



ITC VENTURE BOND

INVESTMENT AGREEMENT & APPLICATION

Venture Bond

Investors of self-administered pensions and their financial advisors tend to look for a different type of investment that provides an alternative risk profile and level of return. Investment in private companies is an opportunity often considered. To accommodate this, we have created a product which allows pension schemes to provide loan facilities to private companies both in Ireland and the UK. We call it the Venture Bond and it operates within the following lending parameters:

- Loan amounts to a minimum of €50,000 and a maximum of €250,000.
- A loan term of maximum 5 years.
- The interest will accrue on the loan at a rate of 8% per annum (or a higher rate of interest can be agreed with the borrowing company).
- Interest payments are made annually at a minimum or for any shorter period agreed with the borrowing company, such as monthly, quarterly or half yearly.
- The purpose of the loan facility is restricted to one of the following:
 - working capital.
 - borrowing company restructuring or group restructuring.
 - the purchase of a specified property.
 - specified business expansion
- A personal guarantee of a director or shareholder of the borrowing company is obtained. A charge over the company's shares can be sought as additional security if agreed between the parties.
- The investment structure is provided by Independent Trustee Company as a pre-packaged project at a once-off fixed fee of €2,750 plus VAT and outlay. The fee is paid by the company.*
- The loan will be made by a sub-fund of an exempt unit trust set up specifically for the transaction. The investing pension scheme will hold the units in the sub-fund. There will be an annual management fee of 0.30% of the loan principal payable to Independent Trustee Company Limited as the unit trust administrator. On drawdown, this will be charged in advance for the entire projected term of the loan.
- The scheduled timeframe for completion of the transaction from receipt of the instruction to drawdown of funds is 2 weeks. However, this suggested timeframe is dependent on the prompt turnaround of documentation from all parties involved.

Due to the illiquid nature of the Venture Bond, a certain level of liquidity must be retained in the pension scheme. To deal with this requirement the scheme member or their financial advisor should contact ITC before completing the application form for the Venture Bond.

**If the investing scheme is a PRSA then the company will need to discharge the fee as this fee cannot be paid by a PRSA.*

Overview

This Investment Agreement & Application (the “Agreement”) must be completed by or on behalf of the Investment Provider in relation to Investments proposed for the following structures:

- ITC SSAS
- ITC SIPP
- ITC ARF
- ITC PRSA
- ITC Buy Out Bond (all hereinafter referred to as the “Scheme”)

The information set out in this Agreement may appear in the reports and benefit statements of the investing Scheme and may, if required, be made known to relevant authorities, such as Revenue Commissioners, Pensions Authority, Ombudsman etc. The disclosed charges may be used in the Statement of Reasonable Projection for the benefit of the Scheme member.

On acceptance by both parties this document constitutes the agreement between the Financial Advisor / Investment Manager (defined herein) and ITC, in relation to the management and governance of the particular Investment or Account. Accordingly, the Agreement has been signed by the Financial Advisor / Investment Manager. ITC will provide its acceptance by returning a signed copy to the Financial Advisor / Investment Manager.

Important Notice

The completion of this document does not constitute an acceptance by ITC to facilitate the Investment. All Investments are subject to ITC’s discretionary acceptance. ITC’s acceptance may be revoked in particular if the Investment is not operated pursuant to the agreement with ITC. This may result in the affected Scheme(s) divesting from the Investment.

ITC does not undertake to carry out due diligence on this Investment or Account but is entirely relying on the assurances, declarations and undertakings provided by the Provider.

ITC reserves the right to make further enquiries and to take independent legal advice prior to the acceptance of the terms of this Agreement. Such advice will be at the expense of the Provider or Applicant.

The completed Agreement and any attachments should be returned to:

Independent Trustee Company
Harmony Court
Harmony Row
Dublin 2

If you have any queries regarding this Agreement, please telephone (01) 661 1022.

Data Protection

Where the Provider processes personal data on behalf of ITC, the Provider guarantees to implement appropriate technical and organisational measures to meet the requirements of the General Data Protection Regulation (“GDPR”) and ensure the protection of the rights of data subject(s).

The Provider agrees that the subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data and categories of data subjects and the obligations and rights of ITC are as set out in ITC’s Terms of Business and/or as may be communicated to the Provider from time to time.

The Provider shall not transfer personal data outside of the European Union.

The Provider shall at all times comply with the GDPR and Data Protection legislation, and in particular:

- The Provider shall process the personal data only on documented instruction or if required by law;
- The Provider shall ensure that persons authorised to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
- The Provider shall, taking into account the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, implement appropriate technical and organisational measures to ensure a level of security appropriate to the risk, including (as appropriate):
 - (a) the pseudonymisation and encryption of personal data;
 - (b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems;
 - (c) the ability to restore the availability and access to personal data in a timely manner in the event of a physical or technical incident;
 - (d) a process for regularly testing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing;
- Where the Provider engages a sub-processor for carrying out specific processing activities, the data protection obligations as set out shall be imposed by the Provider on the sub-processor by way of a contract or other legal act, in particular providing sufficient guarantees that the processing will meet the requirements of GDPR.
- Taking into account the nature of the processing, the Provider shall assist ITC by appropriate technical and organisational measures, insofar as this is possible, for the fulfilment of ITC’s obligation to respond to requests for exercising data subject’s rights under GDPR and Data Protection legislation;
- Taking into account the nature of the processing, the Provider shall assist ITC in ensuring compliance with ITC’s obligations in respect of the security of data processing, notification of personal data breaches to supervisory authorities, carrying out of assessments of the impact of processing operations on the protection of personal data where a type of processing, is likely to result in a high risk to the rights and freedoms of natural persons, and consultations with supervisory authorities in respect of such assessments.

- The Provider shall notify ITC without undue delay after becoming aware of a personal data breach. This notification shall include:
 - (a) a description of the nature of the personal data breach including the categories and number of data subjects concerned and the categories and number of personal data records concerned;
 - (b) a description of the likely consequences of the personal data breach;
 - (c) a description of the measures taken or proposed to be taken by the Provider to address the personal data breach, including measures to mitigate its adverse effects;
- The Provider shall, at the choice of the ITC, delete or return all personal data after the end of the provision of services relating to processing, and delete existing copies unless such storage is required by law;
- The Provider shall make available to ITC all information necessary to demonstrate compliance with the Provider's obligations and allow for and contribute to audits, including inspections, conducted by ITC, another auditor mandated by the ITC, or any supervisory or regulatory authority.
- The Provider shall immediately inform ITC if, in its opinion, any instruction infringes the GDPR or any other data protection provision.

Section 1 (to be completed in full by Financial Advisor)

Loan Terms

Name of Investee Company	
Trading Name (if Applicable)	
Registration Number	
Registered Address	
Contact Person	
Telephone	
Email	
Directors	
Loan Amount (€50,000 to €250,000)	€
Term (0-5 years)	
Interest Rate (Minimum 8%)	%
Interest Payments Per Annum	Annually <input type="checkbox"/> Bi-Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly <input type="checkbox"/>
Purpose of Loan	Working Capital <input type="checkbox"/> Property Purchase at Specified Address <input type="checkbox"/> Funding Company Restructure <input type="checkbox"/> Specified Business Expansion <input type="checkbox"/>
In respect of the personal guarantee please insert the name of the guarantor	
Is the Company discharging the loan costs? Yes / No	

*** If the investing Scheme is a PRSA then the company will need to discharge the loan costs as this cannot be paid by a PRSA.**

Investment Governance

Proper Project management is essential for scheme governance purposes. The Project Manager must be an Investment Firm authorised as such in accordance with Directive 2014/65/EU, an Insurance Undertaking, Credit Institute or Investment Business Firm

Financial Advisor / Project Manager Details	
Advisor Name	
Advisor Company	
Address	
Telephone	
Email	
Are you charging a fee in connection with this investment? Yes / No Please note that this is an upfront fee and must be a percentage of the investment amount	%

Project Manager - Declaration

I/we hereby declare for the benefit of ITC the following:

- I/we confirm that I/we have diligently replied to the enquiries in this form and I/we confirm that the replies to the best of my/our knowledge and belief are correct.
- I/we undertake to advise ITC of any material changes to the information above or of any changes to the charging structure.
- I/we understand that it is my/our duty to communicate regularly with the investors on all matters pertaining to the Investment and understand that such communication is not the responsibility of ITC.
- I/we undertake to monitor the progress of this Investment and its financial situation and to supply Investment information directly to the Investors and, on request, to ITC.
- I/we confirm that the Investment or Account will be vested in the investing Scheme(s) and held in the name of the Scheme(s), c/o Independent Trustee Company, Harmony Court, Harmony Row, Dublin 2. In no circumstance will a pension investor retain (personal) custody, control or ownership of the Investment.
- I/we am aware that the investing Scheme is exempt from income tax and capital gains tax. If tax is charged on the Investment, I/we acknowledge that ITC is not responsible for reclaiming any tax due to the Scheme.
- I/we undertake to immediately notify ITC of any changes in our regulatory approval.

Signed:

Date:

Print Name:

Capacity: Director / Secretary / Solicitor / Authorised signatory (delete as appropriate)

Name of firm: _____ (block letters or stamp)

Address of firm: _____

Project Manager - PRSA Declaration

Please complete this section if the Investment or Account should be considered for Personal Retirement Savings Account (PRSA) investors

The Pensions Act restricts the manner by which charges can be levied from a PRSA. These restrictions include payments to advisors and charges on the underlying investments and assets of a PRSA, such as fund charges.

In order for an Investment or Account to be suitable for a PRSA investor all of the below requirements must be met.

1. Only charges based on a percentage of NAV (net asset value) are allowed.
2. Performance-related fees are not allowed.
3. Flat fees, i.e. fees based on a set monetary amount, are not allowed. Charges must be expressed as a percentage of NAV.
4. PRSA charging is obligatory. This means that once the fee is set it must be levied. It is not possible to off-set fees against other liabilities or give discounts.
5. Every PRSA is and must be treated as an individual account. There can be no family or group discounts.
6. Charges can only be levied from the account to which they apply.
7. Only charges mandated by ITC in writing are allowed. The mandate is this signed Investment Services Form.
8. On demand, the party charging the fee must be able to demonstrate the reconciliation of charges raised.
9. Charges which are not specifically mandated or cannot be reconciled must be refunded to the PRSA.

Failure to adhere to these requirements will result in the Scheme divesting from the Investment or Account.

Signed:

Date:

Print Name:

Capacity: Director / Secretary / Solicitor / Authorised signatory (delete as appropriate)

Name of firm: _____ (block letters or stamp)

Address of firm: _____

- I confirm (i) that the initiative to request the establishment of the Sub-fund and purchase units in it was mine and entirely based on the desirability of using the Sub-fund as a custodial vehicle for my Scheme, (ii) that I am the sole investor in the Sub-fund (iii) that no subscription with a view to raising capital in the Sub-fund has been undertaken, and (iv) that there is no defined investment policy set out for the benefit of the investors.
- I understand that ITC will not carry out any on-going monitoring or management of the Investment and that such monitoring and management will be my sole responsibility.
- I understand that all Scheme investments must be made for the sole purpose of providing me with benefits in retirement.
- I understand that my Scheme needs to have the flexibility to pay benefits in appropriate cases, e.g. on death or retirement, and that as a consequence investments held by my Scheme may need to be sold. I agree to release, indemnify and hold harmless ITC from or in respect of any loss suffered or crystallised as a result of the earlier or later than expected realisation of the Investment.
- I understand that the Sub-fund will not hold funds other than those invested and that the Scheme may be called upon to contribute further funds in certain circumstances, e.g. where legal or professional fees are to be incurred in relation to the Investment.
- I confirm that I have no other interest in this Investment and that it is wholly at arm's length from me and any persons connected to me.
- I understand that ITC will charge a fee of €2,750 plus VAT for this transaction. A fee will also be levied should the investment not complete for whatever reason.
- I acknowledge that I can invest a maximum of 50% of my Scheme assets in the Investment.
- I confirm that there are currently sufficient funds available in my Scheme account to complete the Investment.
- Neither ITC nor any of their respective subsidiaries, affiliated or associated entities, shareholders, directors, officers, agents, employees, advisers or representatives (each an "Indemnified Party") will be responsible for or liable for any costs, losses or expenses incurred by me in connection with the Investment. I will release, indemnify and hold harmless ITC and each other Indemnified Party from and in respect of any and all losses, liabilities or claims, howsoever arising, in connection with or arising from the Investment, except upon such Indemnified Party's fraud or wilful default.
- I understand that ITC as trustee of the Sub-fund (the "Trustee") has the power to sell the underlying assets of the Sub-fund in accordance with the Declaration of Trust, subject to its duties to the Unitholders (as defined in the Declaration of Trust) of the Sub-fund. I understand that I may make representations to the Trustee, and that, although the Trustee may take such representations into account in making decisions to sell the underlying assets of the Sub-fund, it will not be bound by them.
- I hereby authorise ITC to take all steps required to enter into the Investment on my behalf and to transfer the Investment Amount to the account of the Sub-fund.

Applicant Signature:

Financial Advisor:

Applicant Name:

Advisory Firm:

Date:

Name of Investee Company:

Section 3 (to be signed by Applicant, ITC to complete details)

The Investments Trust Sub-fund (the “Sub-fund”) Sub-fund application for units

This application form should be returned to:

Independent Trustee Company Limited (the “Trustee”)
Harmony Court, Harmony Row,
Dublin 2

I/we apply to subscribe for Units in the Sub-fund, which is a Sub-fund of the Investments Trust constituted by Declaration of Trust dated 24th April 2014 (the “Declaration of Trust”) and the Supplemental Declaration of Trust in relation to the Sub-fund (the “Supplemental Declaration of Trust”).

This application form relates to the above initial subscription and all subsequent subscriptions for Units in the Sub-fund made by us as evidenced by the transfer of subscription monies into the Sub-fund account.

Name(s) of applicant(s):	
Tax Reference No.	
Nationality	Irish
Address	Harmony Court Harmony Row Dublin 2 Ireland

Representations and Warranties

The capitalised words and expressions used in this application form shall have the meaning ascribed to them in the Declaration of Trust.

1. I/We each confirm that we are 18 years of age and over.
2. I/We each confirm that we have been given the opportunity to review the Declaration of Trust and Supplemental Declaration of Trust and confirm that ITC has no liability for any loss suffered by us should we choose not to review these documents.
3. I/We each confirm that this application is based solely on the Declaration of Trust and the Supplemental Declaration of Trust and we are not relying on any other information or representation in relation to the constitution of the Sub-fund.
4. I/We agree that all representations, warranties and declarations which we make or give here will apply with respect to future acquisitions of Units in the Sub-fund as if repeated in full at the time of the future acquisition.

5. I/We are each exempt from capital gains tax by virtue of being one of the following (please tick as relevant):

<input type="checkbox"/>	Approved Retirement Fund (Section 784A, TCA 1997)
<input type="checkbox"/>	Exempt approved pension scheme (Section 774, TCA 1997)
<input type="checkbox"/>	Retirement annuity scheme (Section 608 (2), TCA 1997)
<input type="checkbox"/>	Personal Retirement Savings Account scheme (Section 608 (2), TCA 1997)
<input type="checkbox"/>	Life assurance company on behalf of exempt pension fund (Section 717, TCA 1997)
<input type="checkbox"/>	Buy Out Bond

6. I/We each acknowledge the right of Independent Trustee Company Limited in its capacity as trustee and administrator of the Sub-fund (the “Trustee”) to issue such number of Units to us upon the transfer of initial or subsequent subscription monies into the account of the Sub-fund as the Trustee may in its sole discretion determine in accordance with the provision of the Declaration of Trust. We further acknowledge and agree that the transfer of monies by us into the account of the Sub-fund will be deemed to be an irrevocable subscription for Units in the Sub-fund.
7. I/We each acknowledge the right of the Trustee to compulsorily redeem our Units in the event that the representations or warranties set out herein above are no longer accurate.
8. I/We each acknowledge the right of the Trustee to compulsorily redeem our Units in the event that we (i) hold such Units in breach of any law or requirement of any country or governmental authority; (ii) hold such Units in circumstances which in the opinion of the Trustee might result in the Trust or Sub-fund incurring any liability for taxation or suffering any legal, pecuniary, regulatory or material administrative disadvantage which the Trust or Sub-fund might not otherwise have incurred or suffered; or (iii) are not or cease to be an “Investor” (as defined in the Declaration of Trust); or (iv) hold such Units in circumstances that in the opinion of the Trustee might result in the Sub-fund or Trust being deemed to be a “unit trust scheme” as defined in Section 1(1) of the Unit Trusts Act 1990, or (v) hold such Units in circumstances that in the opinion of the Trustee might result in the Sub-fund or Trust being deemed to be an “Alternative Investment Fund” within the meaning of the European Union (Alternative Investment Fund Managers) Regulations 2013 and related guidelines.
9. I/We each understand that during the Term of the Sub-fund, the redemption of our Units shall be subject to restrictions which may adversely affect our ability to redeem our Units.
10. I/We each shall provide the Trustee with any additional information which it may require in connection with our tax status and authorise them to disclose such information relating to this application to such persons as they consider appropriate.
11. I/We agree to notify the Trustee immediately if we become aware that any of the information provided and the representations, warranties and declarations is no longer accurate and complete in all respects. We agree to indemnify the Trustee against any loss of any nature whatsoever arising to it as a result of a breach of any of the representations, warranties and declarations given by us in this application form.
12. I/We acknowledge that subscriptions for units in the Sub-fund are subject to the Trustee’s Terms of Business, a copy of which has been provided to and read by us.

I have read and agree to be bound by the terms and conditions as outlined above.

Applicant:

Date:

Independent Trustee Company Limited
Harmony Court
Harmony Row
Dublin 2

Tel: (01) 661 1022
Fax: (01) 661 1024
Email: info@independent-trustee.com

VB 101.0.1
Effective from January 2019

www.independent-trustee.com



Independent Trustee Company Limited, part of the ITC Group, is regulated by the Central Bank of Ireland.

Please note that the provision of this product or service does not require licensing, authorisation, or registration with the Central Bank of Ireland and, as a result, it is not covered by the Central Bank's requirements designed to protect consumers or by a statutory compensation scheme.