

The 2011 Simple.ie Green Fund

INFORMATION MEMORANDUM

BVP Investments Ltd.



**THE 2011 SIMPLE.IE GREEN FUND
INFORMATION MEMORANDUM
DATE: 28th October 2011**

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BVP Investments Ltd.

IMPORTANT NOTICE

This Information Memorandum (the "**Memorandum**") has been prepared by BVP Investments Limited (hereinafter "**BVP**" or the "**Manager**").

In advance of subscribing to this fund, participants should consult with their bank manager, stockbroker, solicitor, accountant or other professional advisers (authorized or exempted under the Investment Intermediaries Act, 1995) having regard to the special risks involved in this investment, their own financial circumstances and their own tax position. Your specific attention is drawn to pages 7, 8, 11 and 12 which set out the fund's investment strategies and the associated risk factors.

The Simple.ie Green Fund (hereinafter the "**Fund**") proposes to invest across a range of companies operating in various industries including recycling, internationally traded services, manufacturing and technology. The focus of the Fund is on capital appreciation through investment in ethically and ecologically oriented and socially sustainable companies.

While all reasonable care has been given to the preparation of the information set out in this Memorandum, no warranties or representation, express or implied, are given or liability accepted by the Manager or any of its affiliates, shareholders, directors or employees in relation to the accuracy, fairness or completeness of the information contained herein.

Applications to participate in the Fund must, pursuant to Section 4 of the Designated Investment Funds Act, 1985, be made on the terms of this Memorandum and on the Application Form contained herein.

Applications must reach the Manager no later than 31 December, 2011 or such later date as the Manager in its absolute discretion shall determine. Applications will be accepted in the order of receipt up to the permitted maximum of €10 million but the right is reserved to close the application list at any time before 31 December, 2011.

Should the Manager decide to extend the Closing date beyond this date, for example to 31 March 2012, the Fund would have both 2011 investors, who receive income tax relief against their total taxable 2011 income, and 2012 investors who receive income tax relief against their total taxable 2012 income.

The procedure for and conditions of application to participate in the Fund are set out on pages 14 and 15 of this Memorandum.

The Fund has been designated a Business Expansion Scheme (BES) investment fund by the Revenue Commissioners for the purposes of Part 16 of the Taxes Consolidation Act, 1997. However the Business Expansion Scheme is being replaced by a new scheme called the Employment and Investment Incentive Scheme (EIIS) subject to approval from the European Commission. Therefore it is expected that as soon as approval is received that the Fund will be redesignated as an EIIS investment fund.

This Memorandum constitutes a Prospectus within the meaning of Section 1 of the Designated Investment Funds Act, 1985. The provisions of Part 16 of the Taxes Consolidation Act, 1997, as amended apply to this Fund. The Memorandum is not however a prospectus within the meaning of the Companies Acts 1963 to 2009, or for the purposes of the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 or the Prospectus (Directive 2003/71/EC) Regulations 2005.

The Minister for Enterprise, Jobs and Innovation (the "**Minister**"), in giving his approval for this Memorandum, has required that the following matters be brought prominently to the attention of participants:

1. The proper management of the Fund is the sole responsibility of the Manager and no liability whatsoever shall attach to the Minister.
2. No right to relief from income tax shall arise by reason only of the Minister having approved this Memorandum.

3. The contents of the Employment and Investment Incentive Scheme commencement order for the Business Expansion Scheme (BES) in 2007 issued by the Department of Finance, a copy of which is in Appendix III.
4. The Employment and Investment Incentive Scheme (EIIS) commencement order has yet to be issued by the Department of Finance.
5. In the event that the EIIS is not approved by the European Commission before 31 December 2012 then the Fund will remain a BES Fund.

It should be noted that if the Revenue Commissioners designate the Fund, such designation is relevant only for the limited purposes of Section 506 of the Taxes Consolidation Act, 1997, as amended (which deals with the approval of investment funds under the scheme of relief for investment in corporate trades) and that such designation in no way bears on the commercial viability of the investments to be made; nor does such designation guarantee the availability, amount or timing of relief from income tax.

The Manager is authorised by the Financial Regulator in accordance with Section 10 of the Investment Intermediaries Act, 1995.

EXECUTIVE SUMMARY

The Simple.ie Green Fund will invest across a range of companies operating in various industries, primarily renewable energy, recycling, internationally traded services, manufacturing and technology. The focus of the Fund is on capital appreciation through investment in ethically and ecologically oriented and socially sustainable companies because we believe businesses in this sector will generate above average returns over the next 3 years.

The Fund has been designated a Business Expansion Scheme (BES) investment fund by the Revenue Commissioners for the purposes of Part 16 of the Taxes Consolidation Act, 1997. However the Business Expansion Scheme is being replaced by a new scheme called the Employment and Investment Incentive Scheme (EIIS) subject to approval from the European Commission. Therefore it is expected that as soon as approval is received that the Fund will be redesignated as an EIIS investment fund.

The investment strategy of the Fund will remain unchanged whether the Fund remains a BES Fund or is redesignated as an EIIS Fund.

The key differences between BES and EIIS status is as follows:

	<i>BES</i>	<i>EIIS</i>
Length of investment required to maintain tax relief	5 years	3 years
Tax relief	Up to 41% is allowed in the year the BES investment is made.	Up to 30% is allowed in the year of the EIIS investment is made. An additional 11% of tax relief may be available at the end of the 3 year holding period subject to certain conditions.
Qualifying companies	Limited profile	Unlimited profile (subject to a small number of exemptions)

The Simple.ie Green Fund's key differentiators from other similar Funds:

1. Strong Fund management team with proven experience in identifying above average investments

- **David Gavagan** is a founder and chief executive of Hibernia Capital Partners, a venture capital fund of €75m which produced a number of investments which generated investor returns in excess of 3-4 times capital invested;
- **Elliott Griffin** is the Managing Director of BVP, a Corporate Finance adviser working on behalf of investors, purchasers and sellers of businesses. BVP has acted as adviser to transactions with a cumulative value in excess of €30m. The firm's deal flow fits the typical profile of companies which qualify for investment. The firm has an all Ireland profile through its successful website www.simple.ie and has linkages with accounting firms throughout the country to source its' deal flow.
- **Conor Toolan** is an MBA-qualified engineer with a background which includes Shell, PwC and the Sustainable Energy Authority in Ireland (SEAI), where he is a senior renewable energy advisor; has over ten years energy experience.

2. Focus on Research and Development and Strong Investment Promoters

- We focus on Company's which have developed unique technology with a clear identifiable market niche;
- We focus on Promoters who are experienced business people, logical and their feet on the ground.

- These criteria will ensure that in the event that this fund has EIIS status that it will qualify for up to 41% tax relief whereas other Funds may focus more on distribution / non-R&D based companies and only qualify for the less 30% tax relief.

3. Focus on the Green Agenda gives us a specialism in a dynamic growth area

- We believe that a large proportion of successful companies now participate in the green agenda. In many ways, 'green' is seen as the hallmark of Corporate Social Responsibility and Strong Corporate governance;
- Consumer demand is beginning to play its role in the business case for green companies;
- The sector will continue to have large players keen to acquire new technology and specialist businesses which gives exit opportunities for our investments; and
- Future government policy will play a part in expanding market potential for green products and companies.

4. Management influence within each investee companies a key objective

- We want to ensure management is committed to formal management practices and strategic business planning;
- Consequently we are committed to participating in the management of investee companies when we believe it is appropriate; and
- To ensure this commitment, we aim to secure voting rights if we believe it is appropriate.

5. Uncapped returns for investors for each investment and Manager's Incentive

- The Manager intends to secure ordinary voting shares in its investments which means that returns will not be capped; and
- The overall aim for the Fund is to generate compounded annual returns including tax relief of 15%. The Manager's Incentive means that we will earn 50% of any returns achieved over 15%.

6. Exit strategy for investors

- Each investment will be structured with a specific intention of realizing investors' money after the standard 5 year (BES) or 3 year term (EIIS).

Key attractions in common with all BES/EIIS Funds:

1. BES/EIIS is one of the few sources of Total Income tax relief available (e.g. includes Rental income).
2. There is no need for a recurring tax exposure in future years. Therefore the relief works very well with taxable lump sum receipts.
3. A BES/EIIS investment works very well to reduce taxable income in situations where individuals approaching retirement increase their salaries to maximize pension lump sums on retirement.
4. BES/EIIS Funds invest across a portfolio of investments thereby reducing the risk profile of the investment.
5. A Trustee will hold all monies and shareholdings (as nominees) for the benefit of the Investors.
6. The Investment Manager is approved by the Central Bank.

Examples of payback with an indicative return of 15% p.a.

For example, Income tax relief in 2011 means an investment of €20,000 before 31st December 2011 means the investor will get an income tax refund of €6,000 in 2011. A further €2,200 tax relief is available



The Green Fund

in 2015*. As a result, the net investment cost is actually € 11,800 plus commission of € 800. An anticipated return of 15% per annum over 3 years would increase the net cost to give € 19,163.

The minimum amount of a subscription is €5,000 and subscriptions thereafter may only be made in multiples of €5,000 up to the maximum of €150,000. There are no further management charges or exit charges levied. *Subject to increased employment or increased R&D expenditure.

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DEFINITIONS

In this Memorandum, the following terms shall have the following meanings:-

"BES" or "Business Expansion Scheme"	means the Scheme of Relief for Investment in Corporate Trades as provided for in Part 16 of the Taxes Consolidation Act, 1997, as amended by the Finance Acts, 1998 to 2005;
"EIIS" or "Employments and Investment Incentive Scheme"	means the Scheme of Relief for Investment in Corporate Trades as provided for in Part 16 of the Taxes Consolidation Act, 1997, as amended by the Finance Acts, 1998 to 2005, pending EU Approval;
"Closing Date"	means 31 December 2011 or such other date as the Manager may, pursuant to the terms hereof, determine;
"Fund"	means the Simple.ie Green EIIS Fund;
"Investee Company"	means a Qualifying Company in which the Fund acquires shares;
"Manager" or "BVP"	means BVP Investments Limited;
"Participants"	means those persons who invest in the Fund, and the term "Participant" shall be construed accordingly;
"Part 16 of the Taxes Consolidation Act, 1997"	means Part 16 of the Taxes Consolidation Act, 1997 (as inserted by the Finance Acts 2011);
"Qualifying Company"	means an unquoted company which is a qualifying company for the purposes of Part 16 of the Taxes Consolidation Act, 1997; the term "Investee Companies" shall be construed accordingly;
"Trust Deed"	means the Trust Deed and entered into between the Manager and the Trustee for the purposes of regulating the terms upon which the Fund is to be managed; and
"Trustee"	Capita Corporate Trustee Limited

MANAGER AND ADVISERS

Manager:

BVP Investments Limited
Unit 23
The Cubes 2
Beacon South Quarter
Sandyford
Dublin 18

Directors of the Manager:

David Gavagan
Elliott Griffin
Conor Toolan

Trustee of the Fund:

Capital Corporate Trustee Limited
Unit 5
Manor Street Business Park
Manor Street
Dublin 7

Solicitors to the Fund:

Galligan Johnston
Solicitors
Suite 305, Capel Building
Mary's Abbey
Dublin 7

Auditors to the Fund:

BBT
Chartered Accountants and Registered
Auditors
The Gables
Foxrock
Dublin 18

Bankers to the Fund:

National Irish Bank
Stillorgan
Co. Dublin

INTRODUCTION

The Green Fund

BVP has successfully raised €5.0 million from 2007 to 2010. We expect to raise €2.0 million in 2011. We also have a sister Wind Fund which invests in Wind projects.

The Fund has been established in accordance with Section 506 of the Taxes Consolidation Act, 1997, as amended, and the Designated Investment Funds Act, 1985, to invest on behalf of Participants in Qualifying Companies under the Employment and Investment Incentive Scheme. The provisions of Chapter III of Part 1 of the Finance Act of 1984 (as amended by Part 16 of the Taxes Consolidation Act, 1997) apply to the Fund.

The Fund has been established for the purpose of affording Participants the opportunity to invest in a number of Qualifying Companies, as selected by the Manager, and, by so doing, to benefit from the tax relief provisions available to Participants under the Business Expansion Scheme or its intended successor the Employment and Investment Scheme when it is approved by the European Commission.

The Fund will seek to raise up to a maximum of €10,000,000 for the purpose of investing in a portfolio of qualifying companies across a range of various industries including recycling, internationally traded services, manufacturing and technology.

Suitable companies would include renewable energy companies, technology companies also in this area, recycling and recycling technology companies and energy management technology companies.

The focus of the Green Fund is on capital appreciation through investment in ethically and ecologically oriented and socially sustainable companies.

Applications to participate in the Fund should be received no later than 31st December 2011 or such later date as the Manager in its absolute discretion shall determine.

The Manager

The Manager of the Fund is BVP Investments Limited. BVP is authorised under the Investment Intermediaries Act, 1995 and is regulated by the Financial Regulator.

All four previous Simple.ie Green Funds invested in companies involved in wave energy technology, energy management, biomass heating technology and waste management technology. The target investment return is

15% with a balanced portfolio of low, medium and higher risk investments.

BVP is also a well established corporate finance adviser to small and medium sized businesses.

As a consequence of BVP's specialisation in the Owner Managed Business market we are uniquely placed to source high growth investment opportunities for the Fund that would qualify for BES or EIIS investment.

BVP trading under the name "Simple.ie" operates the successful business networking website www.simple.ie which allows investors looking for business investment opportunities to register their interest and also allows business owners to register their interest in selling their business, purchasing another or raising investment.

Our deal flow statistics for the past 36 months (to September 2010) are: leads of 171 projects and a portfolio of 12 companies. We have made 21 investments.

Directors

The Directors of the Manager are responsible for the management and operation of the Fund and, in particular, for determining the companies in which the Fund will invest.

The Directors of the Manager are:

David Gavagan

David Gavagan is a founder and Managing Director of Hibernia Capital Partners Limited; a Dublin based Venture Capital Company.

David was formerly a director of DCC plc and the DCC BES fund. He is a graduate of UCD and a Chartered Accountant.

David is also a director of several other companies.

Elliott Griffin

Elliott Griffin, a commerce graduate of UCD and a Chartered Accountant, is the principal of BVP Accountants and Business Advisers, a firm of Chartered Accountants.

Elliott is also managing director of BVP Investments Limited and has considerable experience in BES investment and raising investment for a wide variety of companies including technology, recycling and food manufacturing.

Conor Toolan

Conor Toolan is an MBA-qualified engineer with a background which includes Shell, PwC and the Sustainable Energy Authority in Ireland (SEAI), where he is a senior renewable energy advisor; he has over ten years energy experience. Conor is the Executive Director of the company.

Advisory Council

Following completion of the fundraising we will appoint 3 investors from our pool of investors to provide us with feedback prior to completing each investment.

Obtaining representation from the pool of investors ensures that we get critical feedback on the implementation of our Investment Strategy.

The Trustee

The Fund has appointed Capita Corporate Trustees Limited ("Capita") as trustee of the Fund.

The Trustee wishes prospective Participants to note that:

- whilst it acts as Trustee, it cannot comment on the merits of an investment in the fund or its suitability for any particular investor; and
- It is not involved in the selection or management of investments of the Fund.

Auditors

BBT, Chartered Accountants and Registered Auditors, have agreed to act as Auditors to the Fund.

Legislation

The Fund has been designated a Business Expansion Scheme (BES) investment fund by the Revenue Commissioners for the purposes of Part 16 of the Taxes Consolidation Act, 1997. However the Business Expansion Scheme is being replaced by a new scheme called the Employment and Investment Incentive Scheme (EIIS) subject to approval from the European Commission. Therefore it is expected that as soon as approval is received that the Fund will be redesignated as an EIIS investment fund.

BES Legislation

The Fund being designated for the purposes of Part 16 of the Taxes Consolidation Act, 1997

investment in this Fund will be subject to income tax relief at the Participant's highest marginal rate of Income Tax for the tax year ending 31st December 2010, up to a maximum of €150,000.

The maximum amount that can be invested in any one Qualifying Company is €2,000,000; subject to a limit of €1,500,000 worth of investment into any one Qualifying Company in any twelve month period.

The BES system is in place for a further 3 years bringing it up to 31 December, 2013.

Following approval from the European Commission of the Finance Act 2007's amendments to the BES system the Minister for Finance's Commencement Order and Regulations provide that as and from 1 January 2007 medium-sized enterprises may qualify if they are located in "assisted areas". (Currently, the assisted areas are defined as all of the Republic of Ireland apart from Dublin, Kildare, Meath and Wicklow. From 1 January 2009, Cork City and county will be non-assisted, apart from Cork docklands). Medium-sized enterprises will benefit from the scheme if located in non-assisted areas only where they are in seed or start-up phase.

The Regulations also provide powers for the Revenue Commissioners to publish on their website a list of companies that have raised finance under the BES and SCS schemes together with details of the amounts raised. This information will also be made available to State agencies with responsibility for the administration of other State-aided schemes, and will be reported to the European Commission.

These powers relate to a further condition of European Commission approval which is that the aid provided under the BES and SCS must be cumulated with other State aids. This is not provided for in the Regulations but is being implemented in accordance with the Commission Decision under existing State aid Regulations and the existing powers of grant-assisting State agencies.

EIIS Legislation

The Fund is being designated for the purposes of Part 16 of the Taxes Consolidation Act, 1997. Investment in this Fund will be subject to income tax relief at a maximum of 30% for the tax year ending 31st December 2011. An additional 11% income tax relief may be available for the tax year ending 31st December 2015. There is a maximum amount of €150,000 which can be invested by any one individual in a year of assessment.

The maximum amount that can be invested in any one Qualifying Company is €10,000,000; subject to a limit of €2,500,000 worth of investment into any one Qualifying Company in any twelve month period.

The EIIS system is in place for a further 3 years bringing it up to 31 December, 2013.

Subject to European Commission approval EIIS is open to the majority of small and medium sized trading companies. In addition, the scheme is now open to trades generally.

The Regulations also provide powers for the Revenue Commissioners to publish on their website a list of companies that have raised finance under the EIIS and SCS schemes together with details of the amounts raised. This information will also be made available to State agencies with responsibility for the administration of other State-aided schemes, and will be reported to the European Commission.

These powers relate to a further condition of European Commission approval which is that the aid provided under the EIIS and SCS must be cumulated with other State aids. This is not provided for in the Regulations but is being implemented in accordance with the Commission Decision under existing State aid Regulations and the existing powers of grant-assisting State agencies.

Investor Compensation Act, 1998

As an authorised investment management business under the Investment Intermediaries Act, 1995, the Manager is required by the Financial Regulator to advise its clients of certain details in relation to the Investor Compensation Act, 1998 (the "Act").

In particular, as the Manager is a member of the Investor Compensation Scheme established under the Act, in the unlikely event that the Manager is unable to return a Participant's investments or cash to them due to insolvency or fraud, the affected Participant's investors should be able to make a claim under the terms of the Act.

The Act does not cover losses due to adverse market/price movements or the loss on an investment due to the liquidation, etc. of an Investee Company.

Under Section 38(1) of the Act, the Manager is obliged to inform its clients of the following information:

- (a) The Act provides for the establishment of a compensation scheme and the payment, in certain circumstances, of compensation to certain clients (known as eligible investors) of authorised investment firms; as such term is defined in that Act;
- (b) The Manager is a member of that compensation scheme;
- (c) Compensation may be payable where money or investment instruments owed or belonging to the Client and held, or in the case of investment instruments, administered or managed by the Manager, cannot be returned to Participants for the time being and there is no reasonably foreseeable opportunity of the Manager being able to do so;
- (d) The right to compensation will only arise:
 - (i) if the Participant is an eligible investor as defined in the Act;
 - (ii) if it transpires that the Manager is not in a position to return Participants' money or investment instruments owed or belonging to clients of the firm; and
 - (iii) to the extent that the Participant's loss is a recognised loss for the purposes of the Act.
- (e) Where an entitlement to compensation is established, the compensation payable will be the lesser of:
 - (i) 90 per cent of the amount of the Participant's recognized loss; or
 - (ii) compensation of up to €20,000.

INVESTMENT STRATEGY

The objective of the Fund will be to provide Participants with investment opportunities in suitable unquoted companies which qualify under the Business Expansion Scheme and the expected Employment and Investment Incentive Scheme.

The focus of the Fund is on capital appreciation through investment in ethically and ecologically oriented and socially sustainable companies.

The Manager will be seeking to invest in a number of companies with capable management and future growth potential.

The key criteria that the Manager will look for in assessing whether to invest in a potential Investee Company and its promoters are:

- a recognised and proven market for Investee Company's product;
- demonstrated future growth potential;
- a capable and industry experienced management team;
- a market strategy which has been carefully articulated and thought out; and
- the prospect for realisation of investment after the five year (BES) or three year (EIS) period.

The Manager will take all reasonable care and advice in selecting and assessing proposals for investment.

The Manager will enter into agreements with the promoters of each Investee Company at the time of the investment which will give the Manager the right to appoint a director to each of the Investee Companies. The Manager will however only exercise this right where it considers it to be desirable and in the interests of the Fund and the Participants.

The agreements will also oblige the promoters to provide regular financial and other information to the Manager in order to enable it to monitor the performance of the Investee Company in question.

In order to spread the commercial risk of the Fund, the Manager will seek to balance the portfolio of investments across several industries.

There will be a balance between low risk, medium risk and higher risk investments which will include investment into Investee Companies at various stages of development. The objective is to ensure a spread of risk whilst providing opportunity for earning attractive returns for investors.

Low risk investments will most likely have capped returns but minimum downside, medium risk investments will have uncapped moderate returns with secure exit mechanisms and higher risk investments will have uncapped higher returns with less defined exit routes.

The overall aim for the Fund is to generate compounded annual returns including tax relief of 15%.

It is intended to complete the investment into Investee Companies as soon as possible following the Closing Date.

No more than 40% of the total amount subscribed to the Fund shall be invested in any one Investee Company. It is the intention of the Manager to invest in a range of industries to minimise the risk or exposure to any one sector. In this respect, your attention is drawn to the risk factors set out on pages 13 and 14 of this Memorandum.

ADVANTAGES OF INVESTING IN THE FUND

Participants can derive a number of advantages from investing in the Fund, namely:

1. An investment in the Fund will offer Participants the opportunity to avail of tax relief under the EIS legislation. Tax relief of up to €150,000 can be availed of for the tax year ending 31 December, 2011. If the Manager, in its discretion, decides to extend the Closing date to say 31st March 2012 then investors subscribing in 2011 up to this date will avail of tax relief for the tax year ending 31 December 2012. Earlier investors in 2012 will still receive their relief for 2012.
2. Through the Manager, the Fund offers Participants the services of an experienced professional management team with substantial commercial and business expertise including a thorough knowledge of EIS investment.
3. The Fund provides Participant's access to investments selected on the basis of commercial innovation, capable management teams and future growth potential; which may not otherwise be available to Participants.
4. Participants will be able to spread their investment risk as the Fund will invest in low, medium and high risk investments.
5. The Fund offers Participants the potential for a high after tax return.

OPERATION OF THE FUND

No investment will be made before the Closing Date for subscription to the Fund.

Subscription monies received will be placed on deposit in a client money account pending investment. This account will be designated in compliance with the Financial Regulator's Client Money Rules issued in accordance with Section 52 of the Investment Intermediaries Act, 1995.

Funds deposited in this account will be held for the exclusive benefit of Participants in the Fund and will be segregated from any accounts held by the Manager. The account is a pooled account, i.e. an account containing the assets of more than one person. However, the Manager will, on a regular basis, reconcile the amounts held in the pooled account with our own records in order to keep track of the ownership of the proceeds of the account.

By completing the Application Form you consent to the Manager holding your assets in a pooled account.

Ownership

The Participants will, at all times, remain the beneficial owners of the any shares in Qualifying Company purchased by the Trustee on their behalf. The shares will be registered in the name of the Trustees who shall act as a nominee for each of the Participants. A Participant must retain beneficial ownership of the shares on which tax relief is given for a period of 5 years (BES) or 3 years (EIIS) to avoid withdrawal or reduction of any relief applied or to be applied.

Connected companies

The Manager will not knowingly cause the Trustee to invest proceeds of the Fund in companies with which either the Manger, the Trustee or any Participant is connected for the purposes of Section 493 of the Taxes Consolidation Act, 1997.

Conditions

It is a condition of subscription to the Fund that each Participant irrevocably authorises the Manager and the Trustee, subject to the terms and conditions of this Memorandum:

- (a) to invest the Subscription monies for shares in Qualifying Companies under the provisions of the Employment and Investment Incentive Scheme and any amendment to the Employment and Investment Incentive Scheme;
- (b) to act on the Participants' behalf in respect of the shares purchased by the Fund and in respect of all rights thereto for a minimum period of three years while recognising that, at all times, Participants retain beneficial ownership of the shares subscribed for in the Qualifying Companies;
- (c) in the case of the Manager, to direct, in its absolute discretion, the exercise by the Trustee of all voting and other rights in connection with investments held on behalf of the Participants;

- (d) to receive and deal with all distributions and dividends paid on investments in accordance with the provisions of the Trust Deed;
- (e) to arrange for the sale or disposal of any investment in whole or in part as the Manager may in its absolute discretion decide;
- (f) in the case of the Manager, to agree to any transactions or arrangements (including without limitation arrangements for exchange, amalgamation or reconstruction) and to take or refrain from taking any action whatsoever and make any decisions in respect of the shares held in Qualifying Companies;
- (g) to draw on any monies subscribed by or due to the Participant under the Fund to satisfy the Trustee's and the Manager's fees and expenses as set out in this Memorandum and/or the Trust Deed; and
- (h) to place monies on deposit with the Bankers to the Fund.

The foregoing appointment and authorizations will remain binding on each Participant's personal representative in the event of the death of a Participant.

Investment

When an investment is made in an Investee Company the shareholding in the Investee Company will be registered in the name of the Trustee, acting as a nominee on behalf of the Participants. The beneficial ownership of the shares in each Investee Company will be allocated to the individual Participants in the proportion that their subscription monies bear to the total subscription monies received by the Fund. Fractional entitlements, if any, will be rounded off to the extent possible.

As soon as practicable after an investment has been made by the Fund, the Participant will be provided with full details of the extent and nature of the shares issued to the Trustee and of the number and type of shares allocated by the Trustee to the Participant.

It is a condition of participation in the Fund that the Participants agree that the Manager shall be entitled, at its sole discretion, to invest the proceeds of the Fund in any manner it deems fit after taking any professional advice it considers necessary.

If the Manager exercises the right to dispose of shares within 5 years (BES) or 3 years (EIIS),

this may result in the tax relief available to or obtained by a Participant being wholly or partially withdrawn. However, in coming to any such decision, the Manager will consider the best interests of all Participants.

Any subscription monies which have not been invested before 31 December, 2012 shall be returned to the Participants within 30 days of that date in the proportion that the un-invested funds bears to the total subscription monies subscribed to the Fund. In such an event the Manager will pay the interest earned on the un-invested funds to the Participants

Reporting to Participants

During the term of the Fund, Participants will be sent half yearly reports relating to the financial periods ended on 30 June and 31 December, in each year, which will set out details of any acquisitions and/or disposals of investments which have been made by the Fund during these periods. The report will also provide an analysis of the progress of each of the investments held by the Fund.

The first report will be made in respect of the period ending 30 June 2012. Audited accounts of the Fund made up to 31 December in each year will be made available to Participants as soon as possible after the year end. The first audited accounts will be for the period ending 31 December, 2012.

The auditors will also report to the Participants on termination of the Fund.

THE MANAGER'S REMUNERATION

A once-off fund raising commission of 4% will be payable by Participants on the amount of their subscriptions at the date of application.

Any interest earned on subscription monies held by the Fund pending investment will be retained by the Manager and used to offset any direct costs and overheads incurred in identifying and investigating potential Investee Companies.

The Manager may receive for its own account remuneration from the Investee Companies by charging them an arrangement fee or similar fee at the time of investment.

The Manager may also receive service fees from Investee Companies where it appoints its own directors as nominees to sit on the board of directors of such companies. In addition, fees may also be received in respect of advice or assistance given by the Manager to those companies.

On the realisation of a particular investment, the Manager and the Trustee shall be entitled to

recover all reasonable and necessary costs associated with the realisation of such investments; such costs being recovered, if necessary, from the proceeds of the realisation.

The Manager will receive a performance incentive bonus if there is a return arising from the disposal of all the shares in the Investee Companies, in aggregate, of more than 15%. The performance bonus will be 50% of the return in excess of the cumulative 15% return for the Fund.

The fee structure as outlined above is intended to cover the costs associated with raising monies for the Fund and to cover the management and administration costs of operating the Fund. There will be no other commissions or fees charged, levied or otherwise made in regard to the establishment, operation or management of this Fund, other than those referred to above.

There will be no other commissions or fees charged, levied or otherwise made in regard to the establishment, operation or management of this Fund, other than those referred to above or as set out in the Trust Deed.

CONNECTED COMPANIES AND INVESTMENT BY BVP, BVP ACCOUNTANTS AND BUSINESS ADVISERS, CAPITA CORPORATE TRUSTEE LIMITED & BVP INVESTMENTS LIMITED

The Fund may invest in companies which are clients of BVP, BVP Accountants and Business Advisers or The Trust Company, provided none of these entities are connected (for the purposes of Section 506 (8) (vii) of the Taxes Consolidation Act, 1997) with such companies. No investment will be made by the Fund in companies for the time being connected, as defined above, with the Manager or with the Trustee or with any of their associates. However, the Manager and its associates may negotiate and acquire an interest in Investee Companies for itself at arm's length either simultaneously with or subsequent to investment by the Fund. Notwithstanding the above, the Manager and its associates will not in any case acquire a controlling interest or any right or interest that would prejudice tax relief obtained by Participants in the Fund.

MANAGER'S OPTION

The Manager, or any nominee of the Manager, may seek an option to subscribe, on its own account, for equity in any Investee Company. This option to invest may, at the sole discretion of the Manager, be exercised at any time.

REALISATION OF INVESTMENTS

Save as set out herein, Investments in the Investee Companies will normally be held for a minimum of 3 years or 5 years from the date upon which the Investee Companies issue shares in itself to the Fund, being the minimum period permitted by the EIIS legislation or BES legislation respectively.

After that period, the Manager will seek to make arrangements with the Board of Directors of each of the Investee Companies for the realisation of the Fund's investments on behalf of Participants. These arrangements may include:

- (a) a sale of the shares on the Irish Stock Exchange or any other recognised securities market, if such shares are listed;
- (b) an acquisition or take-over;
- (c) a private placing, e.g. a trade sale;
- (d) a repurchase or redemption by the Investee Company of its own shares;
- (e) a sale of the BES/EIIS shareholdings to the promoters of the Investee Companies
- (f) the exercise of a call or put option at market value with the promoters of the Investee Companies; and/or
- (g) any other method of realisation which may, in the opinion of the Manager, be appropriate at that time.

In respect of investments made in private companies, if it is not reasonably possible to arrange for the realisation of any investments after the expiry of the three year investment term or if, in the reasonable opinion of the Manager, the Participants should retain their shareholdings in some or all of the Investee Companies, the Manager may, utilising the mechanism contained in Section 6 of the Designated Investments Funds Act, 1985, arrange for the relevant shares to be transferred into the names of individual Participants, who will be responsible for the payment of any stamp duty and other reasonable costs associated therewith.

Also, as mentioned above, it may become necessary for the Manager to dispose of shares in some of the Investee Companies before the expiry of the 3 year investment term. If the Manager exercises this right, this may result in the tax relief available to or obtained by a Participant being wholly or partially withdrawn. In coming to this decision, the Manager will consider what is in the overall best interests of Participants.

Should dividends be declared by the Investee Companies on the class of shares held by the Fund, then upon receipt of those dividends the Manager shall distribute all such dividends in May and November of each year (or at such other time as the Manager may direct) during the continuance of the Fund to the Participants beneficially entitled thereto in accordance with their respective allocations.

TRANSFERABILITY AND EARLY REALISATION OF INVESTMENTS

Under the provisions of Part 16 of the Taxes Consolidation Act, 1997 a Participant in the Fund will not be allowed or entitled to have realised or transferred into his/her name any shares in an Investee Company until 3 years have elapsed from the date of issue of those shares to the Fund.

However, in exceptional circumstances, but without obligation, a request by a Participant for the disposal of all the investments held on the Participant's behalf (but not individual investments) will be considered by the Manager provided a willing purchaser can be found for the shares which are to be disposed of. This may result in the loss of all or part of the tax relief claimed by or available to a Participant.

The Manager of the Fund gives no undertaking to find a purchaser.

In the event of the death of a Participant, any un-invested sums held in trust at that time will, subject to compliance with usual legal formalities, be placed at the disposal of the Participant's personal representatives. However, it may not be possible for the personal representatives of a Participant to have the deceased Participant's shares transferred to them or otherwise to realise that Participant's investment prior to the expiration of the 3 year investment period.

Arrangements for the transfer of shares in private companies into the names of the Participants will be made under the terms of Section 6 of the Designated Investment Funds Act, 1985.

RISK FACTORS

The following list of risks is not comprehensive, but is intended to give an outline of the risks which intending Participants need to consider. Independent advice should be sought and satisfaction should be obtained as to the suitability of investment into the Company prior to proceeding with same.

Before subscribing to this Fund, Participants are advised to consult a stockbroker, bank manager, solicitor, accountant or other professional

adviser, having regard to the risks involved, their own financial circumstances and their tax position.

Tax Laws

Tax law and / or practice in Ireland may change with consequent adverse effects on the taxation aspects of investment into the fund proposal.

Returns

The projected returns herein may be affected where an investor fails to make appropriate disclosures to Revenue or fails to file appropriate tax returns.

Realisation of Investment

Participants should consider their investments as long term investments and, in compliance with the legislation, should not expect to be able to realise them for at least three years from the date of investment by the Fund in each of the Investee Companies.

The shares purchased by the Fund will be in private companies and, as there is no ready market for the sale of such shares, the usual difficulties associated with sale apply.

Investment in unquoted companies through the Fund carries risk as well as the potential for growth. The risks associated with investment in the Fund include the possible loss of the full amount invested.

There is no early exit mechanism for investments in the Fund and realisation of a Participant's investment is not guaranteed.

The Manager is not liable to Participants in the event of the default or liquidation of the Investee Companies, the Trustee or the Bankers to the Fund where the Participants money is deposited.

No compensation fund exists for Participants who lose all or part of their investment due to commercial investment risk. In addition, as there are limitations on the saleability of unquoted shares, the time scale for realisation of any EIIS investment cannot be guaranteed after the three years period has elapsed.

However, as the Manager is an authorized investment firm, it is subject to the Investor Compensation Act, 1998. Under this Act eligible investors may be able to seek payment for compensatable losses up to €20,000 or 90% of their net loss, whichever is the lesser.

Tax Relief

Taxation relief granted to Participants under the provisions of the Employment and Investment Incentive Scheme may be lost if an Investee Company ceases to be a Qualifying Company engaged in a relevant trading activity as set out on pages 15 and [16] of this Memorandum.

PROCEDURE FOR AND CONDITIONS OF APPLICATION

Participants should complete the Application Form enclosed and submit it to BVP the Closing Date.

Completed Application Forms must be accompanied by a personal cheque or bank draft, payable to the **Capita Corporate Trustee Limited a/c Simple.ie Green EIIS Fund** for the amount of the subscription together with a fund-raising commission of 4% of the subscription amount. Appendix II sets out examples of the amounts to be submitted for different levels of subscription.

The minimum amount of a subscription is €5,000 and subscriptions thereafter may only be made in multiples of €5,000.

Applications will be accepted in the order of receipt up to the permitted maximum of €10m. The right is reserved to close the application list at any time before 31 December 2011 and to reject any application in whole or in part.

The Fund will not proceed unless a minimum subscription level of €500,000 is received. If this threshold is not reached, all subscriptions and commissions will be returned to Participants within 30 days of the Closing Date.

Applications to participate in the Fund will be considered only on the terms and conditions of this Memorandum and only if they are made on the application form contained herein.

Any agreement purporting to amend or exclude or partly exclude the application of any term or condition of this Memorandum shall be void, save for an amendment or alteration approved by the Minister for Jobs, Enterprise and Innovation under Section 8 of the Designated Investment Funds Act, 1985.

Only one application will be accepted from each applicant. **No joint applications can be made.**

To ensure compliance with the provisions of the Criminal Justice Act 1994 and any other recommendations issued by the Financial Regulator or other competent authority, the Manager will be required to establish the identity

of each applicant to satisfy Anti- Money Laundering requirements.

Application forms must therefore be accompanied by:

- (i) a certified copy* of either the applicant's current passport or current driver's licence;
- (ii) an original or certified copy* of two different forms of proof of address. Acceptable forms of proof of address are any two of:
 - recent utility bill (electricity, gas, telephone or mobile phone); or
 - bank statement

Proofs of address cannot be more than 3 months old and must bear the name and address provided on the application form.

- (iii) a personal cheque or bank draft drawn on a Participant's own bank account (which account will be with a body defined as "Designated Body" under the Act).

The Manager and Trustees reserve the right to refuse to accept any application which is incorrectly presented or fails to comply with the provisions contained in the Memorandum and, in doing so, shall have no liability whatsoever to any applicant for interest or any resulting loss or damage.

**certified copy means a document which contains a certification signed, stamped and dated by a Solicitor, Commissioner for Oaths, Garda, Accountant or Bank Manager certifying that the copy document is a true copy of the original.*

TAX RELIEF

The Fund has been designated a Business Expansion Scheme (BES) investment fund by the Revenue Commissioners for the purposes of Part 16 of the Taxes Consolidation Act, 1997. However the Business Expansion Scheme is being replaced by a new scheme called the Employment and Investment Incentive Scheme (EIIS) subject to approval from the European Commission. Therefore it is expected that as soon as approval is received that the Fund will be redesignated as an EIIS investment fund.

Certificates enabling investors to claim income tax relief can only be issued when an investment has been made by the Fund in an Investee

Company which has been approved as a Qualifying Company by the Revenue Commissioners. When an investment is made, the Investee Company seeks such approval from the Revenue Commissioners and, once this approval is received the Manager can issue the tax relief certificate. Certificates will be forwarded to Participants by the Manager as soon as possible.

The Revenue Commissioners have indicated that all available RICT 5 Certificates should be filed with an individual's return of income in order to claim tax relief. Certificates not available at the date of the return of income filing may be requested by the Inspector of Taxes at a later date.

TRUST DEED

Capita Corporate Trustee Limited has agreed to act as Trustees to the Fund. A copy of the Trust Deed made between BVP Investments Limited and Capita Corporate Trustee Limited is available for inspection upon written request.

SUMMARY OF BUSINESS EXPANSION SCHEME LEGISLATION

Introduction

The following is a summary of the existing BES legislation as set out in Part 16 of the Taxes Consolidation Act, 1997. The summary highlights the changes in the 2007 Finance Act.

This Section summarises only the main provisions of the Scheme of Relief for Investment in Corporate Trades introduced by the 1984 Finance Act and set out in Part 16 of the Taxes Consolidation Act, 1997, as amended and Schedule 10 thereto. It does not set out the provisions in full and intending investors are advised to seek appropriate professional advice on their entitlement to the relief before making any investment.

The Relief

Relief on an investment in the Fund will be available to an individual at their highest marginal rate of Income Tax for the tax year ending 31st December 2010 up to €150,000.

The relief should enable individuals to deduct the cost of their qualifying investment from their total income for income tax purposes. The subscription can be made on an individual's behalf by nominees such as the Manager of this Fund.

Basic Rules

Relief can only be claimed:

- by a qualifying individual;
- who subscribes for new eligible shares;
- of a qualifying company which have been issued for the purpose of raising money for a qualifying purpose; and
- in relation to a qualifying trade which is being carried on or will be carried on within a specified period (normally two years) by such company or by a qualifying subsidiary.

Eligible shares are new fully paid ordinary shares which throughout the period of five years beginning with the date on which they are issued carry no present or future preferential rights to dividends, to assets on a winding up, or to be redeemed. Income Tax relief is given for the tax year in which the shares are issued or if desired, in the tax year in which the subscription is made to the Fund.

No relief is available to an individual in relation to eligible shares where such shares are subject to any agreement, option or understanding which:

- (a) would or could require a person to purchase or otherwise acquire the investor's shares at a price other than a price equal to the market value of the shares at the time of purchase or acquisition; or
- (b) would or could require the investor to dispose of his shares at a price other than a price equal to the market value of the shares at the time of the disposal.

Individuals Qualifying for Relief

An individual must not be connected with the relevant Qualifying Company at any time in the period two years before to five years after the issue of the shares qualifying for relief.

The main rules relating to connection with a company are that:

- (a) an individual or an associate of his must not be a partner of the company or an employee or director of the company other than one who receives only payments that are reasonable and necessary remuneration for services to the company; or
- (b) he and his associates must not control the company or possess more than 30% in aggregate of the ordinary share capital or 30% of the aggregate of the loan capital and issued share capital or the voting

power in the company (subject to certain relaxations for new and small companies).

For this purpose an associate includes a partner and certain persons with whom the individual has connections through a trust. This does not include relatives.

Qualifying Company

The Company must have been incorporated in the State or in a European Economic Area State and carry on business in the State through a branch or agency. It must not be quoted on The Irish Stock Exchange.

However, its shares may be dealt in on the Alternative Investment Market (AIM) in London and/or any similar secondary market in the EU. It must not be a subsidiary of or be controlled by any other company.

The Qualifying Company may have subsidiaries itself but each must be carrying on a qualifying trade or the subsidiary's trade must consist of one or more of the purchase, sale or provision of services to or on behalf of the Qualifying Company. The Qualifying Company must hold at least 51% of the shares of the subsidiary and control it.

The Qualifying Company must exist wholly for the purpose of carrying on wholly or mainly in the State one or more qualifying trades and/or be a holding company of a subsidiary which carries on a qualifying trade.

The Finance Act 2005 made the following changes to BES:

- (a) Qualifying Companies must be Small and Medium Sized Enterprises within the European Commission definition;
- (b) tax relief is available for individual investments in companies registered in the European Economic Area provided they have an establishment in Ireland carrying on qualifying activities;
- (c) the following sectors are formally excluded from the BES: shipbuilding, European Coal and Steel Community Sectors and non viable companies within the European Community Guidelines on State Aid for rescuing and restructuring firms in difficulty.

A company shall not be a Qualifying Company while the company is regarded as a firm in difficulty for the purposes of the Community Guidelines on State Aid for rescuing and restructuring firms in difficulty.

The maximum BES investment allowable in the lifetime of a qualifying company should be increased to €2,000,000, subject to a limit of €1,500,000 investment in any twelve month period.

Following approval by the European Commission of the 2007 Finance Act changes to the BES Regulations the Minister of Finance's Commencement Order and Regulations provide that as and from 1 January 2007 medium-sized enterprises may qualify if they are located in "assisted areas". (Currently, the assisted areas are defined as all of the Republic of Ireland apart from Dublin, Kildare, Meath and Wicklow. From 1 January 2009, Cork City and county will be non-assisted, apart from Cork docklands). Medium-sized enterprises will benefit from the scheme if located in non-assisted areas only where they are in seed or start-up phase.

The Regulations also provide powers for the Revenue Commissioners to publish on their website a list of companies that have raised finance under the BES and SCS schemes together with details of the amounts raised. This information will also be made available to State agencies with responsibility for the administration of other State-aided schemes, and will be reported to the European Commission.

These powers relate to a further condition of European Commission approval which is that the aid provided under the BES and SCS must be cumulated with other State aids. This is not provided for in the Regulations but is being implemented in accordance with the Commission Decision under existing State aid Regulations and the existing powers of grant-assisting State agencies.

Qualifying Trades

Qualifying trades are those where, throughout the relevant period, at least 75 per cent of revenues are derived from any of the following "qualifying trading operations":

- (a) the manufacture of goods within the meaning of Part 14 of the Taxes Consolidation Act, 1997 in circumstances where the company must have, or would have, but for an insufficiency of profits, claimed manufacturing relief. Trading operations included for the purpose of Part 14 by virtue of subsections (3), (11), (12), (16), (17), and (19) of Section 443 and of Section 446 and production of films within the meaning of Section 481 are excluded. Trading operations consisting of software development

services referred to in subparagraph (ii) of paragraph (a) of Section 443 (10) shall be regarded as qualifying trading operations if approval for the making of employment grants is obtained;

- (b) the rendering of services (other than services carried on in the Customs House Dock Site in Dublin) in the course of a service industry in respect of which an employment grant has been made by Enterprise Ireland or the Industrial Development Agency (Ireland), under Section 12(2), Industrial Development Act, 1993 or a grant has been made under Section 3 or financial assistance given under Section 4 of the Shannon Free Airport Development Company Limited (Amendment) Act, 1970 or financial assistance was made available by Udaras na Gaeltachta under Section 10 of the Udaras na Gaeltachta Act, 1979 or in respect of which shares have been issued to Enterprise Ireland or the Industrial Development Agency (Ireland);
- (c) trading as an exchange in the Custom House Docks Area as long as the company holds the appropriate certificate from the Department of Finance;
- (d) the construction and leasing of an advance factory building;
- (e) the operation of one or more tourist traffic undertakings within the meaning of Section 496 (2) (xiii) of the Taxes Consolidation Act, 1997 in respect of which a three year marketing and development plan, which is primarily designed and formulated to increase tourist traffic and revenue from outside the State, has been approved by Bord Failte Eireann;
- (f) the cultivation of certain types of plants as referred to in Section 443 (3) of the Taxes Consolidation Act, 1997;
- (g) the research and development or other similar activity undertaken with a view to the carrying on of trading operations referred to at (a) and (b) above;
- (h) the cultivation of mushrooms within Ireland;
- (i) the sales of export goods by a Special Trading House within the meaning of Section 443 (12) of the Taxes Consolidation Act, 1997;
- (j) the production, publication, marketing and promotion of a music recording

produced in a studio in the State by a new artist;

- (k) the rendering of services in the course of a service industry in respect of which a County Enterprise Board (being a board referred to in the Schedule to the Industrial Development Act, 1995) has, in accordance with the provisions of that Act, made a loan or grant to, or made an equity investment in, the Qualifying Company concerned; and
- (l) recycling activities in relation to waste material;

Trading operations carried on in the coal industry or in the steel and shipbuilding sectors shall not be regarded as qualifying trades.

The trade must remain a qualifying trade for three years from the date of issue of the shares or, if later, from the date on which the trade commences. The trade must be conducted on a commercial basis with a view to the realization of profits.

Claims for Relief

Claims can be made when the qualifying trade has been carried on for at least four months and must be made within two years of that date or if later, two years from the end of the year of assessment in which the shares are issued.

Limits on the Relief

The relief on an investment in this Fund is available to the individual at the claimant's highest marginal rate of Income Tax for the tax year ending 31 December, 2011 up to €150,000.

In the case of a husband and wife, each is entitled to subscribe up to the maximum amount to the extent that each spouse has income in his or her own right. Unused amounts of relief may not be transferred between spouses. Relief is not given where a claimant invests less than €254 directly in to a Qualifying Company in any tax year. This lower limit will apply where such an investment is made by the Manager on behalf of an investor.

Participants who subscribe for shares in excess of the maximum amount in any one tax year may carry the relief forward to the following year.

Investors who have insufficient total income to claim full relief for their investment in the year of issue will be allowed to claim relief for the balance of the investment in the following years, subject to the individuals' particular tax circumstances.

Withdrawal/Withholding of Relief

The relief may be withdrawn if the conditions attaching to the relief relating to the company cease to be satisfied within three years of the investment being made or, if later, of the commencement of trading.

Relief is also wholly or partly withdrawn if the claimant receives value from the company or disposes of the shares within five years. Value can be received from the company if, for example, it redeems shares or makes the claimant a loan or provides a benefit or facility to the claimant.

Disposals between spouses will generally not result in a loss of relief. The receipt of reasonable and necessary dividends does not constitute the "receipt of value" from the company.

Relief will not be given where there exists an agreement, arrangement or understanding which could reasonably be considered to have eliminated the risk that the person owning the shares might at, or after any time specified in, or implied by that agreement, arrangement or understanding be unable to realise, directly or indirectly, in money or monies worth, an amount so specified or implied, other than a distribution in respect of those shares or might not receive an amount so specified or implied of distributions in respect of those shares.

There are also additional rules whereby an investor may suffer a withdrawal of some or all of the relief by reason of other non-qualifying shareholders receiving value from an Investee Company.

SUMMARY OF EMPLOYMENT AND INVESTMENT INCENTIVE SCHEME LEGISLATION

Introduction

The following is a summary of the existing EIS legislation as set out in Part 16 of the Taxes Consolidation Act, 1997. The summary highlights the changes in the 2011 Finance Act.

This Section summarises only the main provisions of the Scheme of Relief from Investment in Corporate Trades introduced by the 1984 Finance Act and set out in Part 16 of the Taxes Consolidation Act, 1997, as amended and Schedule 10 thereto. It does not set out the provisions in full and intending investors are advised to seek appropriate professional advice on their entitlement to the relief before making any investment.

The Relief

Relief on an investment in the Fund will be available to an individual at a maximum rate of Income Tax of 30% for the tax year ending 31st December 2011 up to €150,000. An additional 11% tax relief will be claimable once the three year holding period has been completed and one of the following conditions has been met:

- The qualifying company has increased the number of employees since the investment was completed, or,
- The qualifying company has increased its expenditure on Research and Development

The relief should enable individuals to deduct the cost of their qualifying investment from their total income for income tax purposes. The subscription can be made on an individual's behalf by nominees such as the Manager of this Fund.

Basic Rules

Relief can only be claimed:

- by a qualifying individual;
- who subscribes for new eligible shares;
- of a qualifying company which have been issued for the purpose of raising money for a qualifying purpose; and
- in relation to a relevant trading activity which is being carried on or will be carried on within a specified period (normally two years) by such company or by a qualifying subsidiary.

Eligible shares are new fully paid ordinary shares which throughout the period of three years beginning with the date on which they are issued carry no present or future preferential rights to dividends, to assets on a winding up, or to be redeemed. Income Tax relief is given for the tax year in which the shares are issued or if desired, in the tax year in which the subscription is made to the Fund.

No relief is available to an individual in relation to eligible shares where such shares are subject to any agreement, option or understanding which:

- (a) would or could require a person to purchase or otherwise acquire the investor's shares at a price other than a price equal to the market value of the shares at the time of purchase or acquisition; or
- (b) would or could require the investor to dispose of his shares at a price other than

Individuals Qualifying for Relief

An individual must not be connected with the relevant Qualifying Company at any time in the period two years before to three years after the issue of the shares qualifying for relief.

The main rules relating to connection with a company are that:

- (a) an individual or an associate of his must not be a partner of the company or an employee or director of the company other than one who receives only payments that are reasonable and necessary remuneration for services to the company; or
- (b) he and his associates must not control the company or possess more than 30% in aggregate of the ordinary share capital or 30% of the aggregate of the loan capital and issued share capital or the voting power in the company (subject to certain relaxations for new and small companies).

For this purpose an associate includes a partner and certain persons with whom the individual has connections through a trust. This does not include relatives.

Qualifying Company

The Company must have been incorporated in the State or in a European Economic Area State and carry on business in the State through a branch or agency. It must not be quoted on The Irish Stock Exchange.

However, its shares may be dealt in on the Alternative Investment Market (AIM) in London and/or any similar secondary market in the EU. It must not be a subsidiary of or be controlled by any other company.

The Qualifying Company may have subsidiaries itself but each must be carrying on a relevant trading activity or the subsidiary's trade must consist of one or more of the purchase, sale or provision of services to or on behalf of the Qualifying Company. The Qualifying Company must hold at least 51% of the shares of the subsidiary and control it.

The Qualifying Company must exist wholly for the purpose of carrying on wholly or mainly in the State one or more relevant trading activity and/or be a holding company of a subsidiary which carries on a relevant trading activity.

The company shall be:

- (a) A must be Small and Medium Sized Enterprises within the European Commission definition;
- (b) tax relief is available for individual investments in companies registered in the European Economic Area provided they have an establishment in Ireland carrying on qualifying activities;

A company shall not be a Qualifying Company while the company is regarded as a firm in difficulty for the purposes of the Community Guidelines on State Aid for rescuing and restructuring firms in difficulty.

The maximum EIIS investment allowable in the lifetime of a qualifying company is 10,000,000, subject to a limit of €2,500,000 investment in any twelve month period.

Medium-sized enterprises may qualify if they are located in "assisted areas". (Currently, the assisted areas are defined as all of the Republic of Ireland apart from Dublin, Cork City and county (apart from the Cork docklands) Kildare, Meath and Wicklow. Medium-sized enterprises will benefit from the scheme if located in non-assisted areas only where they are in seed or start-up phase.

The Regulations also provide powers for the Revenue Commissioners to publish on their website a list of companies that have raised finance under the EIIS and SCS schemes together with details of the amounts raised. This information will also be made available to State agencies with responsibility for the administration of other State-aided schemes, and will be reported to the European Commission.

These powers relate to a further condition of European Commission approval which is that the aid provided under the EIIS and SCS must be cumulated with other State aids. This is not provided for in the Regulations but is being implemented in accordance with the Commission Decision under existing State aid Regulations and the existing powers of grant-assisting State agencies.

Relevant Trading Activities

Relevant trading activities means activities carried on in the course of a trade the profits or gains of which are charged to tax under Case I of Schedule D, excluding activities related to—

- (a) adventures or concerns in the nature of trade,

- (b) dealing in commodities or futures or in shares, securities or other financial assets,

- (c) financing activities,

- (d) the provision of services, which would result in a close company (within the meaning of section 430 of the Taxes Consolidation Act, 1997) that provides those services being treated as a service company for the purposes of section 441 if that close company had no other source of income,

- (e) dealing in or developing land,

- (f) the occupation of woodlands within the meaning of section 232 of the Taxes Consolidation Act, 1997,

- (g) operating or managing hotels, guest houses, self catering accommodation or comparable establishments or managing property used as an hotel, guest house, self catering accommodation or comparable establishment,

- (h) operating or managing nursing homes or residential care homes or managing property used as a nursing home or residential care home,

- (i) operations carried on in the coal industry or in the steel and shipbuilding sectors, and

- (j) the production of a film (within the meaning of section 481 of the Taxes Consolidation Act, 1997),

but including tourist traffic undertakings.

The trade must remain a relevant trading activity for three years from the date of issue of the shares or, if later, from the date on which the trade commences. The trade must be conducted on a commercial basis with a view to the realization of profits.

Claims for Relief

Claims can be made when the relevant trading activity has been carried on for at least four months and must be made within two years of that date or if later, two years from the end of the year of assessment in which the shares are issued.

Limits on the Relief

The relief on an investment in this Fund is available to the individual at a maximum rate of Income Tax of 30% for the tax year ending 31 December, 2011 up to €150,000. An additional tax relief of 11% can be claimed after the three year holding period subject to certain conditions being met.

In the case of a husband and wife, each is entitled to subscribe up to the maximum amount to the extent that each spouse has income in his or her own right. Unused amounts of relief may not be transferred between spouses. Relief is not given where a claimant invests less than €254 directly in to a Qualifying Company in any tax year. This lower limit will apply where such an investment is made by the Manager on behalf of an investor.

Participants who subscribe for shares in excess of the maximum amount in any one tax year may carry the relief forward to the following year.

Investors who have insufficient total income to claim full relief for their investment in the year of issue will be allowed to claim relief for the balance of the investment in the following years, subject to the individuals' particular tax circumstances.

Withdrawal/Withholding of Relief

The relief may be withdrawn if the conditions attaching to the relief relating to the company cease to be satisfied within three years of the investment being made or, if later, of the commencement of trading.

Relief is also wholly or partly withdrawn if the claimant receives value from the company or disposes of the shares within three years. Value can be received from the company if, for example, it redeems shares or makes the claimant a loan or provides a benefit or facility to the claimant.

Disposals between spouses will generally not result in a loss of relief. The receipt of reasonable and necessary dividends does not constitute the "receipt of value" from the company.

Relief will not be given where there exists an agreement, arrangement or understanding which could reasonably be considered to have eliminated the risk that the person owning the shares might at, or after any time specified in, or implied by that agreement, arrangement or understanding be unable to realise, directly or indirectly, in money or monies worth, an amount so specified or implied, other than a distribution in respect of those shares or might not receive an amount so specified or implied of distributions in respect of those shares.

There are also additional rules whereby an investor may suffer a withdrawal of some or all of the relief by reason of other non-qualifying shareholders receiving value from an Investee Company.

Capital Gains Tax

When the shares are disposed of the full acquisition cost can be deducted from the proceeds in an arm's length sale. However, if they are disposed of at a loss, no allowable loss for Capital Gains Tax purposes will be recognised.

Tax Avoidance

Relief is not available unless shares are subscribed for and issued for bona fide commercial purposes and not as part of a scheme or arrangement, the main purpose, or one of the main purposes of which, is the avoidance of tax. Investments in shares which are subject to any agreement, arrangement or understanding which could eliminate the risk for the investors do not qualify for relief.

APPENDIX I

ILLUSTRATIVE EXAMPLE OF POTENTIAL RETURN ON INVESTMENT CLAIMING RELIEF FOR THE TAX YEAR ENDING 31 DECEMBER 2011

The following example illustrates the return possible on an investment under the Business Expansion Scheme. The example assumes:

- (a) An investment of €100,000 in the Fund which is disposed of after 4 years at a value of €110,000.
- (b) The Participant is an individual with at least €100,000 of income taxable at 41% in the tax year ending 31st December 2010 subject to the income tax relief cap.
- (c) Chargeable gains are subject to Capital Gains Tax at 25% and the Participant has available the full amount of the €1,270 capital gains exemption for an individual. Indexation relief is ignored.

Potential Return on Investment

	€
Sale Proceeds	110,000
Net Cost of Investment (see (a) below)	(63,000)
Gross Gain	47,000
Capital Gains Tax (see (b) below)	(1,746)
Net Gain	45,254

Annual Compound Return 14%

(A) Net Cost of Investment €

Amount Invested	100,000
Commission	4,000
	104,000
less tax relief	(41,000)
Net Cost of Investment	63,000

(B) Capital Gains Tax

Sales Proceeds	110,000
Amount Invested	(100,000)
Capital Gain	10,000
Capital Gains Exemption	(1,270)
Chargeable Gain	8,730
Capital Gains Tax@ 25%	2,183

The above example is shown for the purpose of illustration only. The actual return on an investment in the Fund depends on a number of factors including the timing of tax relief, the growth of investments and income from investments. The value of the investments may fall as well as rise.

APPENDIX II

AMOUNT TO BE SUBMITTED ON APPLICATION

Please note the maximum investment on which an individual can obtain relief for the tax year ending 31st December 2011 is €150,000.

Investment	4.0% Participation Commission	Amount of Cheque Required
€	€	€
10,000	400	10,400
30,000	1,200	31,200
50,000	2,000	52,000
80,000	3,200	83,200
100,000	4,000	104,000
150,000	6,000	156,000

The minimum amount of a subscription is €5,000 and subscriptions thereafter may only be made in multiples of €5,000 up to the maximum of €150,000.

Republic of Ireland apart from Dublin, Kildare, Meath and Wicklow. From 1 January 2009, Cork City and county will be non-assisted, apart from Cork docklands). Medium-sized enterprises will benefit from the scheme if located in non-assisted areas only where they are in seed or start-up phase.

The Regulations also provide powers for the Revenue Commissioners to publish on their website a list of companies that have raised finance under the EIIS and SCS schemes together with details of the amounts raised. This information will also be made available to State agencies with responsibility for the administration of other State-aided schemes, and will be reported to the European Commission.

These powers relate to a further condition of European Commission approval which is that the aid provided under the EIIS and SCS must be cumulated with other State aids. This is not provided for in the Regulations but is being implemented in accordance with the Commission Decision under existing State aid Regulations and the existing powers of grant-assisting State agencies.

APPENDIX III

DATED: 6TH SEPTEMBER 2007 – TÁNAISTE AND MINISTER FOR FINANCE, MR. BRIAN COWEN, T.D., SIGNS REGULATIONS AND COMMENCEMENT ORDER EXTENDING AND AMENDING THE BUSINESS EXPANSION SCHEME AND SEED CAPITAL SCHEME IN LINE WITH EUROPEAN COMMISSION STATE-AID APPROVAL.

In line with State-aid approval recently received from the European Commission for the Business Expansion Scheme (EIIS) and the Seed Capital Scheme (SCS), the Tánaiste and Minister for Finance, Mr. Brian Cowen, T.D., today (6 September, 2007) signed the Commencement Order bringing the schemes into effect from 1 January 2007 to 31 December 2013.

The Minister said "I am delighted that these two schemes will now be available up to the end of 2013. The Commencement Order I have signed today brings the schemes into effect from 1 January 2007 to 31 December 2013 in line with the terms of the approval obtained from the European Commission under State aid rules."

In summary, the Commencement Order and Regulations provide that as and from 1 January 2007 medium-sized enterprises may qualify if they are located in "assisted areas". (Currently, the assisted areas are defined as all of the

APPENDIX IV

**APPLICATION FORM
THE Simple.ie Green BES/ EIIS Fund**

Applications to participate in The Simple.ie EIIS Fund will be considered only on the terms and conditions of the Memorandum dated 2011 ("the Memorandum") and if made on the application form contained in the Memorandum. Any agreement purporting to amend or exclude or partly exclude the application of any term or condition of the Memorandum shall be void, save for an amendment or alteration approved by the Minister for Jobs, Enterprise and Innovation under Section 5 of the Designated Investment Funds Act, 1985. All expressions defined in the Memorandum shall bear the same meanings in this document.

The Manager reserves the right to arrange to have all cheques presented for payment on receipt, to accept in part only or to reject any application, and to withhold allotments and/or remittances for surplus application monies pending clearance of the applicants' cheques. Joint applications cannot be accepted. The application list will open on **1st October 2011** and close on **31st December 2011** or such other date as the Manager may determine. The Application Form duly completed should be sent to BVP Investments Limited at the address listed on the Application Form below as soon as possible and in any event by not later than 5pm on the Closing Date. It should be accompanied by appropriate cheques, drawn on the investor's personal bank account or drafts made payable to **Capita Corporate Trustee Limited a/c Simple.ie Green EIIS Fund**. Once lodged, this application form shall be irrevocable and cannot be withdrawn.

Data protection disclosure

BVP Investments Limited are required under the Data Protection Acts 1988 & 2003 to notify applicants that data provided may be processed using computer systems or otherwise in assessing this application and in effecting the ongoing management of the Simple.ie EIIS Fund. Data will not be used for purposes other than those above and will be retained only for as long as is necessary. By signing this application form, applicants consent to this processing. BVP may be obliged to disclose personal information relating to you to third parties, for example, in order to comply with a legal or regulatory requirement; or a legal process; or to assert or defend the rights of property of BVP. Other than as provided above, no personal data provided will be put to any use other than that for which it is provided, or disclosed to any third party, without your prior written consent.

Application form

BVP Investments Limited

Unit 23
The Cubes 2
Beacon South Quarter
Sandyford
Dublin 18

I wish to subscribe the sum of €_____ being my investment in The Simple.ie BES/EIIS Fund on the terms and conditions of the Memorandum and I enclose a personal cheque/draft for €_____ including commission due of €_____ (see Appendix 2).

Please note that the maximum investment on which an individual can obtain relief for the tax year ending 31 December 2011 is €150,000.

Signature _____

Dated _____, 2011

Tel: _____

Email: _____

Name _____ (Block Capitals)

Home Address _____

_____ (Block Capitals)

Tax District _____

Tax Reference PPS No. _____

Agent _____

Address _____

Please confirm the source of funds for your investment e.g. earnings, savings, inheritance, etc.

1. I understand that for the purposes of compliance with the provisions of the Criminal Justice Act 1994, and any other recommendations issued by the Financial Regulator or any other competent regulatory authority, the Manager is required to establish the identity of investors. **I enclose:**

- (i) a certified copy* of either the applicant's current passport *or* current driver's licence;
- (ii) an original or certified copy* of two different forms of proof of address. Acceptable forms of proof of address are any two of:
 - recent utility bill (electricity, gas, telephone or mobile phone); or
 - bank statement

Proofs of address cannot be more than 3 months old and must bear the name and address provided on the application form.

- (iii) a personal cheque or bank draft drawn on a Participant's own bank account (which account will be with a body defined as "Designated Body" under the Act).

I understand that if I do not provide the Anti-Money Laundering documentation as prescribed above my application will be rejected and returned to me.

2. I hereby irrevocably agree and undertake to provide the Manager with such further information regarding my application as it may in its sole discretion require.
3. I confirm that I have read and understand the Memorandum and I hereby agree to observe, perform and be bound by all the provisions and conditions of the Memorandum and this application form and declare that I am fully aware of the risks entailed in investing in the Fund and in particular the risk that the investments made by the Manager could entail a complete loss of my subscription. I consent to the trustee holding Subscription monies received in a pooled client money account pending investment.
4. I hereby irrevocably authorise the Manager to enter into any agreements, do all such things as are necessary in connection with the management of the Fund as are set out in the Memorandum without further reference to me and notwithstanding any rights or entitlements which I may possess in respect of any shares in Qualifying Companies acquired by the Trustee at the direction of the Manager and in respect of which I shall be the beneficial owner pursuant to the provisions of the Trust Deed and in particular (without prejudice to the generality of the foregoing). I hereby irrevocably and unconditionally authorise the Manager in its absolute discretion in each case and without further reference to me:
 - (a) to invest the Subscription Monies in Qualifying Companies under the provisions of the Business Expansion Scheme;
 - (b) to act on my behalf for a minimum period of five years while recognising that, at all times, Participants retain beneficial ownership of the shares subscribed for in the Investee Companies;
 - (c) to direct the exercise by the Trustee of all voting and other rights in connection with investments made or held on my behalf under the Fund;
 - (d) to receive and deal with all distributions and dividends paid on investments in accordance with the provisions of the Trust Deed and the Memorandum;
 - (e) to arrange for the sale or disposal of any investment in whole or in part as the Manager may think fit;
 - (f) to agree to any transactions or arrangements (including without limitation arrangements for exchange, amalgamation or reconstruction) and to take or refrain from taking any action whatsoever and make any decisions in respect of the shares of Investee Companies;
 - (g) to draw on any monies subscribed by or due to me under the Fund to satisfy the Manager's fees and expenses as set out in the Memorandum or the Trust Deed; and
 - (h) to place monies on deposit with the Trustee or any other licensed bank or authorised building society.
5. I hereby accept and agree that, subject to compliance by the Manager and the Trustee with their expressed obligations contained in the Trust Deed, under no circumstances whatsoever shall I be entitled to hold the Manager or the Trustee liable for any default act or omission by the Trustee or the failure or loss of any nature or kind of the Fund.
6. I set out hereunder a complete list of all companies with which I am connected within the meaning of Section 492 of the Taxes Consolidation Act, 1997, as amended. I undertake to notify the Manager of any additional companies with which I may become connected prior to any connection arising for as long as I am a Participant of the Fund.

Company Name
Company Number
Company Address

Company Name
Company Number
Company Address

Company Name
Company Number
Company Address

Applications must be returned to:

BVP Investments Limited,
Unit 23, The Cubes 2, Beacon South Quarter, Sandyford, Dublin 18.

Intermediaries Stamp

If you are applying through an intermediary or as a result of an introduction by an intermediary, the Manager and intermediary may share commission. Details of any commission shared in respect of your application are available on request.

 simple.ie *the green fund*

BVP Investments Ltd.

Unit 23, The Cubes 2, Beacon South Quarter, Sandyford, Dublin 18, Ireland.
Tel: +353 1 6572900 | EMail: elliott@simple.ie