

### Member's Application and Declaration in respect of Purchase in Unquoted Equities

Investments in Unquoted Shares are by their very nature high risk investments, and should only be entered into by experienced investors. By signing this form you are confirming that you:

- a. Fully understand that investing in unquoted shares is speculative and therefore high risk.
- b. Have read and understood the HMRC practice and understand the tax implications of making an investment in Unlisted Shares.
- c. Are in no way relying on Hornbuckle Mitchell Trustees Ltd or associated Companies, or their employees providing any form of advice or confirmation that these shares are an acceptable investment.
- d. You have taken the appropriate legal and financial advice on the issues involved. In particular, the Articles of Association have been reviewed along with any shareholders' agreements and documentation relating to the sale.

### RISKS

The following are just some of the risks associated with investing in a minority holding in unlisted shares. This list is not a comprehensive list of the risks involved as there may be risks which are peculiar to the Company you have decided to invest in.

- a. Unquoted Shares are a speculative high risk investment which may have a very limited market.
- b. Investments in unlisted shares are unregulated investments for sophisticated investors, therefore the protections normally offered by the Financial Services and Markets Act 2000 and compensation under the Financial Services Compensation Scheme do not apply.
- c. If this investment represents a significant proportion of your pension assets, your income and therefore your security in retirement may be in jeopardy.
- d. If you die at any time, the shares may not be easily sold, jeopardising the benefits your dependants may receive.
- e. The new legislation gives the HMRC significant powers to apply high tax penalties, in a number of situations. You therefore need to understand these penalties and when they apply.
- f. There is no established stock market for selling unlisted shares.

|                                  |                      |
|----------------------------------|----------------------|
| 1. Company                       | <input type="text"/> |
| Vendor                           | <input type="text"/> |
| Number of Shares to be purchased | <input type="text"/> |
| Type of Shares                   | <input type="text"/> |
| Total Purchase Price             | <input type="text"/> |
| Nature of Company's trade        | <input type="text"/> |

2. The reasons why the Trustees should consider investing in these shares:

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3. What time period do you expect the Pension Scheme to hold the shares for?

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4. What is the dividend policy of the Company?

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5. What is the proposed exit strategy for selling the shares?

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6. Are you or a person connected to you (as defined in section 839 ICTA 1988) a controlling director of the company or any other company which holds an interest in the company directly or indirectly?

YES/NO

Please delete as applicable

If yes, please give details below

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7. Does the company own any tangible taxable assets with a value of more than £6,000 and do you have any personal use of them?

(Tangible taxable assets are assets that can be touched or moved)

YES/NO

Please delete as applicable

If yes, please give details below

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8. By purchasing the shares, will the pension scheme, either alone, or together with associated persons, have control (as defined in section 416 ICTA 1988) of the company?

YES/NO

Please delete as applicable

If the answer is YES, THE INVESTMENT CANNOT PROCEED

If the answer is NO, please confirm the percentage that the scheme will own

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9. Is the company classed as a Close company?

(A Close company is a UK company controlled by less than 5 participators/shareholders, or any number of participators/shareholders if they are directors and they control more than half of the voting rights)

YES/NO

Please delete as applicable

If the answer is YES, please provide a list of shareholders below:

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### Declaration

I confirm and agree the following:

- ..... is carrying on a trade, vocation or profession and is still solvent, and if this changes I understand the shares may need to be sold. It is my responsibility to arrange the sale.
- The pension scheme does not, either alone, or together with associated persons, have control (as defined in section 416 ICTA 1988) of the company.
- If the answer to question 6 above changes, it is my responsibility to inform the Trustees and I understand that the shares will need to be sold
- I understand that it is possible that tangible moveable assets owned by the company and valued at more than £6,000 may be regarded as taxable property.
- I agree to the Trustees retaining a minimum of £5,000 or 10% of my fund in cash, whichever is the greater, in my pension scheme bank account.
- I indemnify Hornbuckle Mitchell Group Plc and Hornbuckle Mitchell Trustees Limited against the amount of any scheme sanction charge which may be raised by HMRC in respect of this investment. I confirm that my pension scheme will pay any charge or fine and I give authority for these funds to be withdrawn directly from my pension scheme to be paid to HMRC. If there are no funds in my pension scheme to cover these charges, I will pay these personally.
- I have received no advice from Hornbuckle Mitchell Trustees Limited, Hornbuckle Mitchell Group Plc or any of its Employees regarding the purchase of my unlisted shares in:

*Name of Company* .....

- If HMRC review their current policy and declare that unlisted shares are not a permitted investment I understand my shares may have to be sold.

Signed by .....

Dated: .....

Name .....

(In capitals)

**STOCK  
TRANSFER  
FORM**

(Above this line for Registrars only)

|   |                   |  |  |
|---|-------------------|--|--|
| Consideration Money   |                   | Certificate lodged with the Registrar            |  |
| £   |                   | (For completion by the Registrar/Stock Exchange) |  |
| Name of Undertaking.  |                   |  |  |
| Description of Security.  |                   |  |  |
| Number or amount of Shares, Stock or other security and, in figures column only, number and denomination of units, if any.  | Words             | Figures  |  |
|   |                   | ( units of )                                     |  |
| Name(s) of registered holder(s) should be given in full: the address should be given where there is only one holder.<br><br>If the transfer is not made by the registered holder(s) insert also the name(s) and capacity (e.g. Executor(s)) of the person(s) making the transfer. | In the name(s) of |  |  |

|   |  |
|---|--|
| <p>[I/WE] hereby transfer the above security out of the [NAME(S)] aforesaid to the [PERSON(S)] named below</p> <p style="text-align: center;">Signature(s) of transferor(s)</p> <p>1. ....</p> <p>2. ....</p> <p>3. ....</p> <p>4. ....</p> <p>A body corporate should execute this transfer under its common seal or otherwise in accordance with applicable statutory requirements.</p> | <p>Stamp of Selling Broker(s) or, for transactions which are not stock exchange transactions, of Agent(s), if any, acting for the Transferor(s).</p> |
|   | <p>Date .....</p>  |

|  |  |
|--|--|
| <p>Full name(s) and full postal address(es) (including County or, if applicable, Postal District number) of the person(s) to whom the security is transferred.</p> <p>Please state title, if any, or whether Mr., Mrs., or Miss.</p> <p>Please complete in typewriting or in BLOCK CAPITALS.</p> |  |
|--|--|

[I/WE] request that such entries be made in the register as are necessary to give effect to this transfer.

|                                    |  |
|------------------------------------|--|
| Stamp of Buying Broker(s) (if any) | Stamp or name and address of person lodging this form (if other than the Buying Broker(s)) |
|                                    |  |

**FORM OF CERTIFICATE REQUIRED WHERE TRANSFER IS EXEMPT FROM AD VALOREM STAMP DUTY AS BELOW THRESHOLD**

(1) I/We certify that the transaction effected by this instrument does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

(1) I/We confirm that (1) I/we have been duly authorised by the transferor to sign this certificate and that the facts of the transaction are within (1) my/our knowledge (2).

(1) Delete as appropriate.

(2) Delete second sentence if certificate is given by transferor or his solicitor.

| <i>Signatures(s)</i> | <i>Description ("Transferor", "Solicitor", etc)</i> |
|----------------------|---|
| .....                | .....   |
| .....                | .....   |
| .....                | .....   |

*Date*  
.....

**Notes**

(1) If the above certificate has been completed, this transfer does not need to be submitted to the Stamp Office but should be sent directly to the Company or its Registrars.

(2) If the above certificate is not completed, this transfer must be submitted to the Stamp Office and duly stamped.