

MASTERCLASS: EXCELLENCE IN NEGOTIATING VENTURE CAPITAL & PRIVATE EQUITY TERM SHEETS

CPD HOURS: 16

Dates

14, 18, 20
and 21 Jan 2022
(over 4 Half-Days)

Time

14, 18, 20 Jan - 1:50pm - 6pm
21 Jan - 1:20pm - 6:30pm

Registration



Venue

Online via Zoom
Meeting

OVERVIEW

Globally, AUM of Private Equity has surpassed US\$4 tn. Asia-Pacific-based PE alone accounts for more than US\$1.2 tn and is forecasted to exceed US\$5tn by 2025! Each year, more than US\$5bn are deployed across thousands of deals.

Some 10,000 to 20,000 term sheets will need to be formulated by fund managers and lawyers and negotiated with entrepreneurs in the near term. All players will need to be skilled in crafting and understanding term sheets in order to invest or raise capital prudently.

The course will illustrate key points of negotiation with the help of actual transactions and case studies. A unique part of the course is a negotiation game in which participants will learn to negotiate and craft term sheets. This course is indispensable for the success of fund managers and entrepreneurs. All players in the ecosystem can benefit from professional training in the design and negotiation of term sheets.

You will learn how a properly structured term sheet helps capture upside for all parties and provides **downside protection**. This training program will include lessons learnt from **case studies** - of term sheets. Participants will learn how to **mitigate investment risks** and also enhance the negotiation skills of existing managers and entrepreneurs.

You will play a unique **TERM SHEET NEGOTIATION GAME** in order to **strengthen your business negotiation skills**. By the end of the course, you will be able to highlight the key elements of a **high-quality term sheet**.

WHO SHOULD PARTICIPATE?

Venture Capital Fund Managers

Start-up and Established Entrepreneurs

Angel and Impact Investing Fund Managers

Capital Market Regulators Investment Officers

Pension Fund Managers Mutual Fund Managers

Private Equity Fund Managers

Lawyers CA, CFA, CAIA & CS

Business Consultants Advisers

Wealth Managers Commercial Bankers

Investment Bankers Merchant Bankers

DAY 1

1:50PM REGISTRATION

2:00PM ANATOMY OF A TERM SHEET:

- Integrated View: Trade-off Between Terms
- Binding & Non-Binding Terms
- Confidentiality & Non-Disclosure Agreement
- Negotiating the NDA

3:00PM THE ENVIRONMENT OF NEGOTIATION:

- How many term sheets
- Building Trust: Who's Interest, Who's advice
- Structure of Term Sheets: Categories of Clauses

3:45PM BREAK

4:00PM DEAL PROTECTION TERMS:

- At Entry: Exclusivity
- Exclusivity Period
- At Exit: Right of First Refusal
- Case Study: Cerberus Capital Acquires a Japanese Bank

5:00PM FOUNDER SHARES & EMPLOYEE STOCK OPTIONS:

- Founder Lock-In
- How many Stock Options & Vesting Eligibility

6:00PM END

DAY 2

1:50PM REGISTRATION

2:00PM EXITS – PART I

- Put Option; Buybacks
- Negotiate a Put Option Clause
- Case Study: GIC investment in Square

2:55PM EXITS – PART II

- Right-of-First-Refusal: A game-theoretic option
- Tag Along, Co-sale & Drag Along Clauses

3:50PM BREAK

4:05PM LIQUIDATION PREFERENCE

- Tricks & Traps of Liquidation Preference
- Analyzing Liquidation Preference
- Cost of Liquidation Preference

5:05PM CHOICE OF INSTRUMENT

- Straight Equity, Voting Rights
- Convertible Preferred
- Convertible Bonds/Mezzanine Instruments
- Convertible Notes

6:00PM END

DAY 3

1:50PM REGISTRATION

2:00PM VALUATION OF START-UPS:

- The VC Method
- The Valuation Clause

3:00PM ANTI-DILUTION:

- Types of Anti-Dilution
- Types of Ratchets
- Negotiating Ratchets

4:00PM BREAK

4:15PM MANAGEMENT & CONTROL RIGHTS

- Shareholder Approvals Board Approvals
- Negotiating Management Control Rights
- Case Study: Alibaba, Uber, FB

5:15PM KEY CONSIDERATIONS:

- Subsequent Rounds

6:00PM END

DAY 4

1:20PM REGISTRATION

1:30PM COMMON TERMS/PRACTICES

IN SE ASIA PE/VC DEALS

- Venture Capital Investment Model Agreements (VIMA)
- Using Singapore as a holding company for investments
- Preferential Shares in regional deals
- Enforceable Rights
- Case Studies

3:00PM BREAK

3:15PM NEGOTIATION GAME: PART I

- Term Sheet Preparation

4:15PM NEGOTIATION GAME – PART II

- Term Sheet Negotiation

5:15PM NEGOTIATION GAME – PART III

- Team Presentations

6:30PM END

Disclaimer: We regret that we are unable to refund you once your registration is confirmed. Members are applicable for the member's rate with the provision that membership fees have been paid prior in full. Please note that information collected may be shared with 3rd parties such as partners and/ or sponsors. SVCA may (at its sole discretion) change the format, speakers, participants, content, venue location and programme or any other aspect of the event at any time and for any reason, whether or not due to a Force Majeure Event, in each case without liability. Photos and videos may be taken of the event for marketing purposes. **SVCA reserves the right to claw back the course fee subsidy should the attendee fail to complete the course.** Thank you for your co-operation.

This programme is recognised under the Financial Training Scheme (FTS) and is eligible for FTS claims subject to all eligibility criteria being met. Please note that in no way does this represent an endorsement of the quality of the training provider and programme. Participants are advised to assess the suitability of the programme and its relevance to participants' business activities or job roles. The FTS is available to eligible entities based on the prevalent funding eligibility, quantum and caps. FTS claims may only be made for recognised programmes with specified validity period. Please refer to www.ibf.org.sg for more information.

REGISTRATION FEES

For Non-FTS eligible participants (Full Fee):

SVCA Member – SGD1,600 per person

SVCA Partner (BANSEA, CAIA, CFA, SFA Member) – SGD2,000 per person

Non-Member – SGD2,500 per person

For FTS eligible participants who are Singapore Citizens 40 years old and ABOVE (Nett Fee after subsidy): (SUBSIDY CAPPED AT \$2,000)

SVCA Member – SGD160 per person

SVCA Partner (BANSEA, CAIA, CFA, SFA Member) – SGD200 per person

Non-Member – SGD500 per person

For all other FTS eligible participants - (Nett Fee after subsidy): (SUBSIDY CAPPED AT \$2,000)

SVCA Member – SGD320 per person

SVCA Partner (BANSEA, CAIA, CFA, SFA Member) – SGD400 per person

Non-Member – SGD500 per person

IBF-FTS FUNDING ELIGIBILITY CRITERIA AND TRAINING ALLOWANCE GRANT (TAG)

For firms (e.g., Fund Administrator) not listed under remit of Eligible Companies, please submit an application to open an IBF corporate account for funding purposes. IBF membership is not mandatory and not required for funding, hence there is no fee to set up this account. The firm will be required to submit basic company information for review and will be eligible for IBF funding, if approved. Processing Time: 3 – 5 working days with full details provided.

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To avail promotional partner rates or register for the Masterclass, please contact Lynn at lynn.lim@svca.org.sg or +65 6721 7128

SPEAKERS



Arvind Mathur, CFA, FRM

Arvind, Course Director, played a role in the creation, structuring and placement of a nearly \$1 billion India Infrastructure Fund. In addition, Arvind was instrumental in the establishment of the Asian Infrastructure Fund (\$780 million), the Asian Infrastructure Mezzanine Capital Fund (\$265 million), The Asian Equity Infrastructure Fund (\$400 million), Infrastructure Development Finance Company (IDFC), and the AIG Sectoral Equity Fund (\$ 110 million). He has negotiated several transactions and helped structure, and invested in, over 30 venture capital and private equity funds, including 5 infrastructure funds and a number of General Partnerships. While at ADB, Citi and Standard Chartered Bank, Arvind gained exposure to equity investments and lending.

He was the President of the Indian Private Equity & Venture Capital Association. He has rubbed shoulders with the world's leading venture capital and private equity funds like KKR, Apax Partners, Carlyle, Sequoia, ACCEL Partners and many others. Arvind's experience encompasses both fund and direct investing in the emerging markets of Asia. He has helped draft and negotiate numerous term sheets involving equity, convertible debt and straight debt in his over 40-year career as a dealmaker.

He has been a member of Investment Committees and fund boards. The funds have targeted investments in India & China besides several other emerging markets of Asia. He has worked on funds with Limited Partners such as the Asian Development Bank, the International Finance Corporation (IFC), CalPERS, La Caisse de Depot et Placement du Quebec, the Prudential Insurance Corporation of America and some of the leading institutional investors in Australia, Singapore, Malaysia and India.

Arvind has promoted the theme of corporate governance in many of these funds, particularly those involving CalPERS. He has authored a number of articles on corporate governance. Arvind has undergone a variety of training including investment banking at Goldman Sachs & Citi in New York and in capital market regulation at the US Securities & Exchange Commission.



Brian Ng, Partner, Rajah & Tann Singapore LLP

Brian is a Singapore-qualified lawyer and has been with Rajah & Tann since 2006. Brian's core areas of practice are in private equity mergers and acquisitions, venture capital fundraising and financing. He specialises in complex cross-border transactions and has assisted with the growth of many companies regionally. He also advises the government of Singapore on various venture capital and start-ups initiatives, and has journeyed with various high-growth companies in their push to expand into South East Asia. He has been recognised by the IFLR1000 as a Leading Lawyer and the Singapore Business Review as one of Singapore's 40 most influential lawyers aged 40 and under in 2016. In addition, he has also been consistently recognised by Best Lawyers in Singapore for Corporate Law since 2016.

Mergers & Acquisitions

- ✓ Advised a consortium of top franchisees, lead investor Exacta Capital Partners, and Aura Group in the acquisition of the Anytime Fitness master franchise licence in Taiwan, Hong Kong, Macau, Singapore and the rest of Southeast Asia, as well as various gym outlets and gym management businesses across Southeast Asia.
- ✓ Advised Hong Kong garment manufacturer Crystal Group in its acquisition of a group of sportswear and outdoor apparel manufacturing companies in Singapore, Malaysia, Cambodia and Vietnam.
- ✓ Advised Hong Kong's Maxim's Caterers on its acquisition of Starbucks in Singapore in a transaction that resulted in Maxim's taking over the operations of more than 130 retail and F&B outlets Singapore.

Venture Capital and Start-Ups

- ✓ Acted for iCart Group Pte. Ltd. in the US\$18million Series C fundraising of HappyFresh by way of subscription of Series C preference shares in iCart Group Pte. Ltd. over several tranches.
- ✓ Acted for JD.com, Inc and Provident Growth Fund II LP in their US\$10 million co-investment in Series C fundraising of Pomelo Fashion Pte. Ltd.
- ✓ Advised Provident Growth Fund II in its investment of US\$15 million (by way of convertible and exchangeable loans) and co-investment with the International Finance Corporation of US\$11.5 million in GoPay's Series A / GoJek's Series F fundraising round.