



Trinity Venture Capital Limited (“Trinity” or the “Firm”) Pillar 3 Disclosure

Introduction

The Capital Requirements Directive (“CRD”) of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital that credit institutions and investment firms must maintain.

The revised framework consists of three ‘Pillars’:

- Pillar 1 sets out the minimum capital amount that meets the Firm’s credit, market and operational risk;
- Pillar 2 requires the Firm to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the Irish Financial Regulator; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position.

This document is designed to meet our Pillar 3 obligations.

Trinity is permitted to omit required disclosures if it believes that the information is immaterial. In addition, Trinity may omit required disclosures where it believes the information is regarded as proprietary or confidential. In our view, proprietary information is information that which, if it were shared, would undermine our competitive position. Information is considered confidential where there are obligations binding us to confidentiality to our customers, suppliers and counterparties.

In limited circumstances, the Firm has not disclosed certain information on the basis that it is not material.

Scope and application of the Requirements

Trinity is authorised and regulated by the Financial Regulator and as such is subject to minimum regulatory capital requirements. Trinity is an investment management firm and as such has no trading book exposures. It also avails of the waiver from the calculation of an operational risk charge and instead calculates an ‘expenditure’ or ‘fixed overhead’ requirement based on a quarter of the preceding year’s audited fixed overheads as required by the CRD.

Trinity is a subsidiary of TVC Holdings plc but is not required to prepare consolidated reports for regulatory purposes.

Trinity's regulated activities include the provision of investment advice, receiving and transmitting orders for investment instruments and portfolio management. The Firm is also subject to the Client Asset Requirements imposed by the Financial Regulator in respect of money and investment instruments held on behalf of clients.

Disclosure Document

The Board of Trinity has approved this disclosure document which reflects the Firm's disclosure policy. The Firm will review its Pillar 3 Disclosures on an annual basis unless circumstances dictate the need for additional disclosure.

Trinity believes that the most appropriate location for the disclosure is on TVC Holdings plc's website, www.tvc.com.

Firm Governance and Risk Management

The Firm is governed by its Directors and senior management (the "Key Management Personnel") who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Firm's governance arrangements and designing and implementing a risk management framework that recognises the risks that the business faces. Given the nature, size and complexity of Trinity's business and the range of investment services and activities undertaken by the Firm, a separate risk management function has not been established.

Trinity has adopted appropriate controls; established investment approval procedures and processes; and recruited management with skills and experience to manage and mitigate identified risks where possible and thus enable execution of the Firm's business strategy. The Key Management Personnel manage the Firm's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including regulations and guidance issued by the Financial Regulator) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Key Management Personnel have determined that operational and business risks are the main areas of risk to which the Firm is exposed. Annually, the Key Management Personnel formally review the Firm's risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where the Key Management Personnel identify material risks, they consider the potential financial impact of these risks as part of our business planning and capital management process and conclude whether the amount of the Firm's regulatory capital is adequate.

Regulatory Capital

The Firm is a Private Limited Company and its capital arrangements are established in its Memorandum and Articles of Association.

Our Firm is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency. It has credit risk from the management fees receivables from the Funds under its management and the advisory fees receivable from portfolio companies. The Firm follows the standardised approach to credit risk and the standard approach to market risk. The Firm is subject to the Fixed Overhead Requirement as indicated above and is not required to calculate an operational risk capital charge, though it considers this as part of its process to identify the level of risk based capital required.

The Firm's capital requirements are the greater of:

- Its initial capital requirement of €125,000;
- The sum of the market and credit risk requirements; or
- Its Fixed Overhead Requirement.

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe they are immaterial. It is the Firm's experience that the Fixed Overhead Requirement is the greatest and therefore establishes its current minimum capital requirement of €426,000.

The Firm has assessed the adequacy of its internal capital to support its current and future activities. The Fixed Overhead Requirement under Pillar 1 is deemed by the Firm to be sufficient capital to meet its current needs and no additional capital is required.

The main features of the Firm's capital resources for regulatory purposes are as follows:

Capital item	€'000
Tier 1 Capital, net of deductions	11,376
Tier 2 Capital	0
Tier 3 Capital	0
Total Capital Resources, net of deductions	11,376