

Eos Angel Investment Syndicate

Seed investments for Scottish innovations with global potential

SYNDICATE MEMBERSHIP TERMS AND CONDITIONS

These are the terms and conditions under which opportunities may be offered to members of the Eos Angel Investment Syndicate (“Eos” or “the Syndicate”) and the procedures adopted for completion of investments by members.

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

1. Eos is an unincorporated association consisting of its members (the “Members”).
2. The syndicate is administered by a management agent appointed by the Members (the “Management Company”).
3. The Management Contract between Eos and the Management Company shall be reviewed periodically, as defined in the Management Contract, by the Members and submitted for approval by a majority of the Members.
4. The current Management Company is Eos Syndicate Management Limited (reg. no SC478867).
5. The Management Company is responsible for all day-to-day management of the Syndicate's affairs, as detailed in the Management Contract.
6. Where the majority of Members resolve, the Members have the right to elect a syndicate representation committee which can consist of 2-3 Members, to act as primary liaison between Eos and the Management Company (the “Syndicate Representation Committee”).
7. All written and oral information provided to Members shall be provided by, or on behalf of, the company seeking investment. No representation or warranty, express or implied, is or will be made and no responsibility or liability is or will be accepted by Eos, any of the Members or the Management Company in relation to the accuracy or completeness of this information.
8. Each Member acknowledges that a decision to invest is solely a personal decision and that no responsibility for the consequences of that decision is or will be accepted by Eos, any of the Members, the Management Company, or their advisors or agents.
9. Members also acknowledge that dissemination of post-investment information is the responsibility of the investee company to each of its individual investors and, whilst the Management Company will request that investee companies provide it with this information, Eos and the Management Company will not be responsible, nor bear any liability, as a result of any failing on the part of investee companies to provide this information or otherwise comply with the terms and conditions on which investments in investee companies are made.
10. Eos is not regulated by the Financial Conduct Authority and the Financial Services Compensation Scheme, established for the protection of investors, does not apply to it. The content of any investment information materials produced by Eos and the terms of investment opportunities will not be approved by an authorised person within the meaning of the FSMA.
11. **Investing in early-stage private companies is very speculative and Members should be aware that no established market exists for the trading of shares in private companies. Engaging in any investment activity may expose Members to a significant risk of losing all of their investment, and before investing in a company about which information is provided by Eos or the Management Company, Members are recommended to seek independent financial and tax advice from their stockbroker, solicitor, accountant or other independent financial adviser authorised for the purposes of the FSMA if they are resident in the United Kingdom or, if not so resident, from another appropriately authorised independent financial adviser.**
12. **Whilst it maybe an objective of Members to source investment opportunities which will enable them to utilize certain personal tax reliefs (such as SEIS and EIS tax reliefs), Members should take their own tax advice and no responsibility or liability will rest with Eos, the Management Company or its advisers in connection with the eligibility of an investee company or a Member to any tax reliefs.**
13. All Members are required to comply with the certification requirements of the FSMA and the terms of the Money Laundering Regulations 2007 (as amended) upon joining. FSMA certification and money laundering requirements must be renewed every three years, or as reasonably required by Eos and the Management Company, and failure to comply with these requirements may result in the immediate termination of membership.
14. The completion of investments will be coordinated by the Management Company; which company shall act as the agent for the investors. Members shall make their own investment decisions. Members will be asked to sign a power of attorney nominating managers of the Management Company and the lawyers appointed by the Management Company to execute investment agreements and ancillary documentation relating to any investment in accordance with the instructions of the Member.
15. If a Member commits to proceed with an investment, and it ultimately aborts and does not complete, then that Member, along with the other Members who committed to proceeding with such investment, may be required to bear the costs of any external due diligence and other legal and/or accountancy costs in relation to such investment if they cannot recover these costs from the investee business.
16. Any Member who is unsure about the legal terms of any proposed investment should first contact the Management Company and, if necessary, thereafter contact the legal representatives of Eos (the costs of which the relevant investee company will normally be liable to pay on conclusion of the investment) before taking their own legal advice (for which the relevant investee company will not be liable to pay). This ensures a common approach by Eos and its Members and will help avoid unnecessary delays.
17. Members will fully disclose to the other Members any matter which might reasonably be considered to prejudice any investment by other Members or which might reasonably be considered to constitute a conflict of interest.
18. Members acknowledge that as a Member they will receive confidential information about Eos, other members of Eos and companies that Eos members are considering investing in or have invested in and they hereby agree to keep such confidential information secret and not to disclose such confidential information to any third party.
19. Membership of Eos costs £250 per year, payable upon joining and annually thereafter (subject to being reviewed on an annual basis by the Board). This membership fee covers attendance at all Eos investor meetings and access to all Investment Portfolio information produced by Eos for shareholders in the Investee Businesses.
20. Members will not be charged an initial transaction fee by the Management Company for their investments.
21. Members acknowledge that there is a 5% discretionary exit success fee requested by the Management Company on any exit returns over the return of the original investment made by the Member. There is no obligation on the Member to pay this fee which is entirely discretionary.
22. Each Member hereby agrees to indemnify Eos, the other Members and the Management Company against any claims made as a result of their failure to comply with these Membership Terms and Conditions.
23. Members agree that the Membership Terms and Conditions may be varied from time to time by the majority of the Members and that Members shall be bound by the terms of any such variation.
24. Eos will collect, use, store and disclose your personal information in accordance with our privacy policy which can be accessed from www.eos-advisory.com.
25. Conditions 7, 8, 9, 18, 22 and 25 shall survive the termination of membership of Eos and shall continue to be binding upon Members in any question with Eos or their former co-Members.
26. Eos may suspend or terminate the membership of any Member who, as determined by the Management Company (acting in its sole discretion):-
 - 26.1 has breached any of these Membership Terms and Conditions;
 - 26.2 has failed to disclose a material fact or makes a material misrepresentation in an application for membership;
 - 26.3 has engaged in conduct that reflects poorly on Eos, or which is deemed to be against the best interests of Eos; or
 - 26.4 has solicited or accepted any compensation for presenting an investment opportunity to, or for raising capital from, the Members of Eos.

Decisions regarding the termination, suspension or non-renewal of membership are final and not subject to any appeal. The sole recourse any Member has over any disagreement with a decision of Eos, regardless of its scope or nature, is to withdraw from membership of Eos.