made by the fund.

Form EIS3s have been received for all companies from HMRC. A Form EIS3 is required by an Investor to claim EIS Relief for each investment made by the Fund, subject to an individual's personal circumstances.

Furthermore, the Manager will distribute to Investors Form EIS3s in respect of each Company once

6. Conflicts of Interest

The Manager is a very active investor, adviser, operator, manager and fundraiser for individuals, entities and on its own behalf within the media and entertainment sectors. Consequently, there may potentially be occasions in the future where an investment approved by the Manager is connected in some way to the commercial interests of the Manager.

The Manager and Media Adviser may also act as manager and/or adviser to other EIS and SEIS services and/or companies. The Manager and Media Adviser shall, at all times, ensure that any decisions in their respective capacities are undertaken without prejudice to the interests of Investors and in accordance with the prescribed policies for dealing with conflict, as set out in the Fund Management Agreement.

The Media Adviser operates a complementary business within the media and entertainment sector. There may be instances where GPM is engaged by a Company to provide additional services in the normal course of its business which are outside of the scope of the Media Advisory Agreement. For example, GPM possesses a strong distribution network and may wish to tender to act as distributor or sales agent in respect of a Production or Productions. Where, as a result of a tender process, GPM acting as sales agent or

distributor represents the best commercial opportunity for a Company to maximise value from Productions that it creates and owns, GPM may be engaged separately by the Company in this role. In such circumstances GPM would expect to charge the Company a separate fee or commission in respect of their engagement, which will be negotiated on arms' length commercial terms resulting from the tender process. Where a Company is considering entering into a separate legal agreement with GPM via a tender process, any GPM director, employee, contractor or other party with a financial interest in GPM who is a director of the Company will not vote in respect of the Company's decision. The Manager will be entitled to review all documents in relation to the engagement, and may exercise a right of veto on behalf of the Investors where it does not consider the engagement to be in the best interests of the Investors.

The Directors of each Company are independent and will be remunerated, in addition to any B Ordinary Shares which are issued to them and Director's salaries, for work undertaken on a commercial basis. Where any director may benefit from a contract into which the Company enters, either directly or indirectly, they will not be entitled to vote on the matter, in line with the Company's Articles of Association.

7. Complaints

The Manager has established procedures in accordance with FCA rules for consideration of complaints. Details of these procedures are available from the Manager upon request. Should an Investor have a complaint,

they should contact the Manager. If the Manager cannot resolve the complaint to the satisfaction of the Investor, the Investor may be entitled to refer it to the Financial Ombudsman Service.

8. Financial Services Compensation Scheme

The Manager, the Custodian and the Investor's Intermediary (if the Investor has one) are covered by the Financial Services Compensation Scheme (FSCS). The Investor may be entitled to compensation

from the FSCS if the Manager, the Custodian or the Intermediary cannot satisfy any successful claim made against it by the Investor, as described in greater detail in the Fund Management Agreement.

Glossary of terms

Term	Definition
Annual Administration Charge	a fixed amount of £7,500 payable by each Company to the Manager semi-annually in arrears from the Closing Date, further to the terms of the Management Agreement
Application Form	an application form to invest in the Fund which is completed by the Investor and their Intermediary in the form set out in this Information Memorandum
Associate	any person or entity, which (directly or indirectly) controls or is controlled by another party or is under common control with that party. For the purpose of this definition “control” shall be deemed also to encompass any power to significantly influence the operating and financial policies of any person or entity
CGT	Capital Gains Tax
Closing Date	solely determined by the Manager as the last date upon which the Investor may make a subscription to the Fund and, at the date of this Information Memorandum, is 28 March 2018
Company	a company in which the Fund is invested, which is a qualifying company for EIS purposes
Custodian	such person as the Manager may appoint to provide, and with which the Manager has agreed terms for safe custody, custodial and nominee services in respect of the Fund and, at the date of this Information Memorandum, is Woodside Corporate Services Limited
Custodian Agreement	the agreement between the Custodian and the Manager setting out the agreed terms for safe custody, custodial nominee and administrative services to be provided by the Custodian in respect of the Fund
Custodian Fee	annual Custodian charges as required will be charged by the Manager to each Company monthly in arrears. The Custodian Fee charged by the Manager will be up to 0.125% of the aggregate subscriptions to the Fund per annum
Director	independent director on the board of each Company
Early Allotment Dates	there may be an Early Allotment Date prior to the Closing Date
EIS	the Enterprise Investment Scheme set out in ITA Sections 156 - 257 and in TCGA Sections 150A - 150C and Schedule 5B
EIS Qualifying Shares	A Ordinary Shares in a Company
EIS Qualifying Trade	a trade permitted by Sections 189 and 192 ITA
EIS Relief	the tax reliefs available under the EIS, including the income tax relief, capital gains deferral relief and capital gains disposal relief.
Expected Minimum Period of Trade	the minimum three year period which EIS Qualifying Shares will need to be held by Investors, from the later of the date shares are issued by the Company to the Fund, or the date each Company commences trading. However it should be noted Investors should expect a minimum 4 year holding period
FSCS	Financial Services Compensation Scheme
FSMA	Financial Services and Markets Act 2000
Fund	the Select Television Production EIS 7

Fund Management Agreement	the agreement to be entered into between each Investor and the Manager governing the operation of the Fund, in the form set out in the Appendix to the Information Memorandum
GPI	Great Point Investments Limited, registered in England and Wales under company number 08653224, with its registered office at 3rd Floor, 14 Floral Street, London WC2E 9DH, which is authorised and regulated by the Financial Conduct Authority and is registered on the Financial Services Register with reference number 606798
GPM	Great Point Media Limited, registered in England and Wales under company number 08335376, with its registered office at 3rd Floor, 14 Floral Street, London WC2E 9DH
Great Point Media Group	GPM and any Associate thereof from time to time
HMRC	HM Revenue & Customs
IHT	Inheritance Tax
IHTA	the Inheritance Tax Act 1984
Incentives	government backed incentives and subsidies
Initial Fee	a one-off, upfront fee payable by each Company to the Manager on investment by the Fund, further to the terms of the Management Agreement, and capped at 1.95%
Intermediary	means the appropriately qualified and authorised adviser that an Investor appoints from time to time to provide investment advice, or is a professional firm authorised by a designated investment body
Investors	each individual who invests in the Fund further to the Fund Management Agreement and relevant Application Form
Information Memorandum	this Information Memorandum
ITA	the Income Tax Act 2007
Management Agreement	an agreement between each Company and the Manager, through which the Initial Fee and the annual Management Fee are payable
Manager	GPI
Management Fee	an annual fee of 1.00% of an Investor's investment in the Fund plus the Annual Administration Charge
Media Adviser	GPM
Media Advisory Agreement	The agreement to be entered into between GPM and the Manager in respect of media advisory services provided by GPM to the Manager
MiFID II	The second regime of the framework of European Union (EU) legislation for investment intermediaries and organised trading of financial instruments
Minimum Criteria	defined on page 7
Nominee	such nominee as the Custodian may appoint from time to time, and at the date of this Information Memorandum is WCS Nominees Limited
Offer	as defined in page 5 of this document

Performance Fee	the total performance based fee payable to the Manager further to the Management Agreement, and the equity interest which the directors hold in the B Ordinary Shares of each Company, which shall not in aggregate exceed 35% of the value, net profits or distributions created by each Company in excess of £1.10 per £1 of capital invested by the Fund
Presale Income	contractual commitments from buyers, such as networks, entered into before commencement of production activities, to purchase the rights from the Company to distribute or broadcast the production in a particular territory for a specific period or prescribed medium
Professional Investor	an Investor who has been categorised in accordance with the FCA Conduct of Business Sourcebook (COBS) as a professional client by their adviser in connection with investing in the Fund
Promoter	RAM
Promoter Agreement	the agreement between the Promoter and the Manager, through which the Promoter Fee is payable
RAM	RAM Capital Partners LLP, registered in England and Wales under company number OC329154, with its registered office at 4 Staple Inn, London WC1V 7QH, which is authorised and regulated by the Financial Conduct Authority and is registered on the Financial Services Register with reference number 470347
Retail Investor	any Investor in the Fund who is not a Professional Investor
Retained Rights	the retention of residual Production rights (these not comprising Presale Income) which can be exploited across ancillary channels or remaining territories
TCGA	the Taxation of Chargeable Gains Act 1992
Woodside Corporate Services Limited	Woodside Corporate Services Limited, registered in England and Wales under company number 06171085, with its registered office at 4th Floor, 50 Mark Lane, London EC3R 7QR, which is authorised and regulated by the Financial Conduct Authority and is registered on the Financial Services Register with reference number 467652

This Information Memorandum is dated 8 January 2018

Cancellation notice

You may cancel your Application and terminate the Fund Management Agreement at any time within 14 days of the Manager receiving your Application Form. If you wish to cancel your Application, please complete the details below and send this notice to: John Rowe, Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London EC3R 7QR.

I hereby cancel my application to the Select Television Production EIS 7.

1. Title

2. Forename(s)

3. Surname

4. Address

5. Postcode

7. Date

8. Signature

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Fund Management Agreement

This Agreement is made between:

- (1) **Great Point Investments Limited**, a limited company incorporated in England and Wales (registration number: 08653224), whose registered office is 3rd Floor, 14 Floral Street, London WC2E 9DH (the “**Manager**”); and
- (2) The investors from time to time who have signed the Application Form attached which has been accepted by the Manager (the “**Investors**”).

Recitals:

- (A) The Fund is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU) and was set up to carry on the business of investing in EIS qualifying companies creating high quality television content for major broadcasters and, in particular (but without limitation), of identifying, negotiating, making, monitoring and realising investments and to carry out all functions and acts in connection therewith. This is the Agreement by which the Fund is constituted.
- (B) The Manager shall act as manager of the Fund and, in particular, admit Investors to the Fund and operate the Fund and manage its investment portfolio on the terms of this Agreement and the Manager has agreed to accept such appointment. The Fund shall be the Manager’s client for the purposes of the FCA Rules.
- (C) The Manager has appointed the Custodian to act as custodian of the Fund and, in particular, to provide all safe custody and nominee services in connection with the Fund on the terms of the Custodian Agreement. The Custodian has agreed to accept such appointment and the Investors wish to ratify that appointment.
- (D) The Manager is authorised and regulated by the FCA (Financial Services Register Number: 606798).

1. Interpretation

- 1.1 Defined terms used in this Agreement shall have the meaning set out in Clause 20 (Defined Terms).
- 1.2 Any capitalised words or phrases not expressly defined in this Agreement shall have the meaning given to them in the Information Memorandum.
- 1.3 Words and expressions defined in the FCA Rules, which are not otherwise defined in this Agreement will, unless the context otherwise requires, have the same meaning in this Agreement.
- 1.4 Any reference to a statute, statutory instrument or to rules or regulations are references to such statute, statutory instrument or rules and regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 1.5 References to the singular also include the plural and vice versa and words denoting one gender also include any other gender.
- 1.6 Unless otherwise indicated, references to clauses are to clauses in this Agreement.
- 1.7 Headings to clauses are for convenience only and do not affect the interpretation of this Agreement.

2. Term and Client Categorisation

- 2.1 This Agreement shall come into force and the Fund shall be established on the date that at least one Investor’s Application Form is accepted by the Manager and shall continue in force until no Investor continues to be a party to the Agreement in accordance with Clause 9.
- 2.2 The Manager shall treat the Fund as a professional client for the purposes of the FCA Rules.

3. Investing through the Fund

- 3.1 The objective of the Fund is to invest in securities in television production companies that qualify for EIS Relief. The specific details of the Fund and the Investment Objectives are set out in the Information Memorandum.
- 3.2 In managing the Fund, the Manager will at all times have regard to the Investment Objectives, and use reasonable endeavours to ensure that it invests only in EIS Qualifying Shares on behalf of the Investors. However, the Manager is unable to guarantee that such securities are, or will remain qualifying for EIS Relief. Whether Investors are entitled to EIS Relief will depend on their individual circumstances and may be subject to change in future.
- 3.3 In order to invest in the Fund Investors must:
 - (a) complete an Application Form in full and return it to Woodside Corporate Services Limited; and
 - (b) make a Subscription to the Fund of not less than £10,000 at the same time as submitting the Application Form.
- 3.4 Investors submitting an Application Form (or authorising an Intermediary to do so on their behalf) and the Manager accepting such application, constitutes a confirmation that Investors appoint the Manager to manage the Fund on the terms of this Agreement. The Application Form is accepted when recorded on the register of Application Forms maintained by the Manager. The Manager may, at its sole discretion, reject Application Forms for any reason.
- 3.5 Once Investors have made an initial Subscription, further Subscriptions may be made up to the Closing Date at the discretion of the Manager only and Investors will not be able to make any Subscriptions after the Closing Date.
- 3.6 Pending their application to an Investment, Subscriptions received will be deposited in a non-interest bearing account with the Custodian.
- 3.7 In the event that the Manager cannot find an appropriate Investment for Investors, it may return any un-invested surplus of cash to Investors.

4. Management of the Fund

- 4.1 From the Closing Date, the Manager will manage the Fund and will exercise all necessary powers in order to manage the Fund and acquire assets for the Fund which the Manager reasonably believes to be EIS Qualifying Shares.
- 4.2 The Parties agree that the Manager will manage the Fund at its sole discretion and without prior reference to Investors or Intermediaries. The Manager will comply with the specific Investment Objectives and the Minimum Criteria or otherwise in accordance with the terms of the Offer Section set out in the Information Memorandum. As Manager of the Fund the Manager will buy and/or sell one or more assets and otherwise act as it thinks appropriate in relation to the management of the Fund, but subject always to the provisions of this Agreement. Investors will be responsible for providing voting instructions to the Manager. In the absence of such instructions, the Manager will be entitled to instruct the Custodian to exercise such voting rights on the Investor's behalf using its discretion.
- 4.3 The Manager will not, except as expressly provided in this Agreement or otherwise authorised by Investors or on an Investor's behalf, have any authority to act on behalf of or as agent of the Investors.
- 4.4 A copy of the Manager's Order Execution Policy is provided at Schedule 1 of this Agreement. Investors should ensure that they are familiar with this before completing the Application Form.
- 4.5 Where an Investor is advised on the suitability of an investment in the Fund by an Intermediary, the Intermediary shall, to the exclusion of the Manager and the Custodian, be responsible for assessing the suitability of the Fund for that Investor in light of the Investor's individual personal circumstances. The Manager may rely on the Intermediary's assessment of suitability in accepting Investors into the Fund for the purposes of complying with financial promotion restrictions.
- 4.6 The Manager will not borrow money on behalf of Investors, nor lend securities or enter into stock lending or similar transactions.
- 4.7 Any tax benefits referred to in the Information Memorandum are dependent on an Investor's own circumstances. Investors should take specific tax and financial advice based on their personal circumstances. No such advice is provided by the Manager.

5. How money and Shares are held

- 5.1 The Custodian will deal with Investors' money and Shares in accordance with the client money and client asset

regulations set out in the FCA Handbook including, for the avoidance of doubt COBS 6.1.7 and CASS 7. The Manager may instruct the Custodian to hold Investors' un-invested cash in a client bank account pending investment. The Custodian will not pay interest on money held in its client bank account unless it notifies Investors (through the Manager) otherwise.

- 5.2 The Manager will also appoint the Custodian to provide safe custody services in respect of Investors' Shares. A copy of the Custodian Agreement is available to Investors on written request.
- 5.3 Under the Custodian Agreement, the Custodian shall treat the Manager, acting as agent for the Fund, as its client for the purposes of FCA Rules.
- 5.4 Assets held on behalf of the Fund, including investment certificates, will be registered in the name of the Custodian's nominee company. The Manager and the Custodian will, in accordance with the Legislation and Regulations, keep records to show that each Investor is the beneficial owner of the relevant assets.
- 5.5 Investors acknowledge and agree that:
 - (a) The Manager is authorised to enter into the Custodian Agreement as agent on their behalf, to give instructions to the Custodian and to agree any subsequent amendments to the Custodian Agreement on their behalf (provided that the Manager will notify any amendments to them in accordance with the FCA Rules);
 - (b) they are bound by the terms of the Custodian Agreement; and
 - (c) the Custodian is not obliged to seek or accept any instruction or direction directly from Investors in respect of any instructions given by the Manager and relating to the exercise of their rights in respect of the Investments.
- 5.6 The Manager will:
 - (a) procure that the Custodian shall arrange for any Investor who so requests in writing ("**Involved Investor**") to receive details of any meeting of the shareholders of the Companies within their portfolio ("**Investee Shareholder**") and any other information issued to the Investee Shareholders in their capacity as such; and
 - (b) notify an Involved Investor that the Involved Investor is entitled to instruct us to direct a nominee to vote at any meeting of the Investee Shareholders as the Involved Investor may see fit in respect of such Involved Investor's portfolio and the Manager will act upon such Involved Investor's instructions accordingly.
- 5.7 The Custodian will not borrow money on behalf of Investors, nor lend securities or enter into stock lending or similar transactions.
- 5.8 Fees due to the Custodian will be paid using the proceeds from the Custodian Fee.
- 5.9 After termination of this Agreement, the Manager may, subject to the Legislation and Regulations, instruct the Custodian to apply Investors' money at its own discretion if it remains unclaimed for a period of at least 6 years and provided that the Manager has taken reasonable steps to trace the relevant Investor and return the balance.

6. Regulatory classification

- 6.1 The contractual scheme set up under this Agreement in order to acquire shares in the Companies and comprising the Fund will constitute an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU). As required under the FCA Rules, the Manager will treat the Fund as its client for regulatory purposes.
- 6.2 The Manager will act in the interests of the Fund as a whole and individual Investors shall constitute underlying investors of the Manager.
- 6.3 The Fund does not constitute a collective investment scheme nor a non-mainstream pooled investment, by virtue of meeting the definition in paragraph 2 of the Schedule to the Act (Collective Investment Schemes) Order 2001.

7. Fees

- 7.1 Full details of the fees and charges relating to the Fund are set out in the Information Memorandum. The Manager will receive the Performance Fee for managing the Fund and shall be entitled to assign the benefit of this Performance fee to an Associate or any other person it may choose.
- 7.2 The Manager and the Custodian will also charge fees to the Companies (including the Initial Fee, the Performance Fee, the Management Fee, the Custodian Fee and the Annual Administration Charge), as set out in more detail in the Information Memorandum.

- 7.3 Where applicable, fees payable to the Intermediary shall be set out in the relevant Application Form. Where these are adviser charges, Investors authorise the Manager to make such payment on their behalf.

8. Investors' right to cancel

- 8.1 Investors have the right to cancel their Subscription provided that they notify the Manager in writing at the address set out at Clause 18 of these terms. Investors can cancel their Subscription within 14 days of submitting their Application Form provided that their money has not already been committed to investment.
- 8.2 If Investors exercise their right to cancel pursuant to this Clause 8, the Manager will refund any monies paid less any charges that may have already been incurred for the Fund undertaken in accordance with the terms of this Agreement. Any sums paid by an Investor to the Manager for the purposes of paying an Intermediary may be retained by the Intermediary unless it has agreed otherwise with the Investor. It is the responsibility of Investors and their Intermediaries to agree their own cancellation arrangements and the Manager is not responsible for the recovery of such fees on behalf of Investors. The Manager will endeavour to arrange the return of any monies repayable under this Clause 8 as soon as possible (and in any event, not more than 30 days following cancellation). Investors will not be entitled to interest on such monies.
- 8.3 Investors acknowledge that (subject to their right to cancel under this Agreement), they do not have the right to cancel, terminate or reverse any transaction executed on their behalf before the cancellation takes effect.
- 8.4 If Investors do not cancel their Subscription within 14 days of the Manager accepting their Application Form, Clause 9 will apply in respect of any termination of this Agreement by Investors.

9. Termination and withdrawal

- 9.1 If, at the Closing Date, there are in aggregate less than £10,000,000 Subscriptions to the Fund, the Fund Management Agreement will terminate and Subscriptions will be returned to Investors.
- 9.2 The life of the Fund is expected to be a period of not less than 48 months after the Closing Date, following which the Manager will notify Investors of the date on which it estimates that the Fund will come to an end and the Manager will begin to realise investments (depending on the liquidity of the particular investments).
- 9.3 This Agreement shall be binding upon each Investor from the date their Application Form is accepted and shall continue unless terminated early by the Manager on no fewer than three months' written notice (or immediately where required by the Legislation and Regulations or order of any competent regulatory authority).
- 9.4 Neither the Manager nor the Custodian will be required to dispose of the whole or any part of an Investor's interest in a Company prior to disposing of all EIS Qualifying Shares in the Company which are attributable to the Fund.
- 9.5 Investors acknowledge and agree that prior to the Manager realising all Investments under this Agreement:
- (a) they may not withdraw or require the Manager to withdraw only part of their Investment from the Fund; and
 - (b) they may only withdraw their Investment from the Fund in full, by written notice to the Manager to the address below. In this case this Agreement will terminate and the provisions of Clause 9.8 will apply.
- 9.6 Investors acknowledge that they or the transferee (if applicable) may lose any potential tax benefits if the underlying assets are sold or transferred (in particular, EIS Benefit currently only accrues if Investors hold the investment for more than three years).
- 9.7 Where an Investor's adherence to the Agreement is terminated and only a gradual realisation of Investments is possible, the Manager may place the cash proceeds of realised Investments on deposit. No interest will be payable on deposits under this clause.
- 9.8 On termination of an Investor's adherence to the Agreement:
- (a) any unpaid fees, costs or expenses due under the Agreement in respect of that Investor or as set out in the Information Memorandum will be paid immediately, and any accrued rights survive termination;
 - (b) any Investments (including any cash) in respect of that Investor will be transferred into the relevant Investor's name (or into the name of a third party as notified to the Manager in writing) and the Investor will be liable to pay the cost of any such transfers;
 - (c) the Manager will use reasonable endeavours to complete expeditiously all transactions in progress at termination that relate to that Investor; and

(d) the Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay outstanding liabilities of that Investor, including fees, costs and expenses payable under this Agreement.

9.9 Termination of the Agreement will not affect any accrued rights or commitments of Investors, and will be without penalty or additional payments (other than those referred to in Clause 9.8 above).

9.10 Subject to an Investor's right of cancellation, an investor may withdraw his/her uninvested subscription monies from the Fund.

10. Reporting

Investors will receive periodic statements once every six months.

Subject to appropriate valuations being available, these statements will comprise the cost and current value of all underlying assets within each Investor's portfolio. Due to the nature of investments in the Companies, valuations may not be available until a period of time into the life of the Fund. Any statements containing valuations will include an explanation as to the basis on which the valuation has been made.

11. Complaints handling

11.1 The Manager will endeavour to deliver a first-class service to the Fund, but there may be occasions when the Manager fails to meet expectations. If Investors have a complaint in connection with the management of the Fund, they may contact the Manager by post, marked for the attention of the Compliance Officer at: Great Point Investments Limited, 3rd Floor, 14 Floral Street, London WC2E 9DH.

11.2 Complaints relating to the Custodian Services should be notified to the Custodian by post (copied to us at the address in Clause 11.1 above), marked for the attention of the Compliance Officer at: Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London EC3R 7QR.

11.3 Complaints made to the Manager or the Custodian will be dealt with in accordance with the FCA Rules and any complaints that the Manager or the Custodian are unable to settle may be able to be referred to the Financial Ombudsman Service ("FOS"). The FOS is an independent service set up to resolve disputes between customers and businesses providing financial services. The FOS can be contacted at: Exchange Tower, London E14 9SR and further information about the FOS may be found at www.financial-ombudsman.org.uk. Investors may request a copy of the Manager's or the Custodian's complaints-handling procedure at any time.

12. The Financial Services Compensation Scheme

The Manager, the Custodian and the Investor's Intermediary are covered by the Financial Services Compensation Scheme ("FSCS"). The Investor may be entitled to compensation from the FSCS if the Manager, the Custodian or the Intermediary cannot fulfil any successful claim made against it by the Investor. At present, the maximum amount of compensation available for claims of this sort is £50,000 per eligible Investor. Further information about compensation arrangements is available on request from the Manager, or directly from the FSCS.

13. Delegation to third parties

13.1 Under this Agreement the Manager may employ Associates or competent (and if relevant, appropriately regulated) third parties of its choosing to perform such functions. The Manager may also delegate to other members of the Group who are suitably qualified. The Manager will give Investors written notice of any such delegation which involves the exercise of its discretionary investment management powers and will not, without the written consent of Investors, delegate the whole or substantially the whole of such powers to a third party.

13.2 The Manager and the Media Adviser will act in good faith and use reasonable skill and care in their selection, monitoring and use of third party agents and delegates.

14. Conflicts policy

14.1 The Manager has implemented a conflicts of interest policy which is available on request. This conflicts policy identifies the types of actual or potential conflicts of interest which affect the Manager's business and sets out how these are prevented or managed.

14.2 The conflicts policy also includes details of any conflicts which the Manager could not effectively manage in the event they arose, and in which circumstances the Manager would not be in a position to provide our services to the Fund.

14.3 Investors agree that the Manager, the Media Adviser or any Associate may effect transactions in which the

Manager, the Media Adviser or an Associate has directly or indirectly a material interest or a relationship of any description with another party which involves or may involve a potential conflict with the Manager's duty to the Fund. The Manager shall ensure that such transactions are effected on terms that are not less favourable to the Fund than if the conflict or potential conflict of interest had not existed.

- 14.4 Subject to the terms of the Manager's conflicts policy and subject to any contrary obligation under the FCA Rules neither the Manager nor any of its Associates shall be required to account to Investors for any profit, commission or remuneration made or received from or by reason of such transactions.
- 14.5 It is possible that the underlying activities in which Investor Subscriptions may be invested and the entities which they may fund may deal or co-invest with entities in which the Manager, its Associates or their clients have a financial interest or to which the Manager or its associates provide services. Investors acknowledge that the Manager or any member of its Group (including any Associate) may be entitled to gains, profits or fees from or in relation to such companies and entities.

15. Changes to the Agreement

- 15.1 The Manager may, at any time, change the terms of this Agreement by giving written notice to the Investors. Such amendment will take effect on the date specified in the written notice. For the avoidance of doubt, these changes may impact the Manager's fees and charges or the level of service provided.
- 15.2 Investors will be given at least 10 business days' written notice in respect of any changes to these terms, unless the specific circumstances require a shorter or longer period (including, without limitation, where required to do so under the Legislation and Regulations).
- 15.3 The Manager may also amend the terms of the Agreement to reflect changes to market practice, to its administrative processes and procedures, computer or database systems, client requirements or any other changes associated with managing the Fund.

16. Personal information

- 16.1 The Manager, the Custodian and the Promoter may keep records containing details of the name and certain personal information of Investors; including products and services they have purchased and use. The Manager, the Custodian and the Promoter may keep a record of any correspondence with Investors and copies of any documents provided by an Investor or their Intermediary may be stored, including any documents provided for verifying Investors' identities such as passports or driving licences. By providing any personal information to the Manager, the Custodian or the Promoter, Investors acknowledge and agree to this clause and consent to the transmittal of their data outside of the EEA (for the purposes of the DPA).
- 16.2 The information collected about an Investor may be used for processing their application, verifying their identity, meeting the Manager's obligations under the Legislation and Regulations, managing the Fund, administering the Investor's account and for service quality, product analysis and market research purposes.
- 16.3 For the purposes of the DPA, the Manager (and where relevant, the Custodian and the Promoter will act as data controller (and in some circumstances, the data processor). Investors consent to us, the Custodian and the Promoter processing and using their personal data provided in connection with the Fund.
- 16.4 The Manager may share certain information about Investors with Associates if they provide products or services to Investors, credit reference agencies and UK and overseas law enforcement agencies or regulatory authorities and other relevant bodies. The information held about Investors is confidential and will not be used for any purpose other than in connection with the provision of services to Investors, unless it is information that is already publicly available.
- 16.5 Confidential information held about Investors will only be disclosed to third parties in the following circumstances:
- (a) as stated already above;
 - (b) to investigate or prevent fraud, money laundering, terrorism or any other illegal activity;
 - (c) where required under the Legislation and Regulations, or if requested by any regulatory or competent authority having control or jurisdiction over us;
 - (d) if it is in the public interest to disclose such information;
 - (e) to any third party in or outside the European Union in connection with the management of the Fund;

- (f) to carry out identity checks;
- (g) at the request or with the consent of Investors;
- (h) Investors have the right to receive a copy of any personal information held about them, subject to a fee of £10 as permitted by law. Investors should contact the Manager for more information at the address set out in Clause 18; or
- (i) the Manager, the Promoter and/or Associates may send information to Investors about their other products and services or those of Associates from time to time, unless an Investor notifies them otherwise. The Manager may provide this information by telephone, post, email, text message or other means, unless an Investor notifies the Manager that it should stop.

17. Liability and indemnities

- 17.1 The Manager will act in good faith and with due diligence in their dealings with the Fund. The Manager accepts responsibility for loss to an Investor only to the extent that such loss is due to its negligence, wilful default or fraud.
- 17.2 Investors agree to indemnify and keep indemnified the Manager against all losses, damage, claims, actions, liabilities, demands, costs and expenses arising from (a) any breach of any of the Investor's obligations, duties or representations which the Investor may be deemed to have given under the Agreement; or (b) any untrue, inaccurate or incomplete information being provided by an Investor.
- 17.3 Subject to Clauses 17.1 and 17.2, the Manager accepts no responsibility for any loss of tax benefits that an Investor may suffer as a result of any transactions that the Manager carries out in connection with that Investor's portfolio.
- 17.4 Neither the Manager, the Promoter nor the Media Adviser shall be liable for any consequential, indirect, special, incidental, punitive or exemplary loss, liability or cost which Investors may suffer or incur arising out of their acts or omissions however that loss, liability or cost is caused and regardless of whether it was foreseeable or not. This means that the Manager, the Promoter and the Media Adviser will not be liable for any losses that are indirectly associated with the specific incident which has caused Investors to claim (for example, loss they may incur from not being able to sell assets where the prices of such assets have fallen).
- 17.5 Subject to their respective duties to act in good faith and apply reasonable care when selecting and appointing agents and third parties, neither the Manager, the Promoter nor the Media Adviser shall be liable for the default of any counterparty, agent, banker, nominee, Custodian or other person or entity which holds money, investments or documents of title for the Fund.
- 17.6 Neither the Manager, the Promoter nor the Media Adviser shall be liable for any loss or damage of any direct or indirect nature caused by (a) changes in revenue law or practice as determined by HMRC from time to time; or (b) any other changes in the Legislation and Regulations since the date of the Agreement. Investors acknowledge that any advance assurance given by HMRC in respect of a Company does not guarantee the availability, timing or amount of income tax or capital gains tax relief.
- 17.7 Neither the Manager, the Fund Administrator, the Promoter nor the Media Adviser shall be liable for any loss in value which an Investor's portfolio suffers, or for their failure to perform investment transactions for the account of an Investor's portfolio, in the event of any failure, interruption or delay in the performance of their obligations resulting from acts, events or circumstances that are beyond the Manager, the Fund Administrator, the Promoter or the Media Adviser's reasonable control. Acts, events or circumstances that are not reasonably within their control, are including but not limited to: acts or regulations of any governmental, regulatory or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or system outside their reasonable control; and acts of war, terrorism, civil unrest or natural disaster.
- 17.8 The Investor and Intermediary acknowledgements contained in the Application Form, including the provisions setting out the responsibilities and liabilities of the parties, shall constitute binding contractual obligations under this Agreement.
- 17.9 The liability of the Manager and the Media Adviser to an Investor under this Agreement, subject to the provisions of this Clause 17, shall be limited to remuneration received by them in connection with that Investor's Subscription.
- 17.10 Nothing set out above is intended to exclude or restrict any duty or liability which the Manager owes to Investors under the regulatory regime.

18. Communications

- 18.1 The Manager may send any communications to Investors at the address provided in the Application Form (or to any other postal address as notified in writing from time to time). Notice sent by first class post to such address is deemed to have arrived on the second business day after posting. Notice sent by fax or email or hand delivered is deemed to be delivered immediately (or on the next business day if sent after 5pm on a business day or on a non-business day). Calls may be recorded.
- 18.2 All communications to the Manager should be addressed to: FAO: Kok-ye Yau, Great Point Investments Limited, 3rd Floor, 14 Floral Street, London WC2E 9DH.
- 18.3 All communications to the Custodian should be addressed to: FAO: John Rowe, Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London EC3R 7QR.
- 18.4 The Manager may rely and act on any instructions or communications which purport to be given by an Investor or their Intermediary acting on their behalf, as authorised under the Agreement (and as subsequently updated and notified to us by Investors).

19. Law and interpretation

- 19.1 This Agreement is governed by and is to be construed in accordance with English law. The parties submit to the non-exclusive jurisdiction of the English courts in respect of any claim under the Agreement.
- 19.2 It is not intended that any term contained in this Agreement shall be enforceable, whether by virtue of Contracts (Rights to Third Parties) Act 1999, common law or otherwise, by any person who is not a party to this Agreement save that any Associates shall have the benefit of any provision of this Agreement expressed to be for the benefit of Associates.
- 19.3 Neither party intends any provision of our Agreement to be enforceable by any person other than themselves or their permitted successors or assigns unless provided expressly to the contrary under the Agreement. Save as otherwise provided under this clause, a person who is not a party to the Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.
- 19.4 Any failure by the Manager to exercise or delay in exercising a right or remedy provided by the Agreement or by law does not constitute a waiver of other rights or remedies.
- 19.5 If any term or condition of this Agreement is held to be invalid, unlawful or unenforceable, such term will not affect the validity, legality or enforceability of the remaining provisions of this Agreement.
- 19.6 This Agreement is supplied in English, and the Manager will only be required to communicate in English during the course of this Agreement.

20. Defined Terms

The defined terms used in this Agreement have the meanings set out in this Clause 20. Any reference in these terms to any statute, statutory provision, or rule includes reference to any statutory modification, or amendment of it or any re-enactment, or replacement that supersedes it, and to any regulation or subordinate legislation made under it. References to these terms, the Agreement, or to any other document shall include any variation, amendment, supplement to, or replacement of, such document(s). Any reference to a “Clause” is to a clause in these terms.

“**Act**” means the Financial Services and Markets Act 2000 and any amending or replacement legislation, which regulates the carrying on of investment or financial business in the United Kingdom. Reference to any section in the Act shall be to that section as amended from time to time and, if it is repealed and replaced, then to that new section which most closely corresponds to the original section;

“**Agreement**” means this Agreement and the relevant Application Form as set out in the Information Memorandum;

“**Application Form**” means an application form to invest in the Fund, in the form set out in the Information Memorandum to be completed by Investors or Intermediaries;

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

“**CASS**” means the FCA’s Client Assets Sourcebook;

“**Closing Date**” means 28 March 2018 or such date as is determined by the Manager as the last date upon which the

Investor may make a Subscription;

“COBS” means the FCA’s Conduct of Business Sourcebook;

“Company” means a company in which the Manager invests and is a qualifying company for purposes of the EIS, as set out in ITA Sections 156-257, and in TCGA Sections 150A-150D and Schedule 5B;

“Custodian” means Woodside Corporate Services Limited, registered in England and Wales under company number 6171085, with its registered office at 4th Floor, 50 Mark Lane, London EC3R 7QR, which is authorised and regulated by the Financial Conduct Authority and is registered on the Financial Services Register with reference number 467652;

“Custodian Agreement” means the agreement between the Manager and the Custodian in respect of the Custodian Services for the Fund;

“Custodian Fee” has the meaning ascribed to it in the Information Memorandum, being up to 0.125% of the aggregate amount subscribed by the Fund for EIS Qualifying Shares per annum. The fee shall accrue from the Closing Date and be payable monthly in arrears by each Company to the Manager for the purposes of discharging fees due to the appointed Custodian;

“Custodian Services” means the services provided by the Custodian under the Custodian Agreement in connection with the Fund;

“DPA” means the Data Protection Act 1998;

“Early Allotment Date” meaning the early allotments prior to the Closing Date, should they occur;

“EIS” means the Enterprise Investment Scheme as set out in Sections 156-257 of the Income Tax Act 2007, and Sections 150A-150D and Schedule 5B of the Taxation of Chargeable Gains Act 1992;

“EIS Qualifying Shares” means ordinary shares in a Company;

“EIS Relief” means the tax reliefs available under the EIS, including the income tax relief, capital gains tax deferral relief and share loss relief;

“FCA” means the Financial Conduct Authority of 25 The North Colonnade, London E14 5HS;

“FCA Rules” means the rules of the FCA as set out in the FCA’s Handbook of Rules and Guidance and any other rules and guidance issued by the FCA from time to time;

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

“Fund” means the Select Television Production EIS 7, being the contractually-based collective investment undertaking constituted pursuant to the terms of this Agreement;

“Group” means Great Point Media Limited and any Associate thereof from time to time;

“HMRC” means HM Revenue & Customs;

“Information Memorandum” means the Information Memorandum issued by the Manager and the Promoter in connection with the Fund;

“Initial Fee” has the meaning given to it in the Information Memorandum, being capped at 1.95% of the amount invested by the Investor in the Fund and payable to the Manager on Investment;

“Interim Investments” has the meaning given to it in Clause 3.6;

“Intermediary” means the appropriately qualified and authorised adviser that an Investor appoints from time to time to provide investment advice, or is a professional firm authorised by a designated investment body;

“Investee Shareholder” has the meaning set out at Clause 5.6;

“Investment” means an investment in EIS Qualifying Shares acquired at the direction of the Manager by the Fund;

“Investment Objectives” means the investment objectives for the Fund as set out in the Information Memorandum;

“Involved Investor” has the meaning set out in Clause 5.6;

“Legislation and Regulations” means all legislation and regulation (including the Act, any statutory instruments made thereunder and the FCA Rules) insofar as it relates to the performance of the Fund;

“Management Fee” has the meaning given to it in the Information Memorandum, being equal to 1.00% per annum of

the aggregate subscriptions to the Fund plus the fixed Annual Administration Charge of £7,500 per Company. The fee shall accrue from the Closing Date and be payable semi-annually in arrears by each Company to the Manager;

“Manager” means Great Point Investments Limited, a limited company registered in England and Wales with the registered number 08653224 and holding its registered office at 3rd Floor, 14 Floral Street, London WC2E 9DH, which is authorised and regulated by the FCA and is registered on the Financial Services Register with reference number 606798;

“Media Adviser” means Great Point Media Limited, a company registered in England and Wales with registered number 08335376 and holding its registered office at 3rd Floor, 14 Floral Street, London WC2E 9DH;

“Order Execution Policy” means the order execution policy with which the Manager shall comply when managing the Fund and is set out at Schedule 1 to this Agreement;

“Performance Fee” has the meaning given to it in the Information Memorandum, being an amount economically equivalent of up to 35% of distributions (or amounts payable or realised) to Investors, subject to each Investor first being entitled to 110p per 100p invested;

“Promoter” means RAM Capital Partners LLP, a limited liability partnership registered in England and Wales with the registered number OC329154 and holding its registered office at 4 Staple Inn, London WC1V 7QH, which is authorised and regulated by the FCA and is registered on the Financial Services Register with reference number 470347, and which has been appointed to act as promoter for the Fund;

“Readily Realisable Investments” means:

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

“Regulated Collective Investment Scheme” means:

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

“Shares” means EIS Qualifying Shares which are acquired at our direction as manager of the Fund;

“Subscription” means a subscription to invest in the Fund pursuant to Clause 3 of this Agreement.

Schedule 1 Order Execution Policy

1. Scope of Policy

The Manager will treat decisions to deal in investments for the Fund as 'orders' to execute transactions in Investments.

2. Consent

The Manager is required to obtain Investor consent to this policy, and Investors will need to confirm that they have consented to its terms in the Application Form.

3. Trading Venues

The Manager will not use third party execution venues and will deal directly with buyers, sellers and issuers of securities as it does not anticipate the existence of alternative trading venues in portfolio investments. The Manager will accordingly generally trade outside of a regulated market or a multilateral or organised trading facility.

4. Execution factors and criteria

In meeting its best execution obligations the Manager will take into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature, or any other consideration relevant to the execution of the order.

Additionally, when executing a client order, when determining the importance of the execution factors, the best execution factors which the Manager will take into account are the characteristics of the client: client order, the financial instruments that are the subject of the order, and the execution venues to which the order can be directed (where relevant).

- 4.1 Further details on the structure of the Fund are set out in the Information Memorandum, which explains the restrictions which apply to the ability of Investors to dispose of an interest in a Company prior to disposal of the Fund's overall position in that company.
- 4.2 The Manager will endeavour to allocate each Investor shares in each Company according to the amount subscribed by that Investor on a pro-rata basis. It may occasionally be necessary for the Manager to allocate a different number of shares in one or more Companies where the amount subscribed by the Investor cannot be exactly allocated across the Fund. Such allocation differences are expected to be minimal and not to have a significant impact on interests in the Fund.

5. Pricing factors

- 5.1 For the Fund, the best possible result will always be determined in terms of the "Total Consideration". The Total Consideration represents:
 - (a) the price of the financial instrument; and
 - (b) the costs related to execution, which will include any expenses incurred by the Investors, which are directly related to the execution of the order. This can include:
 - (i) execution venue fees;
 - (ii) clearing and settlement fees; and
 - (iii) any other fees paid to third parties involved in the execution of the order.
- 5.2 Obtaining the best result in terms of Total Consideration will be prioritised over the other execution factors listed in paragraph 4 above. The other execution factors will only be given precedence over the immediate price and cost consideration where they are influential in delivering the best possible result in terms of the Total Consideration payable.

6. Changes to the Order Execution Policy

- 6.1 The Manager reviews the effectiveness of this policy at least on an annual basis and will notify Investors of any changes.
- 6.2 This Agreement sets out the terms upon which the Manager agrees to manage the Fund.
- 6.3 The Application Form forms part of this Agreement. Upon acceptance of a signed Application Form, this Agreement, the Application Form and those parts of the Information Memorandum referred to herein will constitute the whole of the binding agreement between each Investor and the Manager in respect of the Fund.



GREAT POINT
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