



Be.CULTOUR
Beyond cultural tourism

 **INIZIATIVA**
Finanza e Innovazione

“PLEDGE FUND” Be.CULTOUR Regulation



HORIZON 2020

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Disclaimer

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Pilot Initiative within the European Project Be.CULTOUR (GA 101004627)

Regulation of the investment model “Pledge Fund” Be.CULTOUR (hereinafter “PF Be.CULTOUR” or simply “PF”)

PART ONE: Identifying aspects

Article 1: Definitions

The following definitions are specified in this Regulation:

- a) *Closing*: the completion of the investment process by contributing funds to the target company, either at the same time or after signing the Investment Agreement and Shareholders' Agreements.
- b) *Participating Investors*: Investors who confirm their intention to join the PF after being evaluated by the Management team. They can be individuals, companies, or groups of people.
- c) *Management team*: a group of professionals responsible for managing the PF.
- d) *“PF” Be.CULTOUR*: an investment model created to achieve the objectives of the European Project Be.CULTOUR (GA 101004627). It is inspired by some of the characteristic elements of a Pledge Fund.
- e) *Questionnaire*: a list of questions given to potential investors to assess their suitability for participating in the PF.
- f) *Signing*: the act of signing the Investment Agreement and Shareholders' Agreements between the Participating Investors and the target companies.
- g) *Potential parties interested in the PF*: individuals and companies who are considered for participation in the PF and are given the Questionnaire.
- h) *Investor Day*: a meeting where the projects are presented in person to the Participating Investors.

Article 2: Name and type of the PF

Iniziativa Cube establishes a participatory investment model called "Pledge Fund" Be.CULTOUR, which is not a traditional pledge fund but is inspired by some of its characteristic elements (such as the central role of the management team and the decision-making autonomy of investors). However, it simplifies these elements since it is a pilot project launched within the Be.CULTOUR Project and doesn't require investors to pay a fixed fee or establish a separate depository company.

The configuration of this investment model is similar to that of a Club Deal. The difference is that in Club Deals, potential investors themselves choose and evaluate investment opportunities, while in Pledge Funds, a team of specialists, known as the management



team, takes care of this process. Their role is to identify investment opportunities according to specific parameters and present them to pre-selected investors, who then examine and decide whether to invest in them. In a Pledge Fund, unlike a private equity fund, the managers cannot rely on an irrevocable commitment from subscribers to invest, nor can the management team allocate the fund's resources with substantial autonomy. This is because Pledge Fund investors are free to decide whether to participate in a particular investment.

The Be.CULTOUR Project, initiated in February 2021 and scheduled to end in 2024, aims to implement innovative approaches to promote balanced and sustainable cultural tourism development in urban areas and European regions, fostering cooperation at the local, regional, and cross-border levels.

Considering that the Iniziativa Cube activities for the Be.CULTOUR Project are still in the experimental phase and the goal is to simplify the entire process and quickly activate an investment model for deserving projects, there is a need to attract a significant number of investors in the tourism sector by removing any obstacles. Some aspects of the Pledge Fund's organizational structure are mentioned, such as having a management team and giving investors the responsibility to make investment decisions. However, there is no annual fee to be paid, and there is no need to set up a separate fund with a depository company. Instead, interested investors will create specific companies or directly invest in selected projects when the opportunity arises. The objectives of the PF are not only about making economic and financial gains for investors but also have social, cultural, and environmental aspects that benefit the areas where the investments take place.

Article 3: Duration

As this is a pilot project, the duration is set until December 31, 2024, extending beyond the original duration of the Be.CULTOUR Project. This allows for follow-up activities and the achievement of objectives for the PF.

Article 4: The *Management team*

- Composition

The Management team consists of individuals with different levels of seniority and the following qualifications:

- *Senior Investment Manager*
- *Senior Investment Manager*
- *Senior Legal Manager*
- *Senior Sustainable Tourism and Impact Expert*
- *Senior Public Private Partnership Expert*
- *Analyst*
- *Analyst*
- *Junior Analyst*



- Functions

The Management team carries out scouting and preliminary analysis of projects. Periodically, approximately every two months, the Management team identifies and analyses a series of operations, selecting those to be formally and systematically presented to all Participating Investors of the PF.

Once all interested investors have shown their interest, the Management team checks if there is enough money available to complete the proposed operation. If there is, they ask the legal team to prepare the investment contracts and help with other early investment activities. They also support investors in creating a separate company to invest their money or other contributions.

- Activities for project presentations

In order to fulfill their functions and achieve the objectives of the PF, the Management team performs the following activities:

- definition of the PF Regulation
- definition of the rules for project submissions
- organization of communication campaigns to receive project submissions
- organization of communication campaigns to receive applications from potential investors
- launch of the call for project selection
- analysis and selection of received projects
- project Development Assistance (PDA) activities for projects that have passed the preliminary screening phase
- selection of Participating Investors in the PF
- presentation of projects to Participating Investors
- verification and collection of expressions of interest from Participating Investors in one or more of the presented projects
- support to Participating Investors in the preparatory activities for signing and closing the selected deals.

- Project Development Assistance (PDA) activities

Initiatives selected by the Management team, based on their investment readiness, may benefit for free from a package of services aimed at increasing their level of maturity. These activities may include redesign the business model with an innovative and sustainable approach, business planning, pitching, route-to-market, commercial development support, organizational support, etc. On average, the value of services offered through PDA amounts to €12,000.

- Activation of complementary funding

The Management team will scout for financing opportunities, including national and European Union grants (e.g., national and European calls for proposals, cascade funding,



etc.), based on the financial needs for the development and/or scale-up of the involved start-ups.

Article 5: Participating Investors

Participation in the PF is open to the general public, including professional investors as defined by Article 6, paragraphs 2-*quinquies* and 2-*sexies* of the TUF (Italian Financial Act). Participation in the PF implies acceptance of this Regulation.

Article 6: Target Projects

The PF invests in equity stakes in:

- innovative start-ups, as defined by the Decree Law of October 18, 2012, no. 179, converted with amendments into Law no. 221 of December 17, 2012, and subsequent amendments;
- socially-oriented start-ups (SIAVS) in accordance with Article 25, paragraph 4 of the Decree Law of October 18, 2012, no. 179, converted with amendments into Law no. 221 of December 17, 2012, and subsequent amendments.

These start-ups must be registered in the appropriate sections of the Business Register at the time of signing and operate in the tourism sector for territorial enhancement, as well as being connected with the cultural, creative, and cultural heritage sectors.

Article 7: Minimum Investment

The minimum investment amount for each Participating Investor in the PF for each selected initiative is €10,000.00 (ten thousand euros), with increments in multiples of €5,000.00 (five thousand euros).

Article 8: In-kind contributions (non-equity contributions)

Participating Investors in the PF may also contribute to individual initiatives through non-equity contributions in the form of in-kind contributions, such as services, availability of tangible and intangible assets, know-how, etc. These in-kind contributions will contribute to determining the investment share of Participating Investors in the individual initiatives and will be evaluated based on an estimate consistent with market data, risk profile, and other relevant factors, as deemed necessary by the Management team and the interested Participating Investor.

In-kind contributions can take place:

- in the pre-closing phase, through services such as due diligence, business planning, assistance in contract negotiations, etc.
- in the post-closing phase, through commercial services (sales network sharing, product placement in catalogs, marketing support, etc.), logistical services (use of available spaces for production, warehouse, offices, utilization of other logistics services), production services (utilization of available production capacity,



acquisition of raw materials at controlled prices, etc.), financial services (including, for example, guarantees, sureties), etc.

The valuation of in-kind contributions, along with any equity contributions, must comply with the minimum investment requirement specified in Article 7.

PART TWO: INVESTMENT POLICIES

Article 9: Investment Objectives

The overall objective of the PF is to invest in unlisted financial instruments with the intention of increasing the value of the raised capital over time by achieving desired returns and impacts for the investors.

Investments are exclusively made in equity stakes for early-stage financing in innovative start-ups and socially-oriented start-ups organized as capital companies located in Italy. These investments are made in circular investment programs in the fields of tourism, culture, creativity, and cultural heritage. The initiatives should be able to enhance the territory and create an impact in the relevant community. It is not required for the start-ups to be already established as companies at the time of submission to the PF, but they must be legally founded by the signing date. Tourism development initiatives should pay particular attention to rural development, urban regeneration, and sustainable cultural tourism, actively contributing to the renewal of the tourism ecosystem and the enhancement of cultural heritage. The initiatives should pursue the Sustainable Development Goals of the 2030 Agenda and, in particular, contribute to:

- promoting social inclusion of vulnerable groups and increasing employment opportunities for disadvantaged categories;
- identifying sustainable development pathways, facilitating the transition to a green and circular economy;
- activating innovation processes, including social innovation, leveraging advanced technologies;
- creating shared local value through public-private partnerships;
- achieving specific objectives related to environmental enhancement and preservation, urban and/or rural regeneration, sustainable tourism, as well as environmental sustainability of business activities, including decarbonization, reuse and utilization of recycled materials and by-products, reducing waste production, eco-design, reducing plastic usage and substituting it with alternative materials, etc.;
- achieving specific objectives related to the preservation and enhancement of historical-cultural assets or pursuing cultural, creative, or socially beneficial purposes of significant public interest within a community or territory.

The most promising initiatives capable of generating impact (social, environmental, cultural, economic) on the territory will be selected.

Article 10: Main Risk Profiles

Investing in the PF implies the following main risk profiles:



- financial risk: the value of investors' investments in the projects presented by the Management team and in which they have chosen to invest may decrease;
- liquidity risk: investments made may have limited liquidity for investors;
- investment selection risk: uncertainty in selecting an adequate number of qualitatively valid projects;
- fundraising risk: uncertainty in raising sufficient funds to finance the selected projects.

Article 11: Key Performance Indicators (KPI)

Individual initiatives will be monitored using a set of performance indicators developed within the Be.CULTOUR project and integrated with indicators developed by the Global Sustainable Tourism Council (GSTC).

For each initiative, a subset of indicators (maximum of 10 indicators) will be extracted based on the specific characteristics of each project. Additionally, the most representative KPIs for all initiatives will be monitored at the PF level to enable impact accountability towards Participating Investors. The KPIs set will be selected from the following list, which may be integrated during all the project:

N	KPI
"Environmental Capital" Dimension	
1	Reduction of CO ₂ emissions
2	Protection, conservation, and management of biodiversity and local landscapes
3	Achievement of green certifications
4	Eco-sustainable purchases
5	Generation of energy from renewable sources
6	Use of recycled water
7	Adoption of waste separation practices
8	Use/purchase of reusable and recyclable goods and resources
9	Reduction in energy consumption
10	Reduction in land consumption
11	Reduction in water consumption
12	Reduction in waste production
13	Reduction in use of resources
"Economic Capital" Dimension	
14	New employment opportunities



15	Increase in revenue
16	Introduction of service/product/process innovations
17	Application of technological solutions
18	Creation of new goods and services and/or satisfaction/meeting of new needs
"Human and Social Capital" Dimension	
19	New employment opportunities for women (gender)
20	New employment opportunities for individuals under 35
21	Integration of disadvantaged workers into the workforce
22	Social inclusion, including employment, of vulnerable individuals
23	Social inclusion, including employment, of immigrants
24	Strengthening collaborations and networks among local communities, nonprofit organizations, and other local entities
25	Staff training (upskilling/reskilling/digital/sustainability)
26	Perceived level of well-being and health
"Cultural Capital" Dimension	
27	Monetary and/or in-kind contributions for the protection of cultural heritage
28	Representation of local art and craftsmanship in design, furniture, etc.
29	Revitalization/regeneration/enhancement of real estate and/or environmental assets
30	Integration of cultural heritage in cuisine, retail trade, events, and other services offered

Article 12: "Do No Significant Harm" Principle (DNSH)

The PF adheres to the DNSH principle, which means that no initiative supported by the PF should cause harm to environmental objectives, in accordance with Article 17 of Regulation (EU) 2020/852.

PART THREE: OPERATING PROCEDURES

Article 13: Conditions for Investors Participation in the PF

Participation in the PF requires completion of a Questionnaire (Appendix 1) to verify the minimum financial capacity requirements for each investor.

The evaluation of the questionnaire content, completed by each entity interested in participating in the PF, is at the sole discretion of the Management team.

There is no initial fixed fee for Participating Investors to join the PF.



Article 14: Conditions for Participation of start-ups or founders in the PF

Participation of start-ups or teams in the PF involves the submission of a Pitch and a brief video for each project, prepared by the founders. The submission of the pitch and video implies acceptance of this Regulation.

Article 15: Presentation of projects by the Management Team to Participating Investors in the PF

The Management team presents the selected projects to Participating Investors in the PF at intervals not exceeding two months.

The presentation is made via a certified email (PEC) to the PEC email addresses of each Participating Investor in the PF. The receipt of delivery receipts for the sent PEC emails serves as proof of communication sent by the Management team.

Following the PEC email communication, the Management team organizes Investor Days for interested Participating Investors to attend.

Article 16: Timeline for Expression of Investment Interest by Participating Investors in the PF

After the Investor Days, Participating Investors in the PF have a maximum of 30 days to inform the Management team of their intention to invest in one or more projects.

Failure to communicate with the Management team within the specified timeframe will be considered as an indication of the investor's decision not to invest in any project.

Article 17: Recall Procedures and Payment Methods

In parallel with the closing of each deal, the Management team will request the interested Participating Investors to provide their payments for the amounts they have expressed their intention to invest within 30 business days prior to the closing. Investors will be responsible for establishing the investment vehicle company at their own expense before the closing takes place. Investors may also contribute in-kind.

Article 18: Expenses

- Costs borne by Participating Investors in the PF

There are no costs incurred by Participating Investors in the PF, except for the expenses they may incur to attend the presentations conducted by the Management team and to conduct analyses of the selected projects.

- Costs borne by the Management team

The costs related to project scouting, pre-screening and analysis, organization of project presentation sessions to Participating Investors in the PF, and other activities leading up to the closing of each investment operation are borne by the Management team.



Article 19: Limitation of Liability

The clauses typically contained in the Investment Agreement and Shareholders' Agreements, as well as other contracts entered into by Participating Investors and target projects, are the result of negotiations conducted independently by the parties involved and are not within the scope of the Management team's responsibilities. Similarly, the reporting and monitoring activities of any investments made by Participating Investors are not the responsibility of the Management team.

PART FOUR: MISCELLANEOUS

Article 20: Confidentiality and Non-Disclosure

The Management team and the Participating Investors are not allowed to disclose confidential information regarding the examined initiatives to third parties.

However, the Management team and the Participating Investors have the option to seek the assistance of trusted professionals for strictly technical matters, ensuring that these professionals comply with the confidentiality requirements.

The obligations and prohibitions stated in the previous paragraphs of this article do not apply to information:

- that becomes or is already publicly known for reasons other than a violation of the aforementioned paragraphs;
- that is disclosed by sources not subject to confidentiality obligations;
- that must be communicated due to professional or legal obligations, or by authorities to which refusal is not permitted. In such cases, prompt notification will be provided.

Article 21: Data Privacy Protection (REG. UE 2016/679)

By adhering to this Regulation, each Participating Investor gives their explicit and informed consent, in accordance with and for the purposes of EU Regulation 2016/679, for their personal data to be subject to all processing operations specified in the aforementioned EU Regulation, including the transfer of data outside the European Union.

In accordance with Article 32 of the EU Regulation, Iniziativa Cube has implemented technical and organizational measures to protect data, deemed suitable to ensure an appropriate level of security based on the inherent risks of the processing. Iniziativa Cube has appointed a data controller.

Iniziativa Cube commits to: (i) notifying any occurrence of data breaches; (ii) deleting or returning the data upon the data subject's choice; (iii) responding to any requests from data subjects regarding access, rectification, erasure, portability, or objection.

Article 22: Amendment of the Pledge Fund Regulation

Any amendments to the Regulation are decided by the Management team.



All amendments to the Regulation are promptly communicated to each Participating Investor in the PF by Iniziativa Cube via registered email (PEC), indicating the effective date, and through the website www.iniziativa.cc.

The effective date is no less than 30 (thirty) days from the date of communication of the amendments to the Regulation.

Participating Investors in the PF who do not agree with the amendments made to the Regulation have the right to communicate their withdrawal by registered email (PEC) before the effective date of the amendments to the Regulation.

Article 23: Applicable Law and Jurisdiction

This Regulation is governed by Italian law.

Any disputes arising from this Regulation or related to it shall be submitted to the Court of Naples, which shall have exclusive jurisdiction.



“Pledge Fund” Be.CULTOUR

ANNEX 1



**Expression of Interest and Questionnaire
for Potential Investors**
(Legal Entities)



To the attention of Iniziativa Cube S.r.l.
Via G. Porzio snc Centro Direzionale Isola G7
80143 - Naples (NA)

Subject: **expression of Interest to participate in the investment model "Pledge Fund" Be.CULTOUR**

The undersigned xx, born on xx, residing in xx, Tax Code xx, legal representative of the company xx, VAT number xx, after receiving and examining the documentation on the Project "Pledge Fund" Be.CULTOUR available on [Iniziativa website](#), declares interest in participating in the aforementioned investment model as a Participating Investor, committing to carry out the following activities:

- a. review and evaluate investment projects in innovative start-ups and socially-oriented start-ups, selected by the Management team of "Pledge Fund" Be.CULTOUR;
- b. take part in Investor Days organized by the Management team, deemed of interest;
- c. communicate, within 30 days from each Investor Day, any interest in investing in one or more projects presented by the Management team;
- d. if one or more of the presented projects are considered valid, based on an autonomous and non-reviewable judgment by the undersigned, invest in each selected initiative an amount of at least Euro 10,000.00 (ten thousand), with possible increments in multiples of Euro 5,000.00 (five thousand), in the form of funds disbursement and/or in-kind contributions represented by services, availability of tangible or/and intangible assets, know-how, etc.

The undersigned has been informed, through the documentation on the Project "Pledge Fund" Be.CULTOUR available on [Iniziativa website](#), in particular that:

- 1) participation in "Pledge Fund" Be.CULTOUR does not require the payment of any fixed initial fee;
- 2) there is no obligation to make a minimum number of investments;
- 3) investment in each selected project will take place through the signing of contracts that the undersigned will negotiate independently.

This expression of interest remains valid if the launch of "Pledge Fund" Be.CULTOUR takes place by September 30, 2023, and in such a case, it will be effective from the launch of "Pledge Fund" Be.CULTOUR until December 31, 2024.

Date and place

Signature

Questionnaire for Legal Entities

1. Please indicate the number and amount of equity (or similar) investments made in the last five years:

Click or tap here to enter text.

2. Please indicate the main sectors of investment:

Click or tap here to enter text.

3. Please indicate the revenue amount of the last approved fiscal year:

Click or tap here to enter text.

4. Please provide a description of the type of activity conducted at the conclusion of the last approved fiscal year:

Click or tap here to enter text.

5. Please indicate the net worth of the last approved fiscal year:

Click or tap here to enter text.

6. Please indicate the amount of financial or/and in-kind resources that is potentially intended to be invested in the PF:

Click or tap here to enter text.

7. Please provide an indication of the time horizon for the investments:

Click or tap here to enter text.

8. Is the Candidate Investor interested in investing in projects that are evaluated not only for their economic-financial returns but also for their socio-cultural-environmental impacts? Please provide a description of this aspect and the expected returns:

Click or tap here to enter text.



**Expression of Interest and Questionnaire
for Potential Investors**
(individuals)



To the attention of Iniziativa Cube S.r.l.
Via G. Porzio snc Centro Direzionale Isola G7
80143 - Naples (NA)

Subject: **expression of Interest to participate in the investment model "Pledge Fund" Be.CULTOUR**

I, the undersigned xx, born on xx, residing in xx, Tax Code xx, after receiving and examining the documentation on the Project "Pledge Fund" Be.CULTOUR available on [Iniziativa website](#), declare my interest in participating in the aforementioned investment model as a Participating Investor, committing to carry out the following activities:

- e. review and evaluate investment projects in innovative start-ups and socially-oriented start-ups, selected by the Management team of "Pledge Fund" Be.CULTOUR;
- f. take part in Investor Days organized by the Management team, deemed of interest;
- g. communicate, within 30 days from each Investor Day, any interest in investing in one or more projects presented by the Management team;
- h. if one or more of the presented projects are considered valid, based on an autonomous and non-reviewable judgment by the undersigned, invest in each selected initiative an amount of at least Euro 10,000.00 (ten thousand), with possible increments in multiples of Euro 5,000.00 (five thousand), in the form of funds disbursement and/or in-kind contributions represented by services, availability of tangible and/or intangible assets, know-how, etc.

The undersigned has been informed, through the documentation on the Project "Pledge Fund" Be.CULTOUR available on [Iniziativa website](#), in particular that:

- 4) participation in "Pledge Fund" Be.CULTOUR does not require the payment of any fixed initial fee;
- 5) there is no obligation to make a minimum number of investment;
- 6) investment in each selected project will take place through the signing of contracts that the undersigned will negotiate independently.

This expression of interest remains valid if the launch of "Pledge Fund" Be.CULTOUR takes place by September 30, 2023, and in such a case, it will be effective from the launch of "Pledge Fund" Be.CULTOUR until December 31, 2024.

Date and place

Signature

Questionnaire for Individuals

1. Please indicate the number and amount of equity (or similar) investments made in the last five years:

Click or tap here to enter text.

2. Please indicate the main sectors of investment:

Click or tap here to enter text.

3. Please provide a description of your current activity:

Click or tap here to enter text.

4. Please indicate the average income class for the last 5 years:

€ 0-100.000

€ 100.000-250.000

over 250.000

5. Please indicate the range of values corresponding to the amount of your net worth as of June 1, 2023:

€ 0-100.000

€ 100.000-250.000

over € 250.000

6. Please indicate the amount of financial and/or in-kind resources that you potentially intend to invest in the PF:

Click or tap here to enter text.

7. Please provide an indication of the time horizon for the investments:

Click or tap here to enter text.

8. Is the Candidate Investor interested in investing in projects evaluated not only for their economic-financial return but also for their socio-cultural-environmental impacts? Please provide a description of this aspect and the expected returns:

Click or tap here to enter text.

