

# Velocity Credit Ventures

Portfolio  
Management  
Service

## Information Memorandum - Appendix 3

(Non-Advised Investors Only)

THE TAX TREATMENT REFERRED TO IN THIS INFORMATION MEMORANDUM DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH CLIENT AND MAY BE SUBJECT TO CHANGE IN FUTURE. IN ADDITION, THE AVAILABILITY OF ANY TAX RELIEFS DEPENDS ON THE TRADING COMPANIES MAINTAINING THEIR QUALIFYING STATUS. THE PORTFOLIO MANAGEMENT SERVICE IS NOT SUITABLE FOR ALL CLIENTS AS THE UNDERLYING INVESTMENTS ARE ILLIQUID.

# The Application Form

## Application Form Instructions

Before completing this Application Form, you must have carefully reviewed and considered the Information Memorandum dated 25<sup>th</sup> September 2020 and the Investment Management Agreement.

- 1) Please complete the Application Form in block capitals (except your signature) in permanent ink and sign changes you make. Do not erase any text or use white-out.
- 2) Please read the Acknowledgements.
- 3) Sign and date this Application Form.
- 4) Complete the Appropriateness Review and provide your Anti-money laundering (AML) documents as detailed below:
  - a) Proof of your identity, being a copy of your passport or driving licence; and
  - b) Proof of your address, being a copy of a utility bill or bank statement dated within three months of the application date.
- 5) Send the Application Pack comprising
  - a) Application Form (completed, signed and dated); and
  - b) The Appropriateness Review and your AML documents; and
  - c) Your cheque or banker's draft as per the payment instructions contained herein (or alternatively please ensure you have made an electronic transfer).

To: Woodside Corporate Services Limited, 4th Floor, 50 Mark Lane, London, EC3R 7QR

N.B. If you do not have a UK address, all AML documents provided must be certified copies.

## Power of Attorney

If the application is being made under a Power of Attorney (POA), please include a certified copy (which must be an original certified

version) of the POA document and verification of identity documents for each Attorney. In all cases the Investment Manager will need to verify the identity of all Attorneys and may run electronic searches to do so.

We can only accept a POA that cover finances and property. We can't accept a POA that covers just health or welfare, but we can accept a 'combined' power of attorney that covers health, welfare, finances and property.

If you have the type of POA that needs to be registered, then you'll need to make sure it's registered before we can accept it.

All types of POA must have a witness signature. To verify a power of attorney, you need to send us:

- The original document, or a paper copy that's been certified on every page. You need to send us every page of either the original or copy.
- The original or certified paper copy of the certificate of registration (if the POA is registered but doesn't have any registration markings on it). If you're sending us a copy it needs to be certified in a particular way.
- To certify a POA every page needs to have the following:
- The words: "I certify this to be a true and complete copy of the [type\*] power of attorney".
- The name of the person certifying the copy
- The signature of the person certifying the copy
- The date when the document was certified.

*\*Type e.g. General, Ordinary, Lasting, Continuing or Enduring.*

The POA can be certified by the following people:

- The person who created the POA can certify it (if they're capable of making their own decisions).
- A UK solicitor or notary public can also certify it.

# The Application Form

- FCA regulated individuals can also certify the pages of most types of power of attorney, but not a lasting power of attorney.

## Minimum Subscription

The minimum individual subscription is £25,000 (subject to the Investment Manager's discretion to accept a lesser amount).

## Allocation of Applications

The Investment Manager reserves the right to accept or reject any application at its sole discretion.

## Anti-Money Laundering (AML) Regulations

It is a condition that applications comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "Anti-Money Laundering Regulations 2017"). The Investment Manager requires verification of identity from each Client. The submission of an Application Form will constitute an undertaking by the Client to provide promptly such information as may be specified by it as being required for the purpose of the Anti-Money Laundering Regulations 2017 and authority to check the

Client's identity by electronic means such as the use of data held by specialised data agencies.

## Data Protection

For the purposes of processing your application to become a Client in the Portfolio, you acknowledge that your personal information will be shared with the Custodian and processed by both the Investment Manager and the Custodian in accordance with their respective privacy policies. These policies are available on request, or online at:

for the Investment Manager at: <https://www.sapphirecapitalpartners.co.uk/privacy-policy>

and

for the Custodian, directly from Woodside Corporate Services Limited at [https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL\\_Privacy-Policy.pdf](https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL_Privacy-Policy.pdf)

The personal information you provide as part of your application may subsequently be used by the Investment Manager and/or Custodian to provide services to you under the Investment Management Agreement and Custodian Agreement

# The Application Form

## The Application Form

Subscription Amount: £

### Mandate

I hereby instruct the Investment Manager to make investments through the Service utilising the following Mandate: (Please tick one of the options.)

Growth:

Income:

Balanced:

and, if I have ticked the option of the Balanced strategy, I would like my Portfolio to be allocated so far as possible, between the Growth strategy and the Income strategy as follows:

Growth:  %

Income:  %

and also to make investments on my behalf pursuant to such other investment strategies as I may agree with the Investment Manager from time to time.

### Payment Details:

I have enclosed a cheque made payable to:

WCSL Velocity CVP Client Account

I have made an electronic transfer to the following account:

Account: WCSL Velocity CVP Client Account

Account No: 37581879

Sort Code: 23-05-80

Reference: [*Investor Surname*]

# The Application Form

## Client Details

Title:

Forename(s):

Surname:

Date of birth:

Place of birth:

Nationality(-ies):

and

Permanent residential address:

Postcode:

Length of occupation at this address:

(months / years)

Prior address if less than three years at current address:

Postcode:

Occupation or previous occupation if retired:

Telephone:

Email:

Tax district:

Tax ref. no:

National Insurance:

Tax residency: UK:  Other:

If other please state county and Tax Identification Number:

Are you a US citizen?

No:  Yes:

If yes, please send a copy of your completed Form W-9 with this application.

Are you Politically Exposed Person ("PEP"), a close relative of one or a close associate of one?

No:  Yes:

If yes, please provide full details separately.

# The Application Form

## Client Bank Details

Bank name:  Account name:   
Account number:  Sort code:

## Power of Attorney

Is there a Power of Attorney in place for this investment?

No:  Yes:  If no, please go to the next section.

If you are acting as attorney, please include a certified copy (which must be an original version) of the POA document and verification of identity documents for each attorney. In all cases the Investment Manager will need to verify the identity of all Attorneys and may run electronic searches to do so.

Attorney name:   
Date of birth:   
Address:   
 Postcode:   
Telephone:  Email:

## FCA Authorised Intermediary

(The individual who gave the Information Memorandum to the Client)

Intermediary name:   
Firm name:

## Cancellation Declaration

Please tick one option for the declaration below:

I confirm that I wish to waive my 14-day cancellation period and the Investment Manager may make an allocation on my behalf during my 14-day cancellation period.

or

I confirm that I do not wish to waive my 14-day cancellation period and the Investment Manager may not make an allocation on my behalf during my 14-day cancellation period.

# The Application Form

## Investor Declaration

I wish to appoint Sapphire Capital Partners LLP to act as my discretionary investment portfolio manager with authority to invest my Net Subscription in accordance with the Investment Strategy which I have selected on this Application Form.

I appoint Velocity Credit Advisers Limited as my Attorney for the term of the Investment Management Agreement for the purposes of enabling Velocity Credit Advisers Limited to terminate the appointment of the Sapphire Capital Partners LLP and appoint a new manager in substitution who is sufficiently authorised under the Financial Services and Markets Act 2000 to discharge its duties as my Investment Manager.

I confirm that:

- I am applying on my own behalf, and I acknowledge that my application is not transferable or assignable;
- I have read the Information Memorandum dated 25 September 2020 and agree to observe, perform and be bound by the terms of the Investment Management Agreement therein;
- I confirm that I as the Investor have read the Risk Factors set out in the Information Memorandum and I am aware that the value of my investment may go down as well as up and I may not get back the full amount invested and may, therefore, lose some or all of my investment;
- I confirm that if I were to lose some or all of my investment, my existing lifestyle would not be materially impacted.
- I have not taken investment nor tax advice from the Investment Manager;
- I accept that the investments to be made through my Portfolio are high risk investments and are illiquid and that it could take many years to withdraw all of the capital from the Trading Companies in which I invest;
- I understand that my Portfolio Mandate is consistent with my personal investment objectives and personal risk profile;
- I will retain sufficient capital in cash or readily realisable cash investments as an emergency fund;
- The information provided in the Suitability Questionnaire is accurate to the best of my knowledge;
- This Application Form will be interpreted in accordance with laws of England and that any question concerning the meaning of this Application Form shall, if not agreed, be determined solely by an English court whose judgement will be binding upon me and my successors;
- I agree that any term or provision of this Application Form which is invalid or unenforceable will not affect the remaining terms or provisions of this Application Form or their enforceability;
- I undertake to notify the Investment Manager immediately if there are ever any relevant circumstances of which the Investment Manager should be aware in relation to managing my Portfolio(s);
- I agree that the Investment Manager may sign the Custody Agreement as my agent and that once so signed I will be bound by the Custodian's terms of business which are available from [https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL\\_Investor-Terms-and-Conditions.pdf](https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL_Investor-Terms-and-Conditions.pdf);
- The terms of the Custody Agreement will become applicable to me upon execution of the application form;
- I consent to Sapphire Capital Partners LLP entering into the custody agreement with Woodside Corporate Services Limited ("the Custodian"), on my behalf, acting as my agent;
- I acknowledge that my investments will be registered in the name of WCS

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Nominees Limited (the “Nominee”), unless otherwise notified to me by the Investment Manager, but it will be held on trust by the Nominee and I will remain beneficial owner of the investments;

- I acknowledge that I have read and understood the Custodian terms and conditions available at [https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL\\_Invest-or-Terms-and-Conditions.pdf](https://woodsidecorporateservices.co.uk/wp-content/uploads/2020/01/WCSL_Invest-or-Terms-and-Conditions.pdf);
- I authorise the Investment Manager and Custodian to use an electronic verification service provided by a third-

party service provider, in order to check my identity for AML purposes;

- I agree and acknowledge that where the Investment Manager is required by the FCA Rules to provide information to me, such information may be provided by means of the Investment Manager’s e-mail and/or website; and
- I will provide the Custodian or the Investment Manager with all relevant information in regard to the Foreign Account Tax Compliance Act (“FATCA”) and the Common Reporting Standard (“CRS”) and similar obligations as required.

This agreement may be accepted in electronic form (e.g., by an electronic or digital signature or other means of demonstrating assent) and each party's acceptance shall be deemed binding between the parties. Each party acknowledges and agrees it shall not contest the validity or enforceability of this agreement because they were accepted and/or signed in electronic form.

Each party further acknowledges and agrees that it shall not contest the validity or enforceability of a signed electronic contract copy of this agreement on the basis that it lacks an original handwritten signature. Electronic signatures shall be considered valid signatures as of the date of this agreement. Computer maintained records of a party when produced in hard copy form shall constitute business records and shall have the same validity as any other generally recognised business records.

This Application Form incorporates by reference the Information Memorandum and for the avoidance of doubt, the Investment Management Agreement in Appendix 2 of the Information Memorandum. Unless otherwise stated or as the context shall require, defined terms and expressions used in this Application Form have the meanings ascribed to them in the Investment Management Agreement in Appendix 2 of the Information Memorandum.

## Executed as a Deed by:

Signature of Applicant:

Date:

In the presence of:

Signature of Witness:

Date:

Name of Witness:

Address of Witness:

Postcode:



# Suitability Requirements

## **Appropriateness Questionnaire**

To be completed by, or on behalf of, the Investor. Please note that we cannot accept an Application Form if this information is not complete.

The Investment Manager is required by FCA rules to obtain sufficient information from you to determine whether investment in the Service is appropriate for you. Because the Investment Manager only offers an investment management service in relation to the Service and will not be responsible for managing any element of your portfolio that is not dedicated to this type of investment, the Investment Manager will only make this assessment when you commit money to the Service. However, if your financial situations or investment objectives change during the course of your Investment Management Agreement with the Investment Manager, you must immediately inform us so that we can assess whether investments of this kind remain suitable for you.

Investments in the Service are intended to be medium to long term and must be held for at least two years to qualify for Business Relief. Investment in unquoted companies carries a higher risk than investing in shares quoted on public exchanges such as the London Stock Exchange.

# Suitability Requirements

## Appropriateness Review

(to be completed by the Investor)

### (1) Investment Objectives

Are you seeking to benefit from relief from inheritance tax?

Yes:

No:

Have you received any taxation advice relating to investment in the Service?

Yes:

No:

Have you received any specific investment advice (e.g., from an FCA authorised financial adviser)?

Yes:

No:

Are you aware of any significant capital commitments within the next five years which cannot be funded from your disposable income or liquid savings?

Yes:

No:

If your answer to the question is Yes, please confirm how this commitment will be funded:

  
  
  

To meet your investment objectives, when will you **need** to (tick one)

within  
2 years

within  
2 to 5 years

not within  
5 years

(i) receive income from your investment in the Service?

(ii) have access to your capital invested in the Service?

What level of risk are you prepared to accept with your investment in the Service?

Risk Rating (1 to 5):

Risk Ratings:

- 1) Conservative - Wishes to preserve capital or receive a moderate return while avoiding exposure to significant risk.
- 2) Moderately Conservative - Tolerant of a little risk to the capital in order to gain some returns but overall adverse to any significant loss of capital.
- 3) Moderate - Wishes to receive good returns over the long term and willing to take some risk to capital to achieve this.
- 4) Moderately Aggressive - Wishes to receive above-average returns with the aim of accumulating a significant amount of wealth and does not mind putting capital at risk or waiting for a significant amount of time to receive return on investment.
- 5) Aggressive - Seeks returns that are substantially higher than average and willing to expose capital to significant risk in order to achieve this objective.

# Suitability Requirements

## (2) Investment Experience

Please confirm which of the following types of investments you have made:

	How many times & how many years		How much in total	Within last two years?	
	Times:	Years:	£	Yes:	No:
Have you invested in an IHT portfolio service or alternative investment fund?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you invested in smaller quoted companies?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you invested in AIM-listed or unquoted companies?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you lent money to an unquoted company?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you ever been part of a management team of an early stage, unquoted company?	<input type="text"/>	<input type="text"/>			
Have you ever been a Director of a company with a turnover greater than £1m (other than of an early stage, unquoted company?)	<input type="text"/>	<input type="text"/>			
Have you invested directly in real property (excluding your home)?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you invested in large quoted companies (including authorised unit trusts, OEICs, ISAs, PEPs)?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you invested in other sophisticated investments such as unregulated collective investment schemes, foreign currencies, VCTs, commodities or futures?	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have you appointed an investment manager before?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>			
Do you work with investments in a Regulated capacity?	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>			

# Suitability Requirements

Are you a member of an investor network or syndicate of business angels?

Yes:  No:

If yes, please provide the name of the organisation, registration number and any regulator details.

  
  

None of the above:

If you have ticked "None of the above", please provide some further information on why you should be considered suitable for this type of investment, including any information on any previous investments undertaken in your lifetime: Please note, if no information is provided this application cannot be accepted.

# Suitability Requirements

## (3) Education, Employment and Source of Income

Please provide the following education details:

What is the highest level of formal education you have obtained (excluding vocational or professional qualifications)?

What is the highest level of vocational or professional qualifications you have obtained and the areas of study and/or qualification?

Please provide the following employment details:

Profession/  
Occupation:

Employment status  
(e.g. retired):

If retired, please provide details of your prior occupation:

Please provide your annual income from:

Employment:

£

Other:

£

## (4) Financial Situation

Please indicate the value of your net assets\*:

Less than £100,000:

£100,000 to £250,000:

Above £250,000:

\*Do not include:

- principal private residence or any loan secured on your residence.
- rights under an insurance policy (other than investment linked policies).
- benefits (in the form of pensions or otherwise) which are payable on the termination of service or on death or retirement and to which you (or your dependents) are, or may be entitled.

## (5) Vulnerability

Please complete the following:

Are you aware of any health issues or events in your life which would impact your ability to make decisions for financial matters or affect your day to day capability?

Yes:

No:

Investing may expose you to capital losses. Would this negatively impact your lifestyle?

Yes:

No:

Are you aware that if an investment in the Service should fail you will lose some or all of your capital invested and you will not have access to any compensation?

Yes:

No:

Are you aware that you may not be able to easily sell your investment in the Service?

Yes:

No:

# Suitability Requirements

Are you under any pressure to invest or secure a certain income from investing?

Yes:  No:

If yes, please detail below:

  
  

## (6) Source of funds

Please provide details of the source of your subscription funds (e.g. proceeds from a capital gain, savings, earnings):

  
  
  

## (7) Out of the following three statements, please select one or more that applies to you:

### (a) High Net Worth Investor statement

Please tick the box below to confirm, if applicable, the High Net Worth Investor statement below.

I make this statement so that I can receive promotional communications which are exempt from the restriction on the promotion of non-mainstream pulled investments and non-readily realisable securities. The exemption relates to certified high net worth investors and I declare that I qualify as such because at least one of the following applies to me:

- (a) I had, throughout the financial year immediately preceding the date below, and annual income to the value of £100,000 or more. Annual income for these purposes does not include money withdrawn from my pension savings (except where withdrawals are used directly for income in retirement).
- (b) I held throughout the financial year immediately preceding the date below, net assets to the value of £250,000 or more. Net assets for these purposes do not include:
  - i. The property which is my primary residence or any money raised through a loan secured on the property; or
  - ii. Any rights of mine under a qualifying contract of insurance, or
  - iii. Any benefits (in the form of pensions or otherwise) which are payable on the termination of my service or on my death or retirement and to which I am (or my dependents are), or may be entitled; or
  - iv. Any withdrawals from my pension savings (except where the withdrawals are used directly for income in retirement).

I accept that the investment to which the promotions relate may expose me to a significant risk of losing some or all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advising on non-readily realisable securities.

I confirm:

# Suitability Requirements

## (b) Self-Certified Sophisticated Investor statement

Please tick the box below to confirm, if applicable, the Self-Certified Sophisticated Investor statement below.

I declare that I am a self-certified sophisticated investor for the purposes of the restriction on promotion of non-mainstream pool investments.

I understand that this means:

- (a) I can receive promotional communications made by a person who is authorised by the Financial Conduct Authority which relate to investment activity in non-mainstream pool investments;
- (b) The investments to which the promotions will relate may expose me to a significant risk of losing all of the property invested.

I am a self-certified sophisticated investor because **at least one of the following applies**:

- I am a member of the network or syndicate of business angels and have been so for at least the last six months prior to the date below;
- I have made more than one investment in an unlisted company in the two years prior to the date below;
- I am working, or have worked in the two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises;
- I am currently, or have been in the two years prior to the date below, a director of a company with an annual turnover of at least £1 million.

I accept that the investment to which the promotions relate may expose me to a significant risk of losing some or all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advises on non-readily realisable securities.

I confirm:

## (c) Restricted Investor statement

I make this statement so that I can receive promotional communications relating to non-readily releasable securities as a restructured investor because:

- (a) in the past 12 months, I have not invested more than 10% of my net assets in non-readily realisable securities; and
- (b) I undertake that in the next 12 months I will not invest more than 10% of my net assets in non-readily realisable securities.

Net assets for these purposes do not include: the property which is your primary residence or any money raised through a loan on that property, any rights under a qualifying contract of insurance, any benefits (in the form of pensions or otherwise) which are payable on termination of my service or on your death or retirement and to which I am (or my dependents are) or may be entitled, or any withdrawals from my pension savings (except where the withdrawals are used directly for income in retirement).

I accept that the investment to which the promotions relate may expose me to a significant risk of losing some or all of the money or other property invested. I am aware that it is open to me to seek advice from an authorised person who specialises in advises on non-readily realisable securities.

I confirm:

# Suitability Requirements

## (8) Ability to bear losses

I confirm that if I were to lose some or all of my investment in the Service, my existing lifestyle would not be materially impacted.

Yes:  No:

(a) How much do you propose to invest in the Service

£

(b) How much do you hold or propose to hold in other unquoted company investments?

£

What percentage of your net worth is accounted for by (8) (a) and (b) above (combined)?

%

What percentage of the amount in (8) (a) and (b) above (combined) are you able to lose without affecting your standard of living or financial plans (i.e. what is your capacity for loss)?

%

Do you have sufficient income to be financially secure (excluding any income that you may receive as a result of investments in unquoted companies)?

Yes:  No:

Do you have sufficient assets to be financially secure excluding any investments in unquoted companies)?

Yes:  No:

Do you have sufficient liquid assets to be able to meet your financial commitments?

Yes:  No:

To reiterate, this investment relates to higher risk unquoted equity investments. The Investment Manager will not take an overview of your financial situation beyond the information given here and will not provide you with any advice.

## (9) Reports

Because of the nature of the service the Investment Manager is offering, you will not receive a suitability report in relation to investments made.

I confirm:



# Suitability Requirements

## (10) Confirmation and Signature

Please do not leave any sections blank or the application form will be returned to you.

I confirm that:

I understand the risks involved in investing in the Service (including the risk factors set out in the Information Memorandum and that these are acceptable to me in the context of my personal financial objectives).

Yes:  No:

I understand that the investments are illiquid and in some circumstances it may take a number of years to withdrawal of my capital from the Service.

Yes:  No:

I have been provided with the Investment Memorandum and Investment Management Agreement outlining the objectives of the Service.

Yes:  No:

I accept that my capital invested in Shares issued by Velocity Credit Ventures will be at risk, are illiquid and the value of my investment may go down as well as up and I may not get back the full amount invested and may, therefore, lose some or all of my investment.

Yes:  No:

The Mandate I select is consistent with my personal investment objectives and personal risk profile.

Yes:  No:

I will retain sufficient capital in cash or readily realisable cash investments as an emergency fund.

Yes:  No:

Please sign and date this form to confirm that the information provided above is accurate to the best of your knowledge.

Full name of Client:

Signature of Client:  Date:

### FOR SAPPHIRE CAPITAL PARTNERS LLP INTERNAL USE ONLY

Assessment completed

Signature:  Date:

Test criteria met:  Date:

# Cancellation Form

You may exercise a right to cancel the Investment Management Agreement by notification to the Investment Manager within 14 days of the Investment Manager receiving your Application Form. This right and the consequences of cancellation are explained in the Investment Management Agreement. Following cancellation, the remaining balance of your money (if any), less any fees paid, will be refunded to you. You will not be entitled to interest on monies refunded following cancellation.

You may give this notice of cancellation by completing this form and returning it to:

Sapphire Capital Partners LLP  
28 Deramore Park  
Belfast BT9 5JU.

I confirm that I wish to cancel the Investment Management Agreement.

Full name of Client:

Signature of Client:

Date: