A 652

I assent.

(L.S.) **GEORGE VELLA**
President

14th July, 2020

ACT No. XXXIII of 2020

AN ACT to authorise, regularise and to issue guarantees to the European Investment Bank in specific cases and to provide for matters ancillary and incidental thereto.

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:-

Short title.

1. The short title of this Act is the Guarantees to the European Investment Bank Act, 2020.

Interpretation.

2. In this Act, unless the context otherwise requires:

"Contribution Agreement" means the Contribution Agreement which may be entered into between the Government of Malta and the European Investment Bank in respect of the Pan-European Guarantee Fund in response to COVID-19, reproduced in the Second Schedule;

"First Demand Guarantee Agreement" means the Guarantee Agreement that may be entered into between the Original Guarantors, including the Government of Malta, and the Acceding Guarantors acceding from time to time and the European Investment Bank in relation to transactions entered into by the Bank for the account of the Fund, reproduced in the First Schedule;

"Fund" means the EU COVID-19 Guarantee Fund to be established by the European Investment Bank under its Partnership Platform for Funds;

"Malta" shall have the same meaning as assigned to it by article 124 of the Constitution of Malta;

"Minister" means the Minister responsible for finance.

Authority to issue guarantees.

3. Subject to the provisions of this Act, the Government of Malta may issue unconditional, irrevocable and first demand guarantees to the European Investment Bank by entering into a First Demand Guarantee Agreement with the Bank in relation to transactions entered into by the European Investment Bank for the account of the Fund.

Mechanism for issuing of guarantees.

4. (1) Any guarantee issued in accordance with article 3 shall be subject to the terms incorporated in the Contribution Agreement:

Provided that the guarantee issued by the Government of Malta shall not exceed the aggregate amount of twelve million, two hundred and ninety-seven thousand, four hundred and ten euro and six cents (€12,297,410.06).

(2) Any guarantee issued by the Government of Malta relating to the Fund beyond the purpose specified under sub-article (1) may only be done in such manner and for such purpose as the House may by resolution determine.

Language

5. The Annexes to this Act may be made in the English language only.

FIRST SCHEDULE

First Demand Guarantee Agreement

SECOND SCHEDULE

Contribution Agreement

A 654

Passed by the House of Representatives at Sitting No. 354 of the 8th July, 2020.

CLAUDETTE BUTTIGIEG
Deputy Speaker

RAYMOND SCICLUNA
Clerk of the House of Representatives

VERŻJONI ELETTRONIKA

Pan-European Guarantee Fund in response to COVID-19

First Demand Guarantee Agreement

between

The Original Guarantors

and

the Acceding Guarantors acceding from time to time

and

The European Investment Bank

THIS CONTRACT IS MADE BETWEEN:

The Original Guarantors and the Acceding Guarantors acceding from time to time	hereinafter collectively referred to as the "**Guarantors**" and each a "**Guarantor**"
of the first part, and	
the European Investment Bank with its seat at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg-Kirchberg, Grand Duchy of Luxembourg,	hereinafter referred to as the "**Beneficiary**"
acting for the account of the Fund	
of the second part.	

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WHEREAS:

(a) This first demand guarantee agreement is entered into in the context of the contribution agreements entered into or to be entered into between Member States of the European Union and the European Investment Bank for the purpose of establishing the Pan-European Guarantee Fund in response to COVID-19 (the "**Fund**"). European Union institutions, or institutions created by Member States of the European Union, may also contribute to the Fund.

(b) Pursuant to transactions carried out for the account of the Fund by the Beneficiary for the purpose of implementing the Fund's objectives with one or more counterparties (each a "**Counterparty**"), the Beneficiary will enter into guarantees, financing arrangements in the form of loans, facilities or other finance agreements, equity investments or other transactions (including the EIB/EIF Arrangement), such transactions being entered into in accordance with the terms and conditions (and in particular the governance and decision process) of the Fund (the "**Transactions**").

(c) As part of the Transactions, the Beneficiary has entered or will enter into a back-to-back arrangement with the European Investment Fund ("**EIF**") for the account of the Fund pursuant to which coverage will be provided to the EIF in relation to its role under the program for transactions relating to the Fund in accordance with the Fund Description and for the purpose of implementing the Fund's objectives (the "**EIB/EIF Arrangement**").

(d) The Guarantors hereby grant an autonomous first demand guarantee (*garantie autonome à première demande*) in favour of the Beneficiary (the "**First Demand Guarantee**") pursuant to this guarantee agreement (the "**Guarantee Agreement**").

(e) An initial group of EU Member States has each entered into a contribution agreement and such Member States will grant this Guarantee as Original Guarantors. Over time, other Member States intend to enter into a contribution agreement with the European Investment Bank in the context of the Fund and will accede to this Guarantee as Acceding Guarantors. European Union institutions or institutions created by Member States of the European Union will accede to this Guarantee if they contribute to the Fund.

(f) At any point in time, this Guarantee Agreement shall apply as an autonomous first demand guarantee obligation between the Guarantors then party to this Guarantee Agreement and the Beneficiary, in accordance with the terms hereof.

(g) The parties to this Guarantee Agreement expressly agree that any reference in this Guarantee Agreement to the Transactions, the Transaction Terms or any exposure thereunder shall under no circumstances be construed as affecting the independent, autonomous, unconditional and irrevocable nature of the First Demand Guarantee granted pursuant to this Guarantee Agreement.

NOW THEREFORE it is hereby agreed as follows:

DEFINITIONS AND INTERPRETATION

Interpretation

In this Guarantee Agreement, unless a contrary indication appears:

(a) any reference to:

(i) the "Guarantors", the "Beneficiary" and the "Counterparty" shall be construed to include its and any subsequent successors in title, permitted assigns and permitted transferees;

(ii) this "First Demand Guarantee", this "Guarantee Agreement" or any other agreement or instrument is a reference to such agreement or instrument as amended, novated, supplemented, extended or restated from time to time;

(iii) a "person" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether having separate legal personality or not);

(iv) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(v) a reference to a legal provision is a reference to that provision as amended or re-enacted; and

(vi) save as otherwise provided, a time of day is a reference to Luxembourg time;

(b) references to Articles, Recitals and Schedules are, save if explicitly stipulated otherwise, references respectively to articles of, recitals and schedules to this Guarantee Agreement;

(c) Articles and Schedules headings are for ease of reference only and shall not impact the interpretation of this Guarantee Agreement;

(d) words importing the singular shall include the plural form and vice versa; and

(e) a term used in any notice given under or in connection with this First Demand Guarantee or this Guarantee Agreement has the same meaning as ascribed to it in this Guarantee Agreement.

Definitions

In this Guarantee Agreement:

"**Accession Date**" has the meaning ascribed to such term in Article 8.1(c).

"**Accession Notice**" has the meaning ascribed to such term in Article 8.1(b).

"**Acceding Guarantor**" has the meaning ascribed to such term in Article 8.1(a).

"**Business Day**" means any day other than a Saturday or a Sunday (a) where the Beneficiary is open for business in Luxembourg, and (b) where referring to a payment in EUR, a TARGET Settlement Day.

"**Counterparty**" has the meaning ascribed to such term in Recital (b) and shall include EIF in its capacity as counterparty of the Beneficiary under the EIB/EIF Arrangement.

"**Demand**" has the meaning ascribed to such term in Article 1.2.

"**Demand Notice**" has the meaning ascribed to such term in Article 1.2.

"**Effectiveness Period**" has the meaning ascribed to such term in Article 3.1.

"**EIB/EIF Arrangement**" has the meaning ascribed to such term in Recital (c).

"**EIF**" means the European Investment Fund.

"**EUR**" or "**euro**" means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties.

"**Fund**" has the meaning ascribed to such term in Recital (a).

"**Guarantor**" has the meaning ascribed to such term in the description of the parties in the preamble, and shall include, as of each Accession Date, each Acceding Guarantor who has adhered to this Guarantee Agreement with effect on such Accession Date.

"**Maximum Guarantee Amount**" has the meaning ascribed to such term in Article 1.1.

"**Maximum Initial Individual Amount**" means the maximum amount for which each Guarantor may be liable under this Guarantee and which is set out for each Guarantor in Schedule D, as such Schedule will be updated with the accession of Acceding Guarantors by notification to all Guarantors by the Beneficiary.

"**Maximum Individual Amount**" means for each Guarantor, (i) initially, at the time of signing this Agreement as Original Guarantor or acceding thereto as Acceding Guarantor, the amount of the Maximum Initial Individual Amount and then (ii) from time to time, the amount under (i) as reduced (or increased, but never to an amount higher than the Maximum Initial Individual Amount) in accordance with the terms of this Guarantee Agreement.

"**Original Guarantor**" means a Guarantor that has entered into this Agreement on the date of this Agreement.

"**Payment Period**" has the meaning ascribed to such term in Article 1.2.

"**TARGET Settlement Day**" means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system) is open for the settlement of payments in euro.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"**Termination Date**" has the meaning ascribed to such term in Article 3.1.

"**Transaction**" and "**Transactions**" has the meaning ascribed to such terms in Recital (b) and includes the EIB/EIF Arrangement.

"**Transaction Terms**" means the terms and conditions of the Transaction as approved in accordance with the terms of the Fund for inclusion of the Transaction into the Fund.

ARTICLE 1

First Demand Guarantee

1.1 First Demand Guarantee

(a) The Guarantors hereby irrevocably and unconditionally undertake to pay to the Beneficiary, on the Beneficiary's first written demand, and in accordance with the conditions set out here below, all sums which the Beneficiary may claim hereunder up to a maximum amount constituted for each of them by its Maximum Individual Amount and collectively by the sum total of all Maximum Individual Amounts (together the "**Maximum Guarantee Amount**").

(b) Subject to Article 3.2 and without prejudice to Article 8.2 hereunder, the Maximum Individual Amount for each Guarantor shall be reduced by the sums paid by it pursuant to and in accordance with this Article 1.

1.2 Demands and payments

(a) Subject to Article 3, any demand made by the Beneficiary to the Guarantors under this Guarantee Agreement (each, a **"Demand"**) shall be made by way of a written notification addressed by the Beneficiary to the Guarantors and their agent in the form set out in Schedule A (each a "**Demand Notice**"), sent in accordance with the provisions set forth in Article 6 below, it being understood that:

(1) the Beneficiary shall indicate in the Demand Notice (i) the Transaction with reference to which the Demand is made or (ii) that it relates to the EIB/EIF Arrangement, but shall otherwise be under no obligation to provide the Guarantors with any additional document nor to support its claim with any other justification or evidence;

(2) the payment obligation of the Guarantors under this Guarantee Agreement is not subject to the accuracy or the merit of any statement, declaration or information contained in any Demand Notice.

(b) The Beneficiary shall make a Demand under this Guarantee on all Guarantors for the total amount of such Demand, indicating the pro rata allocation of the amount between the Guarantors on the basis of their portion in the Maximum Guarantee Amount.

(c) The Guarantors shall make the payment requested in the Demand Notice within 5 (five) Business Days as from the date of dispatch (included) as set out in the Demand Notice (the **"Payment Period"**) and in the currency as requested within the Demand Notice.

(d) The Beneficiary is entitled to request the payment of any amount in one or several instalments.

(e) There shall be no limit on the number of Demands under this Guarantee.

1.3 Independent payment obligation

Each Guarantor expressly acknowledges that each Demand made in accordance with this Agreement generates an independent payment obligation toward the Beneficiary up to its Maximum Individual Amount.

ARTICLE 2

Autonomy of the First Demand Guarantee

2.1 Autonomy of the First Demand Guarantee

The parties to this Guarantee Agreement expressly agree that this First Demand Guarantee is an independent, unconditional and irrevocable first demand guarantee (*garantie autonome à première demande*), autonomous from any contractual or non-contractual relation existing or which may exist between the Guarantors, the Beneficiary, the Counterparty and any other person, which cannot be construed in any circumstances and for whatever reason as a surety (*cautionnement*) within the meaning of article 2011 of the Luxembourg Civil Code or as any other accessory obligation or contract (*obligation ou contrat accessoire*).

2.2 No defence

(a) Each Guarantor hereby expressly waives any right it has, or may have, which might reduce or extinguish its payment obligations under this Guarantee Agreement whether by way of set-off, lien, defence or otherwise.

(b) Each Guarantor acknowledges that it cannot raise any objection, ground or plea of any kind, in particular based on a Transaction or the Transaction Terms, to refuse or delay the performance of its obligations under this Guarantee Agreement and/or any payment to be made by it under this Guarantee Agreement.

(c) In particular, but without limitation, each Guarantor acknowledges that its obligations to make payments hereunder are independent from:

(i) the validity, regularity and/or enforceability of a Transaction and the rights and obligations of the Counterparty thereunder;

(ii) any absence of action by the Beneficiary against a Counterparty to enforce the Beneficiary's rights under a Transaction;

(iii) any waiver or consent given by the Beneficiary with respect to any provisions governing a Transaction;

(iv) the occurrence of any event whatsoever which could prevent a Counterparty from performing any of its obligations, including its payment obligations, under a Transaction, including in relation to the opening of any voluntary or judicial insolvency proceedings in any jurisdiction or any payment moratorium or similar measure or measure of similar effect applicable to a Counterparty under any applicable law;

(v) the existence or absence of payments under Demands made to or payments thereunder by other Guarantors under the present Guarantee Agreement;

(vi) any other circumstances which might otherwise constitute a legal discharge of or a defence for the Guarantors.

(d) Therefore, no Guarantor shall, in particular but without limitation, be entitled to challenge any demand of payment under this Guarantee Agreement nor raise any objection, defence, exception, deduction, withholding, lien, right of set-off or counterclaim resulting from or related to:

(i) any provisions governing a Transaction;

(ii) any relationship between the Beneficiary and a Counterparty, the Guarantor and a Counterparty, or the Guarantor and the Beneficiary;

(iii) any change in the legal and/or financial situation of a Counterparty (including any merger, demerger or other form of legal or corporate reorganisation);

(iv) any negligence or omission by the Beneficiary, except in case of wilful misconduct or gross negligence;

(v) any payment moratorium or similar measure or measure of similar effect applicable to a Counterparty under any applicable law; or

(vi) any arrangement or agreement between the Beneficiary and a Counterparty including any grant of time, indulgence, waiver or concession, cure period or delay or forbearance, or any termination, amendment, variation, novation, replacement or supplement (including any change in the purpose of, or any increase in, or extension of, Transaction Terms) which may be granted to a Counterparty under a Transaction.

2.3 Other rights

The First Demand Guarantee granted pursuant to this Guarantee Agreement is in addition to any other rights, remedies or security, which the Beneficiary has, or may have, against any other person, including against a Counterparty, whether provided for by law or otherwise.

Each Guarantor hereby expressly accepts and acknowledges that the Beneficiary will not be required to proceed against or enforce any other rights, security or claim payment from any other person before making a claim under this Guarantee Agreement.

ARTICLE 3

Term of the First Demand Guarantee

3.1 Effectiveness Period

This First Demand Guarantee shall take effect on the date of execution of this Guarantee Agreement and expire on the earlier of (the "**Termination Date**"):

(a) the date on which the aggregate of all payments irrevocably made by the Guarantors under this Guarantee Agreement amounts to the Maximum Guarantee Amount; or

(b) 31 December 2037 subject to any extension agreed in writing by the Beneficiary and the Guarantors.

Without prejudice to Article 3.2 below, the Beneficiary may issue a Demand under this Guarantee Agreement at any time as from the date of execution of this Guarantee Agreement up to a date falling 3 (three) calendar months after the occurrence of the Termination Date (the "**Effectiveness Period**").

3.2 Reinstatement

Notwithstanding anything to the contrary in this Guarantee Agreement, if any payment made by a Guarantor to the Beneficiary or any discharge given by the Beneficiary is avoided or reduced as a result of any insolvency or any similar event, the liability of the Guarantor shall continue or be reinstated (as the case may be) as if the payment, discharge, avoidance or reduction, had not occurred; and the Beneficiary shall be entitled to recover the value or amount of that security or payment from the Guarantor as if the payment, discharge, avoidance or reduction had not occurred.

ARTICLE 4

Default Interest

4.1 Default interest

If any amount under this Agreement is not paid on the date it is due then such unpaid amount shall bear interest at the rate of €STR plus a spread of two per cent (2%) floored at zero calculated on a daily basis which interest shall accrue from the date when payment was due until the date of actual payment of such unpaid amount. For this purpose €STR means the euro short-term rate administered by the European Central Bank (or any other person which takes over the administration of that rate) displayed (before any correction, recalculation or republication by the administrator) on page EUROSTR of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate).

ARTICLE 5

Currency

Any payment to be made by the Guarantors under this Guarantee Agreement shall be made in EUR.

ARTICLE 6

Notices

Any notice, request or other communication to be given or made under this Guarantee Agreement shall be in writing and delivered by mail, fax, e-mail or secure website to the respective party's address specified below with a copy to its agent or at such other address as such party notifies in writing to the other party from time to time:

For the Beneficiary	European Investment Bank Mandate Management 98-100 boulevard Konrad Adenauer L-2950 Luxembourg E-mail address: OPS-EGF-Mandate@eib.org
For the Guarantors	As set out in Schedule C

ARTICLE 7

Transfer and Continuing Obligations

7.1 Transfer

Rights and/or obligations of the Guarantors under this Guarantee Agreement cannot be transferred or assigned in any way whatsoever to any third parties without the prior written consent of the Beneficiary.

ARTICLE 8

Accession

8.1 Accession Process

(a) A Member State of the European Union, a European Union institution, or an institution created by Member States of the European Union, which is not an Original Guarantor shall accede to this Guarantee Agreement as Acceding Guarantor (an "**Acceding Guarantor**") at the time of execution of its contribution agreement in the context of the Fund.

(b) For the purpose of acceding to this Guarantee Agreement, each Acceding Guarantor shall give an accession notice by way of a written notification addressed by it or its agents to the Beneficiary and to all then existing Guarantors in the form set out in Schedule B (each an "**Accession Notice**"), sent in accordance with the provisions set forth in Article 6 above.

(c) The accession by the Acceding Guarantor to the present Guarantee Agreement shall be effective on the date set out in the Accession Notice (the "**Accession Date**").

(d) The Beneficiary and the then existing Guarantors authorise, acknowledge and agree in advance to the accession from time to time of an Acceding Guarantor to the present Guarantee Agreement.

8.2 **Accession**

From the Accession Date, the Acceding Guarantor will adhere to, and be bound in all respects by, this Guarantee Agreement and will accordingly be entitled to all rights and subject to all obligations imposed on the Guarantors hereunder.

If at the time of entering into the contribution agreement the Acceding Guarantor indemnifies any other Guarantors in relation to payments made in respect of any prior Demands under this Guarantee Agreement in accordance with the provisions of the contribution agreement, the Maximum Individual Amount of the Acceding Guarantor shall be reduced by any amount thus paid to other Guarantors in accordance with the contribution agreement. The Maximum Individual Amount of the other Guarantors shall be increased by the amount of such payments received from the Acceding Guarantor in respect of Demands paid to the Beneficiary prior to such Acceding Guarantor acceding to this Guarantee Agreement. For the avoidance of doubt, the Maximum Individual Amount of any Guarantor shall never be increased to an amount higher than the Maximum Initial Individual Amount.

ARTICLE 9

Severability

If at any time any provision of this Guarantee Agreement is or becomes illegal, invalid or unenforceable in any respect, or this Guarantee Agreement is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other provision of this Guarantee Agreement or the effectiveness in any other respect of this First Demand Guarantee in that jurisdiction; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other provision of this Guarantee Agreement or the effectiveness of this First Demand Guarantee under the laws of such other jurisdictions.

ARTICLE 10

No Waiver

No failure or delay or single or partial exercise by the Beneficiary in exercising any of its rights or remedies under this Guarantee Agreement shall be construed as a waiver of such right or remedy and the Beneficiary shall not be liable for any such failure, delay or single or partial exercise of any such right and remedy.

ARTICLE 11

Set-Off

The Beneficiary may set off any matured obligation due from a Guarantor under this Guarantee Agreement against any matured obligation (whether or not matured) owed by the Beneficiary to that Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If either obligation is unliquidated or unascertained, the Beneficiary may set off in an amount estimated by it in good faith to be the amount of that obligation.

ARTICLE 12

Amendments

Any provision of this Guarantee Agreement may only be amended with the prior written consent of the Beneficiary and the Guarantors.

ARTICLE 13

Waiver of Sovereign Immunity

To the extent that a Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to such Guarantor or its assets or revenues, such Guarantor agrees, to the extent legally possible, not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

ARTICLE 14

Governing Law and Jurisdiction

14.1 Governing Law

This Guarantee Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Luxembourg.

14.2 Place of Performance

The place of performance of this Guarantee Agreement is the seat of the Beneficiary in Luxembourg.

14.3 Jurisdiction

The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Guarantee Agreement. For the purposes of any dispute arising in relation to this Guarantee Agreement, the Parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

ARTICLE 15

Final clauses

15.1 Recitals, Schedules and Annex

The recitals and following Schedules form an integral part of this Guarantee Agreement.

Schedule A	Form of Demand Notice
Schedule B	Form of Accession Notice
Schedule C	Notification Details
Schedule D	Maximum Initial Individual Amounts

This Guarantee Agreement has been signed by each Original Guarantor in two originals, in the English language, and the Beneficiary shall sign each original and return one original to each Original Guarantor. The Beneficiary shall produce a conformed copy showing signatures of all Original Guarantors.

Signed for and on behalf of
REPUBLIC OF MALTA[1]

Mr Edward SCICLUNA

Minister for Finance and Financial Services

Date:

[1] Each Guarantor shall include the following formula in handwriting before its signature: "*Agreed that [Member State] commits by way of this Guarantee Agreement to pay an amount up to the [relevant Maximum Initial Individual Amount for the Member State, in letters and figures]*":

Signed for and on behalf of

THE EUROPEAN INVESTMENT BANK

_____

Date:

_____

Date:

Schedule A

FORM OF DEMAND NOTICE

[ON THE LETTERHEAD OF THE BENEFICIARY]

To : [GUARANTOR]

CC: [Agent of the Guarantor]

Re: Guarantee agreement in relation to the EU COVID-19 Guarantee Fund (the "**Guarantee Agreement**")

Date:

Dear Sirs,

Terms not otherwise defined shall bear the same meaning as ascribed to them in the Guarantee Agreement.

This letter constitutes a Demand Notice under the Guarantee Agreement.

In accordance with the provisions of Article 1.2 of the Guarantee Agreement, we hereby demand the payment of an amount of [EUR [●]] (the "**Requested Amount**").

For information purposes only, subject to the provisions of Article 1.2 of the Guarantee Agreement, we inform you that the present Demand Notice relates to [*reference to the Transaction / EIB/EIF Arrangement*].

Article 14 of the Guarantee Agreement shall apply to this Demand Notice as if set out in full herein.

Yours faithfully,
EUROPEAN INVESTMENT BANK

Schedule B

FORM OF ACCESSION NOTICE

[ON THE LETTERHEAD OF THE ACCEDING GUARANTOR]

To: European Investment Bank
100 Boulevard Konrad Adenauer
Luxembourg L-2950
(the "**Bank**")

CC: [*all existing Guarantors at the time of this Accession Notice*]
[address]

Date:

Re: Guarantee agreement in relation to the EU COVID-19 Guarantee Fund (the "**Guarantee Agreement**")

Dear Sirs,

Terms not otherwise defined shall bear the same meaning as ascribed to them in the Guarantee Agreement.

We refer to Article 8.1 of the Guarantee Agreement and to the contribution agreement entered into between [*Acceding Guarantor*] and the Bank for the purpose of establishing the Pan-European Guarantee Fund in response to COVID-19.

The Maximum Initial Individual Amount for [*Acceding Guarantor*] is [...].

This letter constitutes an Accession Notice under the Guarantee Agreement, as enclosed in Annex 1 hereto.

We hereby notify the Bank and all existing Guarantors on the date hereof that, in accordance with the provisions of Article 8.1 of the Guarantee Agreement, we hereby accede to the Guarantee Agreement.

We hereby agree to become a Guarantor and to be bound in all respects by the terms of the Guarantee Agreement and be entitled to all rights and subject to all obligations imposed on the Guarantors thereunder.

Our administrative details are as follows:

Attention: [•]

Address: [•]

Fax No: [•]

Article 14 of the Guarantee Agreement shall apply to this Accession Notice as if set out in full herein.

This Accession Notice has been signed and dispatched in two (2) originals in the English language.

Signed for and on behalf of

[ACCEDING GUARANTOR]

[2]

_____

[*name*]
[*position*]]

Date:

Signed for acceptance for and on behalf of

THE EUROPEAN INVESTMENT BANK

_____

[*name*]
[*position*]

[*Directorate*]

Date:

_____

[*name*]
[*position*]

[*Directorate*]

Date:

[2] The Acceding Guarantor shall include the following formula in handwriting before its signature: "*Agreed that [Acceding Guarantor] commits by way of this Accession Notice to pay an amount up to the [relevant Maximum Initial Individual Amount for the Acceding Guarantor, in letters and figures]*":

ANNEX 1

FIRST DEMAND GUARANTEE AGREEMENT

Schedule C

NOTIFICATION DETAILS

This Schedule will be prepared and notified by the Beneficiary to Guarantors in due course. Until such notification details have been made available to the Guarantors, the Parties agree that the EIB will continue to communicate with the EU Member States through its usual channel of communication for purposes of the Fund.

Schedule D

MAXIMUM INITIAL INDIVIDUAL AMOUNTS

This Schedule lists all EU Member States and their respective Maximum Initial Individual Amount, without prejudice to the fact that an EU Member State will only become a Guarantor and will only be bound by the Guarantee Agreement if and as of the date it has entered into or acceded to the Guarantee Agreement.

Guarantor	Maximum Initial Individual Amount (EUR)
Kingdom of Belgium	1,301,381,075.35
Republic of Bulgaria	51,251,027.24
Czech Republic	221,760,580.47
Kingdom of Denmark	658,926,592.31
Federal Republic of Germany	4,694,854,717.77
Republic of Estonia	20,724,666.58
Ireland	164,731,513.30
Hellenic Republic	352,996,758.77
Kingdom of Spain	2,816,912,866.59
French Republic	4,694,854,717.77
Republic of Croatia	106,745,508.42
Italian Republic	4,694,854,717.77
Republic of Cyprus	32,306,439.71
Republic of Latvia	26,836,898.10
Republic of Lithuania	43,975,174.39
Grand Duchy of Luxembourg	32,946,554.21
Hungary	209,795,625.13
Republic of Malta	12,297,410.06
Kingdom of the Netherlands	1,301,381,075.35
Republic of Austria	646,011,646.53
Republic of Poland	1,142,170,471.73
Portuguese Republic	227,486,335.61
Romania	164,731,513.30
Republic of Slovenia	70,083,139.60
Slovak Republic	75,487,280.34
Republic of Finland	371,158,331.96
Kingdom of Sweden	863,337,361.61

VERŻJONI ELETTRONIKA

CONTRIBUTION AGREEMENT

between

EUROPEAN INVESTMENT BANK

and

REPUBLIC OF MALTA

in respect of the

PAN-EUROPEAN GUARANTEE FUND IN RESPONSE TO COVID-19

Annex 1A
Fund Description

This Annex shall be applicable to and form an integral part of all Contribution Agreements for the Pan European Guarantee Fund in response to COVID-19 (the "Fund") between EIB and the Contributors to the Fund. It is made pursuant to the Rules of establishment and administration of the PPF ("Platform Rules"), as amended from time to time.

1. Objectives

The COVID-19 pandemic constitutes an unprecedented challenge with very severe socio-economic consequences.

The objective of the Fund is to respond to the economic impact of the COVID-19 pandemic outbreak by ensuring that eligible entities and primarily SMEs in the participating Member States have sufficient liquidity available and access to finance to weather the rapidly unfolding crisis, and are able to continue their development in mid/long term.

The Fund is designed to support final recipients that are considered (i) viable in the long term and (ii) able to meet a lender's or other financial intermediaries' requirements for commercial financing, were it not for the economic impact of the COVID-19 pandemic.

The Fund is designed to be a high-risk, high-impact intervention of limited time.

2. Eligible Contributors

In accordance with Article 3.1 of the Platform Rules, any Member State of the European Union and the European Commission can make Contributions to the Fund.

In addition, other institutions of the European Union or institutions created by Member States of the European Union, can make also Contributions to the Fund.

3. Eligible operations

Operations shall be eligible for support under the Fund if they are in line with the eligibility criteria, as set out below and updated from time to time ("Eligible Operations").

General:

The Fund shall operate, to the extent applicable, in accordance with EIB's and EIF's respective rules, policies, and procedures, save where otherwise provided in 12 below. In the case of EIB, the impact finance mandate framework, as further described in 12, below shall apply.

For EIB's operations, the Fund shall be used according to the general cross-cutting principles applicable to the EIB's activities, as described in Article 2.1.2 of the Platform Rules.

Types of operations:

EIB, for the account of the Fund and EIF, in the context of the Fund, can guarantee or provide financing directly to final recipients ("**Direct Operations**" [1]). Alternatively, EIB or EIF can guarantee or provide financing indirectly through financial intermediaries ("**Indirect Operations**"[2]) to eligible final beneficiaries – predominantly SMEs, but also Midcaps, Corporates and public entities providing essential services in particular in health, research, education sectors that could not be financed under existing EIB Group products. Direct Operations concern direct financing/ guarantees by EIB to eligible

[1] Direct Operation is defined as a final recipient transaction entered into between EIB and final recipient.
[2] Indirect Operation is an operation carried out by EIB or EIF to provide finance to a Financial Intermediary covering directly or indirectly (via one or more sub-operations) a final recipient transaction.

projects carried out by, among others, SMEs, Midcaps, Corporates and public entities. For Indirect Operations, EIB or EIF conclude agreements with financial intermediaries.

Financial intermediaries ("**Financial Intermediaries**" or "**FI**") may include counterparts such as commercial banks, financial institutions, guarantee institutions, leasing companies, venture capital and private equity funds, micro-finance institutions, National Promotional Banks/ Institutions, Special Purpose Vehicles (SPV), private credit funds, alternative lenders, crowd-lenders, guarantee societies etc.

Eligible Beneficiaries

Eligible Operations will be primarily private sector intermediated operations, but can also include direct and intermediated operations targeted at public sector companies and entities in the area of health or health-research or providing essential services related to the health crisis.

At the end of the investment period, beneficiaries of funding or guarantee from the Fund ("Eligible Beneficiaries") shall amount to:

a. **Debt operations with SMEs as the final beneficiary will account for at least 65% of EGF-supported financing**. This can also be supported through securitization.

b. **Debt operations with non-SMEs as the final beneficiary will account for a maximum of 28% of EGF-supported financing**. Out of this, a maximum of 5 p.p. of EGF-supported financing can be used for debt operations with public sector companies and entities active in the area of health or health-research or providing essential services related to the health crisis as final beneficiaries.

c. **Venture and growth capital (through the EIF) and venture debt with SMEs and mid-caps as final beneficiaries will account for a maximum of 7% of EGF-supported financing.**

   Specifically for operations supporting large corporates with more than 3000 employees as final beneficiaries, the following safeguards will apply:

   i) No equity investments

   ii) No ABS operations

   iii) Support available only for working capital and supply chain finance.

   iv) Financing only available through Financial Intermediaries with 'skin in the game'

   v) Exposure to individual large corporates limited to EUR 250m

   vi) Only loans in alignment with Communication from the European Commission regarding the temporary framework for State Aid measures to support the economy in the Covid-19 outbreak, as amended or replaced from time to time, including regarding short loan maturities, in order to rule out strategic investment projects that could be interpreted as 'industrial policy'.

   vii) Only for sectors that are in line with EIB long-term mission (innovation, environment, and SMEs support).

   viii) Further involve the Member States represented in the Contributors Committee on individual transactions, complemented with higher reporting requirements.

Without prejudice to 12.4 below, all operations shall undergo an ex-ante due diligence or equivalent process performed in accordance with EIB's and EIF's rules, policies and procedures, as applicable.

Geographical Eligibility:

Operations with FI (and final recipients) may be carried out in participating Member States, that is, Member States that have entered into Contribution Agreements with the EIB in relation to the Fund. The contributions of any given Member State will be available for operations in all participating Member States, i.e. contributions will not be earmarked to support the operations in a given Member State.

Instead, deployment will be determined based on the need and demand relative to the impact of COVID-19 and the related market situation.

EIB Group will make available additional financing in the context of the Fund in all contributing Member States, aiming for a geographic distribution that is proportionate to the economic impact of the crisis, the sizes of the economies and available national and European support instruments.

By the end of the EGF signature period, EIB Group will aim that its financing[3]:

(i) for the three Member States having received the most financing understood as the support by the Fund, the cumulative financing (measured by signature amounts) does not exceed 50% share of the total Fund's financing

(ii) for the 15 Member States having received the least financing understood as the support by the Fund, the cumulative financing (measured by signature amounts) exceeds 10% share of the total Fund's financing

(iii) underlying financing structures that are by their nature multi-country (covering two or more Member States) are not included in the above rule (i).

The concentration limit shall be periodically reviewed and may be adjusted to reflect the evolving impact of the crisis and market needs in the different Member States. Any change of the concentration limit would be subject to approval by the Contributors Committee.

For indirect products where the Fund's investment will be combined with third-party resources, Financial Intermediaries will be required to invest at least the portion of their instrument provided for investment by the Fund in participating Member States[4].

Investment Period:

Operations may be submitted for approval to the Contributors Committee until 31 December 2021 (the "Investment Period"). The Fund will be established, provided that Member States accounting for at least 60% of EIB capital have made appropriate commitments to ensure sufficient scale and geographical coverage of the Fund.

The EIB on account of the Fund and the EIF in the context of the Fund shall sign operations within the timescales foreseen by State aid rules applicable to the specific product concerned.

A prolongation by 6 months could take place subject to approval of the Contributors' Committee in accordance with the voting rules set out for key strategic changes in 12.2 below[5]. Any further prolongation would be subject to unanimous approval within the Contributors Committee".

At the end of the Investment Period, following a proposal from EIB, the Contributors' Committee shall determine whether a reduction in the outstanding commitment of the Contributors is appropriate given the overall commitments at that time.

4. Permitted Instruments

The Fund may deploy financial structures in both funded (e.g. loans, equity and quasi-equity investments, risk participations, ABS purchases) and unfunded (e.g. guarantees) form.

Appendixes A - E (*Eligible Products*) provide examples of the products that may be used under the Fund indicating the products to be deployed by EIB and EIF respectively.

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[3] The below proposal assumes participation of all EU Member States and the specific number may be adjusted in case not all EU Member States decide to contribute.

[4] Effectively, these intermediaries may also invest outside the contributing Member States, but the amount invested in the contributing Member states would need to be at least equal to the support received from the Fund for investment.

[5] For the avoidance of doubt, the reference to "Contributions Paid" in Article 5(8) of the Platform Rules shall be understood as the Contribution committed to the Fund by each Member State

Additional products could be included subject to the approval of EIB's Governing Bodies or respectively EIF's Governing Bodies, including under applicable rules of delegation, and the approval of the Contributors' Committee of the Fund in accordance with the voting rules set out in the Platform Rules or herein established.

5. Results Framework

A results framework for the activities financed by the Fund shall be prepared by EIB ("**Results Framework**"). EIB shall report on the results of the Fund in accordance with the reporting framework described in Article 9.4 of the Platform Rules, except 9.4.1. (iv) as the financial reporting will not follow Platform Rules and shall instead be governed by the Contribution Agreement.

For the avoidance of doubt, article 2.2 of the Platform rules does not apply to operations deployed by the EIF in the context of the Fund under the EIB/EIF Arrangement ("EIF Operations"), for which a separate reporting methodology will apply. Article 9.4 of the Platform Rules apply to EIF Operations except as further specified in the EIB/EIF Arrangement Agreement.

6. Evaluation

EIB shall perform an evaluation of the Fund after the second anniversary of the end of its Investment Period. This evaluation will aim at making the Fund and the operations funded thereunder accountable to the Contributors and at promoting lessons learnt. The evaluation shall be shared with the Contributors' Committee.

7. Approval of operations

All operations/ financing proposals are presented to the Contributors' Committee of the Guarantee Fund.

It is foreseen that the Contributors' Committee shall approve the allocation of funds:

(a) For individual operations;

(b) For multiple operations, based on global authorisations to be granted by the Contributors' Committee within certain parameters.

(c) For operations that do not fall within the envisaged global authorisations.

In relation to the Article 5.5. of the Platform Rules, each Contributor to the Fund is entitled to designate a member that shall represent such Contributor in the Contributors Committee. The governance provisions regarding the approval of operations are set out in Section 12.2 below.

A procedure for consultation of the Commission will be applied for operations deployed by EIB, adjusted to the specific nature of the Fund. Accelerated selection and assessment procedures for existing financial intermediaries may also apply.

8. Payment of Contributions

The payment of Contributions is governed by the Platform Rules and the terms of each Contribution Agreement.
Contributions of Member States to the Fund will take the form of a guarantee. Member States may elect to make an Upfront Payment. In addition, EIB expects to provide a suitable level of liquidity into the structure to allow for timely payments of amounts due by Member States.

9. Fees

The Contributors agree that the **advances made available to the Contributors under their liquidity facility** will be debited immediately to their respective Dedicated Register, the principal amount of such advances are re-payable on their relevant Advance Repayment Date (as indicated in the

Contribution Agreement) and cannot be covered by utilisation of the liquidity facility and principal repayment of such advances are not included in the waterfall set out in article 10 below.

The Contributors agree as well that: costs, and expenses incurred by EIB and EIF and relevant fees due to EIB and EIF, as detailed below, are payable by the Contributors and shall be paid in the following order: first, from any Proceeds and Recoveries in line with the waterfall included in article 10 below; and, second, if and to the extent that the Proceeds and Recoveries are not sufficient, any shortfall relating to: (i) interest accrued on the liquidity facilities made available by EIB to the Contributors, (ii) Legal, Auditors and similar Costs, (iii) FX hedging costs, (iv) negative interest on the Contributor Cash Balance and on cash disbursed by EIB and EIF, and (v) EIB Funding Costs, will be covered pro rata by the Contributors, in accordance with the indemnity provisions under the Contribution Agreement and within the limit of the Contribution of each Contributor and in aggregate the Total Contributions and according to the following principles:

- (i) **interest accrued on the liquidity facility made available from EIB to the Contributors**: will be covered pro-rata by the Contributors who benefitted from the liquidity facility;

- **(ii) negative interest on the Contributor Cash Balance**; will be covered pro-rata by the Contributors who made an Upfront Payment or an additional cash contribution;

- **(iii) Legal, Auditors and similar Costs, FX hedging costs,** negative interest on cash disbursed by EIB and EIF **and EIB Funding Costs:** will be covered pro-rata by all Contributors;

- **(iv) No draw down under the liquidity facility will be allowed to cover the items set out above**

To operationally manage this, a portion of the total commitments will initially be reserved as a buffer to cover costs and expenses
No recourse to the liquidity facility or the indemnity provisions under the Contribution Agreement will be allowed for Management Fees, and Recovery Fees, hence EIB has no recourse to the Contributors to cover shortfalls of Management Fees and Recovery Fees. Also, if any portion of Management Fees, and Recovery Fees remains unpaid under the waterfall when allocated at the end of each quarter, such unpaid amounts will roll over to the next quarter (and so forth) and will be due and payable in the following quarter (and so forth), following the same order of payment.

Costs and Fees to be paid by the Contributors in accordance with the general principles above and the waterfall below

Funding Costs:
Funding Cost shall comprise interest determined at the rate of: (i) EURIBOR 3 month for operations in EUR, or X-ibor 3 month for other operations, plus (ii) a spread (which can be a positive or negative number of basis points) calculated following EIB's standard pricing methodology recovering EIB's cost of funding on the capital markets and its administrative costs applicable to this type of operations; with (i) and (ii) in aggregate floored at zero.

Management Fee: means from the signature date of the first Contribution Agreement until 31 December 2037, the annual management fee which shall be paid by the Fund to the EIB and EIF ("**Management Fee**") and shall be equal to up to 0.5 (up to zero point five) % of the aggregate of the Committed Amounts under the Transactions subject to an overall aggregate cap of two point five (2.5) % of Total Contributions.

Committed Amounts mean the aggregate of the amounts committed by EIB or EIF in relation to operations signed by EIB or EIF for the account of the Fund which are outstanding (but excluding any outstanding defaulted amounts or cancelled amounts). The Committed Amounts shall not be reduced in the event that there has been any provisioning for losses or reduction in market value due to market value fluctuations of the relevant exposures.
Such level of fees have been calculated on the basis of ensuring EIB cost coverage and EIF remuneration in line with statutory requirements.

The Management Fee shall be calculated as if all the Contributors had committed on the date of the first Contribution Agreement.

Legal, Audit, Consultant and similar Expenses
Include costs, fees and expenses of EIB and EIF external lawyers, auditors, consultants (including in the context of the structuring of and the transactions and operations performed in relation to the Fund) and similar costs, fees, and expenses (including costs, fees and expenses to cover investment fees and costs for the investment of the Cash Balance).

Recovery Fee
EIB and EIF shall charge to the Fund a flat-fee recovery fee for operations that EIB or EIF needs to recover amounts or in case that it applies a restructuring. The recovery fee shall be calculated at the rate of 1% of disbursed but not recovered amounts, subject to an overall aggregate cap of zero point five (0.5) % of Total Contributions

10. Distributions Waterfall

Any cash flows received under a debt operation of the Fund (other than amounts qualifying as Recovery or Proceeds) that are classified as principal in accordance with EIB's accounting policies shall be allocated to the reduction of the principal outstanding of the Loan or, for EIF funded debt products, the funding line made available from EIB to EIF to perform funded operations of the Fund.

Loan means the loan/credit facility or facilities made available by the Bank to the Fund to provide financing for the underlying funded transactions.

Proceeds mean any interest, fees, profits, and Recoveries received under the underlying transactions and, for equity transactions, any reflows (including restitution of commitment and distributions).

Recoveries means moneys recovered from underlying transactions.
Proceeds and Recoveries received under an operation of the Fund shall be allocated by the Bank acting on the account of the Fund at the end of each quarter 31 March, 30 June, 30 September, 31 December between the Contributors and the EIB and EIF as follows:

(a) firstly, to EIB and EIF for Management Fees as apportioned to the quarter in accordance with ACT/360, and Recovery Fees

(b) secondly, to EIB and EIF for EIB/EIF Legal Audit, Consultant and similar Expenses

(c) thirdly, to EIB and EIF for FX hedging costs and foreclosure costs and for negative interest on EIB or EIF disbursed amounts, if any;

(d) fourthly to the EIB for the aggregate interest accrued on the Contributor liquidity facilities (if any) made available by EIB and for the aggregate negative interest on the Contributor Cash Balances, pro rata to each other;

(e) fifthly, to EIB for the accrued Funding Cost on the Loan or funding line made available from EIB to EIF and/ or in the context of the Fund;

(f) Sixthly, up to one (1.0) % of Total Contributions, to the Operational Expense Buffer;

(g) Seventhly, to the reduction of the principal outstanding of (i) the Loan or (ii) the funding line made available from EIB to EIF to perform funded operations by allocating (A) Proceeds and Recoveries generated by the transactions funded by the Loan to the Loan and (B) Proceeds and Recoveries generated by the transactions funded by the funding line made available from EIB to EIF to that funding line and

(h) lastly, save for the paragraph immediately below, to each Contributor, pro rata to their Contribution and credited to their Dedicated Register (the "**Contributor Share**").

No Contributor Share will be distributed before the end of a period of ten years starting from the effective date of the first Contribution Agreement. After this period, any residual Contributor Share will be credited to each Contributor Dedicated Register, save for 10% of that residual Contributor Share

which will be retained by the EIB to cover for future expenses, costs and fees of EIB and EIF, in accordance with the waterfall.

Except for interest accrued on the liquidity facilities, any amount not paid out of the waterfall on one quarterly payment date, unless otherwise paid under the Contribution Agreement, shall remain outstanding until there are sufficient funds to pay such amount on any subsequent quarterly payment date.

Operational Expense Buffer means a buffer which shall be used to pay any shortfall in items (a) – (e) at the end of each quarter, in that order. The balance of the Operational Expense Buffer will be credited to the Contributors pro rata to their Contribution on the Dedicated Register after December 31st 2037.

Payments relating to Demands
Payments relating to Demands under the Guarantee Agreement, shall be treated as cash flows received under the relevant operation of the Fund, except for unfunded transactions, for which such proceeds shall be allocated to the payment of the demands made under these unfunded transactions (including the payment of any fees or costs linked thereto).

Miscalculations

If any mistakes or incorrect determinations (including as a result of inaccurate information provided final beneficiaries or other third parties) have been made by the EIB in relation to the calculation or allocation of any amounts under this Agreement, the parties agree that EIB shall, as soon as it becomes aware of such mistakes or incorrect determinations, rerun any such calculations or allocations in order to correct such mistakes or errors and when necessary, claw back any amounts unduly paid or distributed to any Contributor.

The Fees and Waterfall sections might be discussed and revised at the first or subsequent Contributors' Committees.

11. Amendments to Fund Description

This Fund Description may be amended from time to time, subject to approval of the Contributors' Committee of the fund in accordance with the voting rules set out in Article 5 (8) of the Platform Rules.

EIB may, at its own discretion, amend the provisions of this Fund Description to the extent such amendments result from the change in EIB's and EIF's rules and policies or from the regulations applicable to EIB's and EIF's activities or from the decisions of EIB's and EIF's Governing Bodies ("**Obligatory Amendments**"). If one or more Contributors object(s) to the introduction of the Obligatory Amendments, these Contributors can engage into discussions with EIB regarding the Contribution Agreement they entered into with EIB, if the Obligatory Amendments:

(i) prevent such Contributor(s) continuing to participate in the Fund in compliance with the laws and regulations applicable to it;
(ii) require the Contributor(s) to increase the amount of their Contributions; or
(iii) substantially increase their costs of further participation in the Fund.

12. Special Provisions

The following variations from the Platform Rules or additional arrangements shall apply in relation to the Fund:

12.1 Contributors

In relation to Article 3.1. of the Platform Rules, any Member State of the European Union shall be an eligible Contributor for purposes of the Guarantee Fund. In addition, institutions of the European Union or institutions created by Member States of the European Union can also make Contributions to the Fund.

12.2 Governance

Acknowledging the exceptional nature of the instrument, higher decision-making thresholds than under standard Platform Rules will be applied. Decisions on the use of the guarantee for individual transactions outside the global authorisations will be taken by a qualified majority of contributions, i.e. 50% of contributors representing 2/3% share of contributions.

Key strategic decisions, including changes in the product or beneficiary mix as set out in sections 3 and 4 of this Fund Description, require a supermajority of contributions, i.e. 50% of contributors representing 80% share of contributions.

12.3 Currency of Contributions and fees

All Contributions as well as fees will be paid in EUR.

12.4 Due Diligence process and EIB Group processes

In light of the extraordinary situation, namely the severe travel limitations, as well as the need for swift channelling of the Fund to the real economy, simplified (namely desk-top) due diligence can be used under certain circumstances. Such circumstances will be clearly spelled out as part of approval process.

12.5 Workouts and restructurings

In relation to operations comprising an investment, EIB and EIF are authorised, including in the context of an insolvency or restructuring of an investee, and/or for the purposes of improving the collectability or recovery of any claims against any, and/or to avoid any default by an investee, to amend the terms and conditions of any operation supported by the Fund, and to grant any waiver or forgiveness, even if such amendment, waiver or forgiveness causes a loss to the Fund, provided that EIB or EIF has acted in accordance with its rules, policies and procedures, as applicable.

Indirect Operations will envisage full delegation to the Financial Intermediary with respect to servicing of the underlying exposures. The Financial Intermediary will need to act in accordance with its rules, policies and procedures, applicable from time to time.

12.6 Guarantee servicing fee

To minimise crowding out and to ensure compliance with EU State Aid Framework, some of the EIB Group proposed products will be implemented on a remunerated basis. The guarantee servicing fees will be applied and charged to the Financial Intermediaries.

12.7 Risk appetite for Financial Instruments

The fund will be continuously managed so as to keep ex ante net expected loss on guarantee commitments at 20% for the Fund as a whole. The EIBG will put in place a strong ex ante risk-management system and ensure regular ex post reporting to the Contributors Committee on all matters related to risk.

Risk appetite for EIB Financial Instruments

The Fund is designed to be a high-risk intervention and the underlying operations are expected to present a higher level of risk for the Fund than that generally taken by EIB in relation to operations it carries out at its own risk. As a result, Article 12.3 (The Bank acting in specific circumstances) of the Platform Rules shall apply.

Due to the specific characteristics of the operations to be financed or guaranteed by the Fund, EIB's rules, policies and procedures applied to operations it carries out at its own risk shall not be applicable to the operations, including the provisions of EIB's Credit Risk Guidelines ("CRGs"), the EIB's Equity Risk Guidelines ("ERGs") and the pricing and valuation methodology applicable to operations EIB carries out at its own risk.

EIB shall apply the provisions laid down in the general mandate risk principles for impact finance mandates, included in the relevant section of the CRGs and ERGs. When applying the provisions referred to in this paragraph, EIB shall:

(a) Make a Qualitative Assessment (i) in case of Indirect Operations of the suitability of an eligible Financial Intermediary's risk management framework, systems policies and procedures to implement operations and enter into the relevant sub-operations or the final recipient transactions and (ii) in case of Direct Operations, of the soundness of the investment rationale and plausible business viability of such operations;

(b) Set a pricing of the operations under the Fund using its expert judgement taking into account its Qualitative Assessment and consistent with the Fund's objectives and, if applicable, after reviewing the pricing of co-financiers taking similar risk to the financial product on the operation, and State Aid rules where applicable. For these financial products, the Contributors and EIB acknowledge that there is no established market for this type of operations. The pricing of the operations under the Fund may be different from the pricing applicable to operations EIB carries out at its own risk.

(c) For Indirect Operations, fully delegate implementation of the transactions, including the pricing of the (sub-)operations to the Financial (Sub-)Intermediaries to apply their own rules, policies and procedures. The Financial (Sub-)Intermediaries may be required to adjust certain terms or their pricing in order to pass on any financial advantage to the final recipients under the transactions. For some products, the Financial (Sub-) Intermediaries shall charge a flat fee to the final recipients. The level of delegation to the Financial (Sub-)Intermediaries to apply their own rules, policies and procedures may exceed the one applicable to operations the EIB carries out at its own risk.

Whereby a "Qualitative Assessment" is defined as "the risk assessment performed by the EIB in accordance with the general mandate risk principles for impact finance mandates included in the relevant section of the CRG or the ERG, and as further described in this article".

An adjusted financial monitoring, restructuring and recovery management from what applicable to operations EIB carries out at its own risk shall be applicable to the operations under the Fund.

In case of Indirect Operations, the financial monitoring, restructuring and recovery management shall be

(i) adjusted from what is applicable to operations that EIB carries out at its own risk;

(ii) shall be fully delegated to the Financial (Sub-) Intermediaries to apply their own rules, policies and procedures.

For financial products implemented by EIF, EIF will apply its rules, policies and procedures for such financial products which may differ from the rules, policies and procedures applied to operations EIF carries out for its own operations.

The foreign exchange risk arising from any conversion in the context of operations under the Fund shall be borne by the Fund.

The Contributors acknowledge and accept (i) the risk of full loss both at the level of the Financial (Sub-) Intermediaries and of the final recipient, and (ii) a lack of a risk-commensurate return for the operations under the Fund.

Agreed upon procedures for specific financial products under the Fund may be developed, further describing EIB's rules, policies and procedures applicable to the specific type of operations.

Risk appetite for EIF Financial Instruments

Given the high risk scope of intervention of the Fund, the EIF will deploy operations under the Fund typically with a higher risk than for its own operations. Agreed upon procedures as well as the risk factors for operations will apply to EIF Operations in the context of the Fund

12.8 Special Measures

Given the special purpose of EGF as a crisis response instrument, EIB may adapt its usual contractual and eligibility requirements on a ring-fenced basis to allow for operations that address the main symptoms of the current crisis like supply chain support, working capital and liquidity needs. When working with financial intermediaries under full delegation, EIB may also adapt its usual contractual requirements for monitoring, restructuring, reporting, compliance, exclusions and fraud with regards to the final beneficiaries. Any such adaptation would be clearly spelled out in the approval documents at operation level.

12.9 Negative interest rate risk

There will be two main sources of negative interest rate risk in the structure:

1- Negative interest rate risk related to upfront contributions to the Fund: Some of the Contributors may elect to make an upfront contribution to the Fund. In the current negative interest rate environment for EUR, such upfront contributions would reduce over time as a result of negative interest rates.

2- Negative interest rate risk related to recoveries or repayments from the underlying operations.

12.10 Financial, operational and risk reporting

As per the financial reporting requirements of the Fund defined under the Contribution Agreement, a cash based financial reporting is prepared and therefore no valuation of the operations of the Fund is foreseen. As foreseen under the Contribution Agreement, upon receipt of the financial reporting documents, the Contributor may request additional information related to the content of the documents. The Bank shall use its reasonable efforts to provide the Contributor with the information deemed necessary provided that the relevant information is available to the Bank and subject to having resources to gather such information.

The Contributors Committee and the Board will receive an annual Operational Report on Guarantee Fund operations. This operational report will contain a list of every supported signed operation/contract, combined with tables showing signatures per sector, per country and expected Investment Mobilised with the associated financing multiplier.

The Contributor's Committee will receive regular ex-post reporting on matters related to risk.

12.10 EIF policies and procedures

In the context of the Fund and in particular, in relation to the assessment, approval, implementation, reporting and exit/termination of operations, EIF will apply its internal rules and procedures, where relevant as modified by the agreed upon procedures applicable to EIF Operations in the context of the Fund, as approved by EIF governing bodies.

12.11 Conflicts of Interest

The Contributors acknowledge and agree that EIF and EIB:

(i) operate, or may operate, a number of mandates ("the Mandates") that have or may have investment objectives, strategies and policies which may overlap with the Fund investment objectives, strategies and policies;

(ii) may on its own account and/or on behalf of third parties, in the context of the Mandates, invest or recommend to such third parties the making of investments in (x) financial instruments of a

similar nature to the Fund Investments or (y) Fund investments in a number of jurisdictions, including jurisdictions where the Fund will operate;

(iii) may (x) interact in other capacities with the Fund investments (for example, as an investor for the benefit of another Mandate or under own resource investments) as well as (y) provide guarantees or financing to the same eligible final beneficiaries as the Fund investments contemplated herein, including in a manner where the Fund may be subordinated to, or serve as a credit enhancement for, such other investment;

(iv) may take part in transactions in which EIF or EIB have, for its own account or for that of any of the Mandate, directly or indirectly, a material interest or a relationship of any description with another party, which involves or may involve a potential conflict with any duty it may owe to the relevant mandator;

The Contributors hereby waive any rights or defences which they might otherwise have which arise or may arise from the EIF or EIB acting in any capacity as manager of the mandates or otherwise.

Appendixes:

Appendix A – EIB Product: Risk sharing through NPB/FI
Appendix B – EIB Product: Loan Substitute Structures
Appendix C – EIB Product: Venture Debt
Appendix D – EIF Debt Products
Appendix E – EIF Equity Products

Appendix A – EIB Product: Risk sharing through NPB/FI

PRODUCT INSTRUMENT 1: PORTFOLIO RISK SHARING THROUGH NPB/FI

Implementing Entity	European Investment Bank (EIB).
Product type	Risk sharing (linked) on non-granular/semi-granular/granular pool of credit exposures.
Product family	Funded and Unfunded risk sharing (Risk Sharing).
Structure	In the case of unfunded risk sharing, EIB shall issue a guarantee (the "Guarantee") for the benefit of a Financial Intermediary (FI), such as a National Promotional Bank (NPB), for a maximum amount (the "Guarantee Amount"). The Guarantee will cover the credit risk associated with Eligible Transactions contracted with Final Recipients. The Guarantee shall constitute a direct financial guarantee and shall cover up to 80% of the losses relating to unpaid principal and accrued interest incurred by the FI in respect of loans that defaulted in accordance with the default definition. The maximum liability in respect of aggregate losses on the guaranteed portfolio shall be the Guarantee Amount. The origination, due diligence, documentation and servicing of the Eligible Transactions shall be fully delegated to and performed by the FI in accordance with its standard origination and servicing procedures, which is not possible under standard operations underlying full EIB Best Banking Practices. To facilitate urgent outreach to target beneficiaries, full delegation structures are possible under an Impact Finance Mandate with 100% risk coverage. Funded risk sharing structures (such as contingent loans) may also be carried out on similar terms.
Product rationale and strategic objective	Ensure uninterrupted access to finance for SMEs, MidCaps and large corporates (through e.g. supply chain operations[6]) through the provision of an capped and uncapped guarantee for portfolios of newly originated eligible transactions. It is anticipated that the access to finance supported by this instrument will contribute to preserve employment.
EIB Counterparty	Financial or credit institutions duly authorised to carry out lending or leasing activities according to the applicable legislation.
Eligible Transactions	Loans and guarantees provided by FI to Final Recipients, including: • term loans for investments, • revolving facilities, • working capital, • liquidity facilities/ lines, • short-term loans, including Supply Chain.
Final Recipients	SMEs including micro SMEs and innovative SMEs, Mid-Caps, large corporates or other entities facing difficult access to financing and or liquidity constraints as a result of sudden business

[6] The supply chain product is in substance a short-term loan to a Borrower (typically a Mid-Cap or large corporate) that works in a triangular relationship as follows :

- The suppliers (usually SMEs) provide services/goods to the buyer (the Borrower, i.e. the Mid-Cap or large corporate) and issue invoices for the services/goods provided to the buyer.
- The buyer verifies the validity of the invoices and notifies these invoices to the Financial Intermediary.
- Invoices confirmed are paid by the Financial Intermediary to the suppliers.
- The buyer repays the Financial Intermediary for the amounts advanced to the suppliers.

Hence, the supply chain product, although extended to Mid-Caps or large corporates, it is effectively a tool to support SMEs.

	disruption in the context of national and international measure to contain the spread of the COVID 19 virus, in particular those that: • Prior to the COVID-19 outbreak (i.e. before 1 January 2020) were considered as acceptable counterparts for financing and they were not in difficulty as defined in the General Block Exemption Regulation[7]. In addition, Final Recipients could also include public entities providing essential services in particular in health, research, education sectors that could not be financed under existing EIB Group products.
Policy Objective	Access to finance for companies affected by the economic impact of the COVID-19 pandemic and related measures to contain its spreading, which has resulted in severe economic downturn triggering the escape clause of the EU fiscal framework. Provision of uniform financing support across all Contributing Member States, to complement the available national and European support mechanisms and preserve a level playing field in the single market.
Geography	All EU participating Member States.
Currency	EUR or other EU currencies depending on the targeted area of the project (possibly restricted to currencies in which EIB trades, due to treasury/liquidity reasons).
Risk Participation Rate	50%- 80%.
Tenor	Although still under consideration, the intention is to comply with the maximum tenor requirements included in the Temporary Framework.
Skin-in-the-game	The Financial Intermediary would need to retain at least [20%] of the exposure to preserve an alignment of interest with the EGF.
Operating model	Full delegation.
Project undertakings	• The origination, due diligence, documentation, servicing (including potential enforcement, workout and recovery actions) relating to the underlying portfolio shall be performed by the Financial Intermediary according to its own internal procedures taking into account the applicable EU and national rules, regulations and the applicable industry standards. • The financial intermediary shall be able to demonstrate that it operates a mechanism that ensures that the advantages are passed on to the largest extent possible to the final recipients in the form of higher volumes of financing, riskier portfolios, lower collateral requirements, lower guarantee premiums or lower interest rates.
Credit risk	Credit risk on the underlying Final Recipients that fulfil the eligibility criteria. Credit risk on the FI with respect to recoveries, fees and clawback amounts. Given the targeted Impact Finance Mandate nature, EIB would benefit from a 100% guarantee from the Pan-European Guarantee Fund.
Pricing	Fixed fee in line with State Aid Laws (to the extent applicable).
Risk takers	Contributors to the pan-European Guarantee Fund
Others	An EIB Group joint and integrated approach to financial instruments/initiatives with NPB and commercial banks will be implemented.
State Aid	The risk sharing product will be deployed under a bespoke State aid regime modelled on the Temporary Framework as agreed with DG Competition.

[7] As defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market (OJ L 187 of 26.6.2014, p. 1).

Appendix B – EIB Product: Loan Substitute Structures

PRODUCT INSTRUMENT 2: LOAN SUBSTITUTE STRUCTURES	
Implementing Entity	European Investment Bank (EIB).
Product family	Loan Substitute Structures/ Guarantees.
Structure	Under Loan Substitute Structure, EIB would purchase/ subscribe/ guarantee a capital market instrument. Risk taking with the support of the Guarantee Fund will be on an existing reference portfolio (or a capital market instrument), but purpose linked to the generation of a new eligible portfolio with agreed parameters and within a defined timeframe. Examples of such structures could include: ▪ EIB subscribing to mezzanine or equity tranches of ABS securitisations in the primary market and at market conditions, beyond the rules of the Bank's risk policy guidelines and the remaining limited capacity under the EFSI (for mezzanine). ▪ EIB purchasing a senior non-preferred bond, qualifying for MREL (Minimum Requirement for Own Funds and Eligible Liabilities) issued by a Financial Intermediary in the primary market and at market conditions.
Product rationale and strategic objective	A turnkey solution aiming at supporting SMEs and Mid-Caps with improved access to finance: • Intermediated-solution: with one single operation, EIB will provide support a large number of Final Recipients; • Fast channelling; • Temporary reduction in Risk-Weighted Assets as merely a transmission mechanism to achieve the policy objectives. It would facilitate credit capacity, which the Financial Intermediary will be contractually obliged to channel to purpose-related lending. • Improved-lending terms: transfer of the financial advantage, via the Financial Intermediaries, to the eligible beneficiaries.
Estimated leverage	[8x].
EIB counterpart	Financial or credit institutions.
New Eligible Portfolio	The New Eligible Portfolio that the Financial Intermediary contractually commits to build up must comply with specific eligibility criteria set under the dedicated operational programme, with a focus on Capital Expenditure and Working Capital support post COVID-19 crisis.
Final recipients	The Final Recipients of the new contractually set New Eligible Portfolio will include SMEs including micro SMEs and innovative SMEs, Mid-Caps, large corporates or other entities facing difficult access to financing and or liquidity constraints as a result of sudden business disruption in the context of national and international measure to contain the spread of the COVID 19 virus, in particular those that: • Prior to the COVID-19 outbreak (i.e. before 1 January 2020), were considered as acceptable counterparts for financing and they were not in difficulty as defined in the General Block Exemption Regulation[8] In addition, Final Recipients could also include public entities providing essential services in particular in health, research, education sectors that could not be financed under existing EIB Group products.

[8] As defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market (OJ L 187 of 26.6.2014, p. 1).

Policy Objective	Access to finance for companies affected by the economic impact of the COVID-19 pandemic and related measures to contain its spreading, which has resulted in severe economic downturn triggering the escape clause of the EU fiscal framework. Provision of uniform financing support across all Contributing Member States, to complement the available national and European support mechanisms and preserve a level playing field in the single market.
Geography	All EU participating Member States.
Currency	EUR or other EU currencies depending on the targeted area of the project (possibly restricted to currencies in which EIB trades, due to treasury/liquidity reasons).
Tenor	In terms of tenor, the expectation is that generally the tenor will follow the Temporary State Aid Framework in terms of tenors.
Skin-in-the-game	The Financial Intermediary would need to retain minimum levels of the capital structure in line with CRR rules.
Pricing	Depending on the characteristics of the specific instrument.
Risk Takers	Contributors to the pan-European Guarantee Fund
Credit risk	Credit risk on the underlying portfolio and potentially on the Financial Intermediary (in case of funded operations). The pan-European Guarantee Fund may cover high-risk tranches in instruments that would typically be unrated.
Others	An EIB Group joint and integrated approach to ABS and financial instruments/initiatives with NPB will be implemented.
State Aid	The Loan Substitutes is a wide category that would cover a range of products. Such products would be deployed either on market terms or under de minimis regulation or a bespoke State aid regime modelled on the Temporary Framework as agreed with DG Competition.

Appendix C – EIB Product: Venture Debt

PRODUCT INSTRUMENT 3: VENTURE DEBT	
Implementing Entity	EIB
Product family	Quasi-equity
Structure	Equity-type risk financing to innovative and fast-growing SMEs and Mid-Caps structured as debt instrument with upside participation, incl. convertible loans with buyback option.
Product rationale and strategic objective	A solution based on the experience and demand from the existing Venture Debt product under EGFF, supporting the "real economy" and providing SMEs and Mid-Caps with improved access to financing, in particular those affected by the COVID-19 crisis: • Direct-solution: EIB will provide a tailor-made support to individual Final Recipients in each operation; • Channelling of the equity-type loans to the Final Recipients, whose growth was affected by the adverse market conditions and lack of funding support from the equity investors due to the crisis. • Although addressing a wide group of companies, focus is on those entering a growth phase before the start of the COVID-19 crisis and investing in innovation. • Sector coverage: innovation driven sectors such as life sciences, ICT and engineering innovation, which represent areas where the market gap for equity-type financing is the most pronounced. • Provision of Venture debt extends the scale and scope of the remaining limited risk capacity under EFSI.
Estimated leverage at Final Recipient Level	[8x]
EIB counterpart	SMEs and Mid-Caps facing difficult access to financing, in particular those that: • Prior to the COVID-19 outbreak (i.e. before 1 January 2020) were considered as acceptable counterparts for financing and they were not in difficulty as defined in the General Block Exemption Regulation[9]. • This includes innovative life science companies at the forefront of COVID-19 related research into solutions such as vaccines, therapeutics or diagnostics and scaling up the productions of these solutions
Eligible investments	The Final Recipients need to comply with specific eligibility criteria set under the dedicated operational programme, with a focus on innovation, Capital Expenditure and Working Capital support post COVID-19 crisis.
Final recipients	Same as EIB counterparts
Policy Objective	Access to finance for companies affected by the economic impact of the COVID-19 pandemic and related measures to contain its spreading, which has resulted in severe economic downturn triggering the escape clause of the EU fiscal framework. Provision of uniform financing support across all Contributing Member States, to complement the available national and European support mechanisms and preserve a level playing field in the single market.
Geography	All EU Member States.

[9] As defined in Article 2(18) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market (OJ L 187 of 26.6.2014, p. 1).

Currency	EUR or other EU currencies depending on the targeted area of the project.
Risk Takers	Contributors to the pan-European Guarantee Fund
Eligible Industries	All industries, save for restricted sectors. Special focus on innovation driven sectors (e.g. life sciences, ICT and engineering innovation).
Operating model	Sourcing, structuring, risk appraisal, negotiation, monitoring and restructuring in relation to the investment made by EIB. Ideally, a fast-track procedure should be applied for these operations.
Project undertakings	The portfolio to cover large number of EU Member States to create a diversified portfolio.
Pricing	The product will be priced at market terms.
State Aid	The venture debt product will be deployed on market terms or following bespoke State aid regime modelled on the Temporary Framework as agreed with DG Competition.

Appendix D – EIF Debt Products

Portfolio Guarantees

Capped Guarantee

Product description and policy rationale	The outbreak of COVID-19 is currently affecting EU supply chains and straining solvency of SMEs and mid-caps from every industry with an economic outlook bound to deteriorate further. The capped guarantee aims to improve access to finance for enterprises through limited capital relief and loss protection for portfolios of newly originated eligible transactions, as well as refinancing of existing SME and mid-cap obligations. The instrument is suitable for large, granular and homogenies portfolios whereas final beneficiaries affected by COVID-19 will be able to obtain working capital and investment loans with reduced collateral requirements. The financial intermediaries (FIs) will benefit from a free-of-charge portfolio guarantee provided by EIF covering defaults at a guarantee rate of up to [80%] on a transaction-by-transaction basis. The default coverage will be subject to an overall cap of up to [30%] with respect to the underlying portfolio. The recoveries on defaulted transactions will be shared pari passu by the FI and the EIF in the same proportion as the default cover [i.e. 80%]. Amounts committed by EIF (the Guarantor) to FIs can be reallocated in order to optimise the resource utilisation. The re-allocation can be across products (capped vs uncapped, debt vs equity) and geographies.
Financial Intermediaries	Any type of financial intermediary, including commercial banks, guarantee societies, microfinance institutions, ethical banks, National Promotional Banks or Institutions and other publicly owned intermediaries, alternative lenders, crowdlenders, debt funds, SPVs, leasing companies and any other financial intermediaries authorised to lend.
Benefits for enterprises	Reduced collateral requirements, reduced standard credit risk premium on the guaranteed portion of the loan, extended the maturities.
Guarantee rate	[up to 80%]
Cap rate	[up to 30%] The cap rate is the aggregate net amount which the Guarantor is liable to pay under the guarantee.
Guarantee premium	The EIF aims to deploy the capped guarantee free-of-charge. To ensure the sustainable implementation of the product, the EIF may charge an admin fee to the financial intermediaries. The pricing would also be subject to alignment of the guarantee instrument with State Aid rules.
Beneficiary	SMEs (up to 249 employees), small mid-caps (up to 500 employees), large mid-caps (up to 3000 employees) sole proprietors, individual farmers and agricultural enterprises will be eligible to benefit from the uncapped guarantee. For avoidance of doubt,

<table>
<tr><td>Structure</td><td>Guarantee rate up to 80% on a loan by loan basis, subject to an overall cap set at 30% (more could be envisaged in distressed cases)

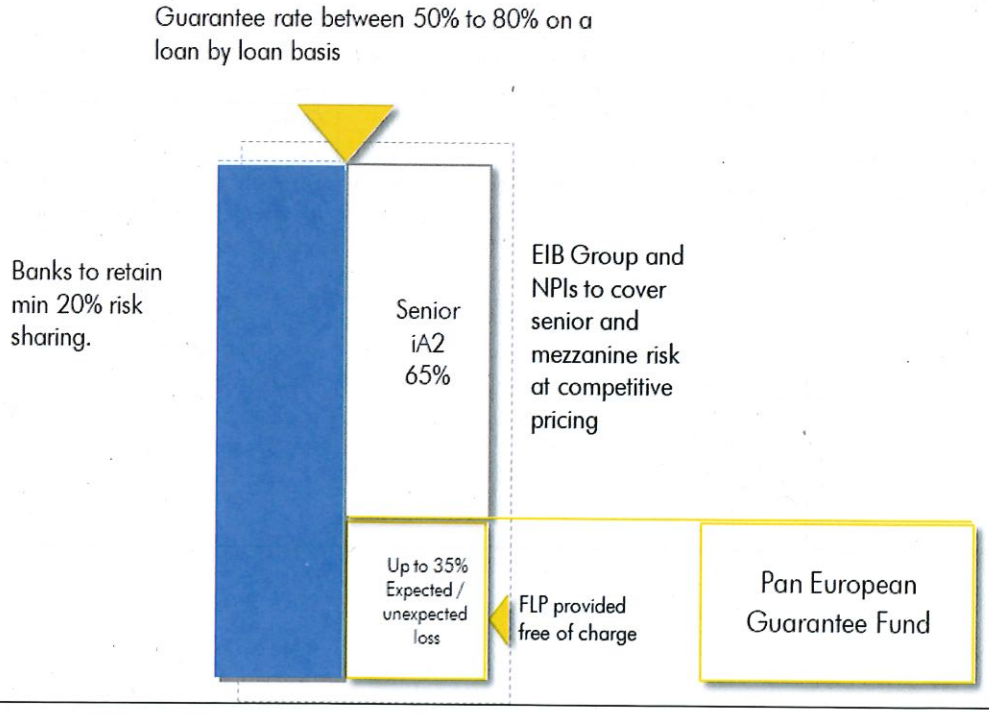
Risk retained by the financial intermediary is the part highlighted in blue



Free of charge capped guarantee

Pan European Guarantee Fund</td></tr>
<tr><td>Risk takers</td><td>Contributors to the pan-European Guarantee Fund.</td></tr>
<tr><td>Eligible financing</td><td>Investment loans, leasing, working capital revolving credit lines (including overdrafts), bridge facilities, documentary finance (bank guarantees, letters of credit, bid bonds), factoring, refinancing of existing obligations, subordinated loans, quasi-equity.</td></tr>
<tr><td>Max principal</td><td>Up to EUR [7.5]m</td></tr>
<tr><td>Maturity</td><td>Min [3] months to maximum [144] months</td></tr>
<tr><td>Inclusion period</td><td>[24] months
The date until which transactions with SMEs and mid-caps can be originated by FIs and included in the guaranteed portfolios.</td></tr>
<tr><td>Replenishment</td><td>During the Inclusion period, FIs may include new transactions with SMEs and mid-caps in the portfolio to replenish the volumes of expired eligible transactions.
For avoidance of doubt, losses on defaulted transactions shall not exceed the maximum aggregate net amount which the guarantor may be liable to pay under the guarantee.</td></tr>
<tr><td>Eligible industries</td><td>All industries (agriculture including), safe for EIB Group restricted sectors</td></tr>
<tr><td>State Aid</td><td>Implementation of the instrument will follow one of the following state aid schemes: Temporary Framework, de minimis regulation or any other bespoke regime as agreed with DG COMP.</td></tr>
<tr><td>Product advantages and disadvantages</td><td>
<table>
<tr><th>Pros</th><th>Cons</th></tr>
<tr><td>Adapted for large homogeneous portfolios of companies</td><td>Limited regulatory capital relief. It might limit the incentive for lenders to provide loans to riskier companies</td></tr>
<tr><td>Free-of-charge guarantee</td><td>Might not be suitable to support certain high risk sectors impacted by the crisis (e.g. tourism, hotels , restaurants, transportation)</td></tr>
<tr><td>Partial loss protection for financial institutions on the guaranteed portion of the loans</td><td></td></tr>
</table>
</td></tr>
</table>

Uncapped guarantee

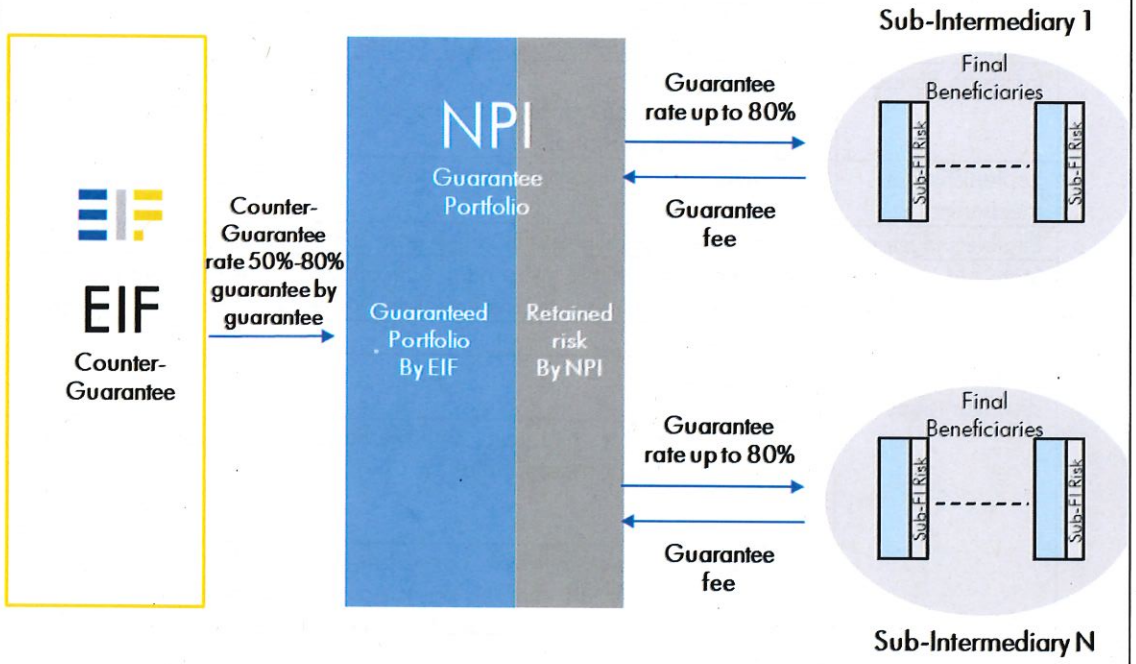
Product description and policy rationale	The COVID-19 crisis has affected severely multiple industries, in particular tourism and hospitality, manufacturing, retail trade and transportation, all of which experience a double-digit drop in revenues. EU based financial intermediaries, already operating under strict regulatory capital requirements, face constraints in providing sufficient funding to businesses operating in the aforementioned industries thus increasing the risk of insolvencies as a result of the temporary lockdown measures. The uncapped guarantee aims to improve access to finance for SMEs through full capital relief and loss protection for portfolios of newly originated eligible transactions, as well as refinancing of existing SME and mid-cap obligations. Though the outbreak is likely to affect SMEs to a larger extent, the market feedback shows that large corporates are also vulnerable to drops on both the demand and supply side: the uncapped guarantee instrument is particularly suitable to provide support to less granular portfolios (compared to the capped guarantees) of larger enterprises. The FIs will benefit from a remunerated guarantee provided by EIF, on a loan-by-loan basis, covering defaults, at a guarantee rate of up to 80% in respect of SME transactions included in a given portfolio. The recoveries on defaulted transactions will be shared pari passu by the FI and the EIF in the same proportion of the guarantee cover (up to 80%). Amounts committed by EIF (the Guarantor) to FIs can be reallocated in order to optimise the resource utilisation. The re-allocation can be across products (capped vs uncapped, debt vs equity) and geographies.
Financial Intermediaries	Any type of financial intermediary, including commercial banks, guarantee societies, microfinance institutions, ethical banks, National Promotional Banks or Institutions and other publicly owned intermediaries, alternative lenders, crowdlenders, debt funds, SPVs, leasing companies and any other financial intermediaries authorised to lend.
Benefits for SMEs and mid-caps	Reduced collateral requirements, reduced standard credit risk premium on the guaranteed portion of the loan, extended the maturities, riskier enterprises becoming bankable
Beneficiaries	SMEs (up to 249 employees), small mid-caps (up to 500 employees), large mid-caps (up to 3000 employees) sole proprietors, individual farmers and agricultural enterprises will be eligible to benefit from the uncapped guarantee.For avoidance of doubt, sole proprietors and individual farmers are eligible.
Structure	

Risk takers	Contributors to the pan-European Guarantee Fund, EIB Group, NPIs.
Guarantee rate	[up to 80%]
Guarantee premium	[tbd] First loss piece, covering expected and unexpected losses, is provided free-of-charge, subject to any requirement to align the instrument to State Aid rules. Residual risk taking by the EIF is remunerated.
Eligible financing	Investment loans, leasing, working capital revolving credit lines (including overdrafts), bridge facilities, documentary finance (bank guarantees, letters of credit, bid bonds), factoring, refinancing of existing obligations, subordinated loans, quasi-equity.
Max principal	Up to EUR [7.5]m
Maturity	Min [3] months to Maximum [144] months
Inclusion Period	[24] months The date until which transactions with SMEs and mid-caps can be originated by FIs and included in the guaranteed portfolios.
Replenishment mechanism	Not envisaged for uncapped guarantees.
Eligible industries	All industries (agriculture including), safe for EIB Group restricted sectors
State Aid	Implementation of the instrument will follow one of the following state aid schemes: Temporary Framework, de minimis regulation or any other bespoke regime as agreed with DG COMP.
Product advantages and disadvantages	

Pros	Cons
Capital relief for Financial intermediaries stronger incentives to support companies	Small costs for the SMEs [due to remuneration of EIB Group risk taking and capital]
Can cover also individual non-granular portfolios. Hence, it covers all market participants (guarantee institutions, banks, specialised/alternative lenders) and types of supported companies	
Full loss protection for Financial institutions on the guaranteed portion of the loans	
Cooperation with NPIs	

Counter-guarantee

Product description and policy rationale	The counter-guarantee shall be issued by EIF in the context of the Pan European Guarantee Fund for the benefit of NPIs. It shall cover the credit risk associated with guarantees (also known as Intermediary Transactions) that are included in the counter-guaranteed portfolio. Subsequently, the Intermediary Transactions will be extended by the NPIs to Financial Intermediaries (e.g. commercial banks) with respect to underlying SME transactions. The underlying SME transactions will cover newly originated, as well as refinancing of existing loans, leases, documentary finance products (e.g. bank guarantees, letters of credit, bid bonds), factoring services and others. In order to ensure an alignment of interest between the Financial Intermediary and the counter-guarantee facility, eligible Intermediary Transactions shall be covered by the EIF at a counter-guarantee rate of up to [60%]. The counter-guarantee can be issued by EIF both as a capped or uncapped facilities. In the case of a uncapped counter-guarantee, EIB Group own resources could be deployed to provide additional risk taking capacity. Amounts committed by EIF (the Guarantor) to FIs can be reallocated in order to optimise the resource utilisation. The re-allocation can be across products (capped vs uncapped, debt vs equity) and geographies.

Benefits for SMEs and mid-caps	Reduced collateral requirements, reduced standard credit risk premium on the guaranteed portion of the loan, extended the maturities, riskier enterprises becoming bankable
Counter-guarantee rate	[up to 80%]
Beneficiary	SMEs (up to 249 employees), small mid-caps (up to 500 employees), large mid-caps (up to 3000 employees) sole proprietors, individual farmers and agricultural enterprises will be eligible to benefit from the uncapped guarantee. SMEs (up to 249 employees) and mid-caps (up to 3000 employees)
Structure	
Risk takers	Contributors to the pan-European Guarantee Fund, EIB Group (in case of uncapped counter-guarantee), NPIs.
Eligible financing	Short-term working capital, overdraft facilities, bridge facilities, documentary finance (bank guarantees, letters of credit, bid bonds), factoring, refinancing of existing obligations, investment loans, leasing, subordinated debt, quasi-equity.
Max principal	Up to EUR [7.5]m
Maturity	Min [3] months to Maximum [144] months
Eligible industries	All industries (agriculture including), safe for EIB Group restricted sectors
State Aid	Implementation of the instrument will follow one of the following state aid schemes: Temporary Framework, de minimis regulation or any other bespoke regime as agreed with DG COMP.
Product advantages and disadvantages	**Pros** / **Cons** Cooperation with NPIs / Same as for capped/uncapped listed above Same as for capped/uncapped listed above /

Inclusive Finance Funded Instrument

Product description and policy rationale	The Funded Instrument aims to improve access to finance for micro-enterprises and SMEs in order to address the emergency of the outbreak, sustain employment and support social inclusion. To this end, the instrument will provide direct lending (senior and subordinated loans) to financial intermediaries to provide financing to SMEs, micro-enterprises and social enterprises.
Structure	The EGF would guarantee the risk arising from the exposure to the portfolio of direct financing to financial intermediaries (in whole or in part).
Product type	Primarily Senior and Subordinated loans (secured or unsecured) to financial intermediaries. **Senior Loans:** loans made available to Financial Intermediaries and on-lent directly or indirectly to eligible Final Recipients. **Subordinated Loans:** loans with a subordinated credit ranking vis-à-vis certain other forms of financing made available to Financial Intermediaries and on-lent directly or indirectly to eligible Final Recipients.
Transaction Maturity	Loans to FIs can feature a maturity up to 120 months.
Financial Intermediary Beneficiary	Public and private entities of bodies, such as non-banks, microfinance institutions, social finance providers and bank – mainly unrated banks, non-investment grade banks or banks below a certain size - lending platforms, SPVs which provide debt financing to eligible final recipients.
Final Recipients	SMEs, microenterprises, social enterprises.
Underlying products	Senior and subordinated debt, including investment loans, working capital, revolving credit lines and overdraft; quasi-equity; mezzanine loans; leasing contracts; profit-sharing loans to final recipients.
Eligible industries	All industries (agriculture including), safe for EIB Group restricted sectors
State Aid	Implementation of the instrument will follow one of the following state aid schemes: Temporary Framework, de minimis regulation or any other bespoke regime as agreed with DG COMP.

Tranche guarantees and ABS Investments

Tranche guarantees on existing portfolio

Purpose	Provide to European financial intermediaries an instrument to redeploy capital to the benefit of European enterprises.
Value Added	The current economic environment will weight on profitability across the financial sector and will weaken the capitalisation of the financial intermediaries. Under the current circumstances, traditional lenders tend to tighten the credit standards during periods of uncertainty and higher volatility. While transferring the risk on an existing portfolio and redeploying capital, the securitisation would allow financial intermediaries across Europe to expand their capacity to lend to SMEs. The leverage ensured by the securitisation instrument increases the efficiency of the resources allocated to support the extremely high need for financing from enterprises. The intermediaries will commit to provide financing (including working capital lines and/or guarantees) **enterprises across Europe** for an amount based (i) on the resources allocated and (ii) on the amount of capital redeployed thanks to the tranche guarantee.
Complementarity	1. The proposed instrument will be complementary to portfolio-tranche guarantee measures introduced by local government to support enterprises affected by the current crisis. 2. In addition, its focus on existing portfolios will ensure the complementarity with other products offered by the Pan-EU GF. 3. Given its flexibility, the instrument shall be easily combined with ad-hoc tranche guarantees offered by National Promotional Institutions, national and/or regional guarantee schemes or third party market investors (more relevant in a second moment) 4. This instrument, used in combination with EFSI funds deployed by EIB via securitisation, shall consent a more efficient and effective use of the available funds for the benefit of enterprises across Europe.
Financial Intermediaries	Any type of financial intermediary, including commercial banks, guarantee societies, National Promotional Banks or Institutions and other publicly owned intermediaries, alternative lenders, crowdlenders, debt funds, SPVs, leasing companies and any other financial intermediaries authorised to lend.
Target portfolio	Existing granular portfolios of loans or leasing contracts originated by the Financial Intermediary in any of the EU Country. Indicatively maximum concentration per obligor of 1% of the portfolio size.
Type of instrument	Guarantee Agreement
Proposed transaction Structure	Guarantee (or counter-guarantee) on Tranches of existing portfolios. Such guarantee shall allow the financial intermediary to redeploy the capital allocated to the existing portfolio, in part or in full, to support new financing to enterprises. Depending the type of financial intermediary (i.e., bank with advanced rating model, standardised rating model or non-banking institutions) and the type of portfolio, the Pan-EU GF shall offer guarantee on different type of tranches including, but not limited to: 1. Junior tranches covering expected losses (where expected loss are estimated according to EIF internal methodology) 2. Junior tranches covering expected losses and part of unexpected losses up to the attachment point of a mezzanine tranche indicatively rated B1 (where the internal rating is estimated according to EIF internal methodology)

<table>
<tr><td></td><td>3. Mezzanine and senior tranche – with rating assigned according to EIF Internal methodology</td></tr>
<tr><td>Additional Portfolio</td><td>Depending, inter alia, on the PanEU GF allocated resources and the risk transferred by the financial intermediary, the transaction will support the origination of new financing based on the following (preliminary) target multiples on the allocated resources:

Tranche guarantees on existing portfolio
<table><tr><th></th><th>Additional Portfolio on Allocated resources</th></tr><tr><td>Junior tranches</td><td>[6.0]x</td></tr><tr><td>Mezzanine tranches</td><td>[4.0]x</td></tr><tr><td>Senior tranches</td><td>[1.5]x</td></tr></table></td></tr>
<tr><td>Cost of the guarantee</td><td>Senior and Mezzanine tranches will be rated and priced according the credit policies and procedures of the EIF, which are market conform.

Junior tranches are typically not rated and are carried out via bilateral transactions between the financial intermediary and the guarantor. In the absence of a market price, the EGF guarantee on the junior tranche will feature a remuneration equal to the lower of (i) 10% and (ii) the sum of 1yrEL of the covered tranche and admin costs. 1yrEL of the covered tranche will be assessed in line with EIF's credit policies and procedures.

The EIF considers as benchmark the premium approved for the Junior Tranche guaranteed by MS under SME Initiative Italy (SISI). For junior tranches with annual expected loss (plus admin fees) lower than the benchmark, the former will apply as remuneration, under the assumption that a private operator entering into the same transaction will seek for remuneration at least equal to the net guarantee calls expected to be paid to the financial intermediary plus admin costs.</td></tr>
<tr><td>State Aid</td><td>It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.</td></tr>
</table>

ABS Investments

Purpose and value added	Provide liquidity to European financial intermediaries to improve the access to finance of European enterprises affected by the COVID outbreak. by providing working capital lines and/or other type of financing The Pan-EU GF shall • purchases Notes issued via a bankruptcy remote vehicle securitising an existing portfolio of loans and leasing contracts; and/or • issue guarantee in favour of third party investors in the Notes on the principal and interest due to them. The liquidity available for the FIs will be then redeployed by providing new financing to European enterprises. In case of securitisation of existing portfolios, the intermediaries will commit to originate a new portfolio of loans, leases, working capital lines, revolving credit facilities and overdraft, and/or other type of financing suitable to address the emergency; the additional portfolio will be originated for an amount based on the size of the purchased notes (see multiplier details below).
Complementarity	- By providing liquidity, the instrument shall be complementary to all other instruments offered by the Pan-EU GF - This instrument will be essential for non-banking financial institution with no access to the ECB.
Financial Intermediaries	Any type of financial intermediary, including commercial banks, guarantee societies, National Promotional Banks or Institutions and other publicly owned intermediaries, alternative lenders, crowdlenders, debt funds, SPVs, leasing companies and any other financial intermediaries authorised to lend.
Target portfolio	Existing (or new) granular portfolios of loans or leasing contracts (or other financial instruments).
Type of instrument	- Direct investment in notes issued by bankruptcy remote SPVs; - Guarantees in favour of third investors in the notes issued by bankruptcy remote SPVs.
Proposed transaction Structure	The Pan-EU GF shall purchase (or issue a guarantee to third investors in) senior and mezzanine tranches.
Additional Portfolio	Depending, inter alia, on the PanEU GF allocated resources and the risk transferred by the financial intermediary, the transaction will support the origination of new financing based on the following (preliminary) target multiples on the allocated resources: ABS Cash Investment ***Additional Portfolio on Allocated resources*** **Junior tranches** [6.0]x **Mezzanine tranches** [4.0]x **Senior tranches** [1.5]x
Cost of the guarantee	Senior and Mezzanine tranches will be rated and priced according the credit policies and procedures of the EIF, which are market conform.
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

Forward starting Tranche guarantees on new portfolio

Purpose	Provide to European financial intermediaries an instrument for managing capital and losses linked to the COVID-19 on a newly originated portfolio of loans and leasing contracts to European enterprises.

Complementarity	1. The proposed instrument will be complementary to portfolio-tranche guarantee measures introduced by local government to support enterprises affected by the current crisis. 2. Given its flexibility, the instrument shall be easily combined with ad-hoc tranche guarantees offered by National Promotional Institutions or third party market investors (more relevant in a second moment)
Financial Intermediaries	Any type of financial intermediary, including commercial banks, guarantee societies, National Promotional Banks or Institutions and other publicly owned intermediaries, alternative lenders, crowdlenders, debt funds, SPVs, leasing companies and any other financial intermediaries authorised to lend.
Target portfolio	New granular portfolios of loans or leasing contracts (or other financial instruments) originated by the Financial Intermediary to enterprises in any of the EU Country contributing to the Pan-EU GF. Indicatively maximum concentration per obligor of 1% of the portfolio size.
Type of instrument	Guarantee Agreement
Proposed transaction Structure	Guarantee (or counter-guarantee) on Tranches of newly originated portfolios. Such guarantee shall allow the financial intermediary to release capital, in part or in full, on the portfolio. Depending the type of financial intermediary (i.e., bank with advanced rating model, standardised rating model or non-banking institutions) and the type of portfolio the Pan-EU GF shall offer guarantee on different type of tranches including, but not limited to: 1. Junior tranches covering expected losses (where expected loss are estimated according to EIF internal methodology) 2. Junior tranches covering expected losses and part of unexpected losses up to an attachment point for B1 rating mezzanine (where the internal rating is estimated according to EIF internal methodology) 3. Mezzanine and senior tranche – with rating assigned according to EIF Internal methodology
Additional Portfolio	Depending, inter alia, on the PanEU GF allocated resources and the risk transferred by the financial intermediary, the transaction will support the origination of new financing based on the following (preliminary) target multiples on the allocated resources: Forward starting tranche guarantee on new portfolio ***Portfolio on Allocated resources*** **Junior tranches** [6.0]x **Mezzanine tranches** [4.0]x **Senior tranches** [1.5]x
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

Diversified Debt Funds

Purpose	Diversified debt funds ("DDF") are an alternative source of flexible, tailor-made debt financing for SMEs and mid-caps in Europe. This market emerged in response to the retrenchment of banks and other traditional lenders after the financial crisis. Today it provides businesses with a broader choice of financing options, as well as offering investors an asset class that links institutional savings with real economic growth. These lenders provide tailored lending with longer tenors, flexible collateral requirements, flexible repayment options and typically have much quicker approval times than traditional lenders. From a fund manager perspective,

	demand from enterprises is high with fundraising representing a far greater challenge.
Complementarity	Diversified Debt Funds can play a beneficial role as a complement to traditional banking lenders by expanding access to credit or by supporting market liquidity, maturity transformation, and risk sharing
Financial Intermediaries	Fund managers, asset managers, marketplace lending platforms.
Target portfolio	Enterprises established or operating in the EU. The Fund invest, directly or indirectly, in a diversified number of Portfolio Companies by means of non-distressed (secured or unsecured) debt transactions (in any form, including loans, bonds, leasing and receivable financing).
Type of instrument	Direct cash investment in DDFs.
Proposed transaction Structure	The risk arising from the direct investments into DDFs will be shared between the Pan-EU GF (first-loss provider) and the EIF (Senior Investor).
Indicative Volumes	DDFs are expected to be relatively active throughout 2020 and particularly active in 2021, with important market opportunities arising because of: - Long term projects and M&As being suddenly re-prioritized by European SME and mid-caps; - timely delivered and tailor-made financing required, in order to deal with contingent business-specific needs; and - better structural credit terms and higher credit spreads. Consequently, EIF resources are requires to be complemented with EUR 240m for 2020 and EUR 840m for 2021.
Target rating of the Senior exposure	In the range of [iBaa2 / iA2].
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

Appendix E – EIF Equity Products

EIF COVID-19 EQUITY RESPONSE MEASURE # 1: EXISTING FUNDS TOP-UP FACILITY (TUF)

Product name	Existing Funds Top-Up Facility
Product family	Indirect Equity
Policy rationale and strategic objective	The long-term impact on SMEs and Mid-Caps supported by Venture Capital (VC) and Private Equity (PE) across the EU will depend on the length and severity of the COVID-19 crisis. However, a number of companies are already very strongly affected and will continue to be impacted in the short-term. Due to specifics of the VC/PE industry, these companies require dedicated and tailor-made equity-like support. TUF will be primarily used to support VC and PE funds in EIF's portfolio which have limited or insufficient remaining undrawn capital to support SME and Mid-Cap companies in their investment portfolios. Specifically the products under TUF will contribute to: • Supporting financially sound existing portfolio companies experiencing short/mid-term liquidity issues combined with increased risk of insolvency; • Helping avoid portfolio companies having to sell off otherwise promising companies' assets at depressed valuations to provide needed short-term liquidity; and • Ensuring stability and availability of follow-on capital for further growth of performing companies.
Estimated leverage	2.9x
Structure	TUF shall make available equity or hybrid debt equity funding to fund managers in or alongside their existing funds to support companies in their existing portfolios through follow-on investments. TUF will be structured through two deployment modalities, which depending on the situation will be better fitted to achieve the Policy Objectives. • **TUF 1 –** Side vehicle top-ups: Such increased commitments to EIF portfolio funds are to be structured through side vehicles which shall invest in follow-on investments in existing portfolio companies. These increased commitments will expand the ability of the fund manager to perform follow-on investments and will be dedicated to supporting a subset of promising companies most in need of support (from one or multiple-generation funds managed by the fund manager). • **TUF 2 –** Preferred equity top-ups: To provide additional resources to EIF portfolio funds, EIF shall subscribe to a top-up on more senior terms relative to existing investors. The investment may entitle EIF to a liquidation priority (ie. will be reimbursed in advance of existing investors), carry a contractually agreed preferred return and potentially also a participation in the upside. The investment will carry a lower risk than existing investors, but also entitle EIF to a lower share of the upside.
Final recipients	Eligible final recipients include SMEs, Small Mid-caps, and Mid-caps established or operating in the EU Member States. TUF is expected to finance predominantly portfolio companies: i) to overcome short and mid-term liquidity constrains resulting from loss of revenue, ii) to increase production capacity, and iii) to finance market or product development. In terms of stage, the facility is expected to focus more prominently on one or more of the stages listed below: ☒ Pre-seed / Seed

	☒ Start-up ☒ Growth and expansion, including expansion through, when necessary, financing for acquisition of a business, replacement / transition capital for growth (excluding strategies intended for asset stripping). Final recipients active across all sectors will be eligible, save for EIF restricted sectors.
Geography	All EU Member States
EIF counterparty	Primarily fund managers in EIF's existing VC and PE portfolio that undertake long-term risk capital or tailored-debt investments in the form of equity, preferred equity, hybrid debt-equity Instruments, and other type of mezzanine financing.
Product requirements	**For TUF 1:** 1. Maximum ticket to be set in line with fund's performance grading 2. EIF will seek to promote the use of hybrid debt-equity instruments for investments in portfolio companies given their less-dilutive nature and ability to defer the valuation setting. Use of hybrid-debt instruments will provide for higher ranking of the resources invested through side vehicles in comparison to the typical equity financing provided by the main funds in the same underlying companies. 3. EIF will generally seek to participate in side vehicles match-funding at final recipient level between EIF commitment under TUF 1 on one side and the main fund plus third party investors on the other side. EIF can deviate from this rule depending on the availability of third-party investors, undrawn capital in the main fund, and available resources for matching. To prevent adverse selection by fund managers, EIF will ensure that following aspects are respected: ▪ Quality assets: follow-ons will be in quality portfolio companies that i) had demonstrated positive growth trend in the 2019 financial year with an expectation for further growth as of 31 December 2019 or ii) were not already underperforming before the crisis (financially or operationally); ▪ Pre-selection of portfolio companies: Financial Intermediaries have to provide upfront a list of portfolio companies that will benefit from follow-ons via the side vehicle, which will be pre-agreed at the time of the side vehicle set-up. ▪ Alignment of interests: EIF will seek to ensure strong alignment of interests with the Financial Intermediaries based on the T&Cs negotiated (among others, hurdle and team commitment). **For TUF 2:** • Maximum ticket size to be set subject to EIF internal risk scoring and asset coverage considerations • Preferred equity tranche return range to be set depending on asset coverage and EIF internal risk scoring • Minimum asset coverage range • Upside participation in distributions on top of preferred equity tranche return depending on risk profile of the individual operation
Main commercial terms	Top-up commitments under TUF will be provided to fund managers on a no management fee basis. EIF will ensure adequate management of potential conflict of interests and alignment of interest with the existing investors and the Financial Intermediaries.
Reporting	From fund manager to EIF based on standard EIF reporting in line with similar indirect equity instruments
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

EIF COVID-19 EQUITY RESPONSE MEASURE # 2: MINIMUM & TARGET FUND SIZE FACILITY (MTS)

Product name	Minimum & Target Fund Size Facility (MTS)
Product family	Indirect Equity
Policy rationale and strategic objective	MTS is aimed at supporting funds in EIF's pipeline of target investments or active funds in EIF's existing investment portfolio that are likely to experience prolonged fundraising periods due to market uncertainty. The most impacted fund managers will likely be first-time or emerging teams that do not have yet a longstanding investor base and whose funds are perceived as more risky investment opportunities. In addition, depending on the length and severity of the COVID-19 crisis, relatively established teams could face similar difficulties, overall resulting in restricted availability of risk capital to support SME and Mid-Cap financing in the EU. The objective of this facility is to contribute to the availability of equity risk capital in the EU by selectively supporting funds to rapidly achieve a first closing and start executing their investment strategy, in effect reducing time-to-market for supporting their portfolios of SME and Mid-Cap investee companies.
Estimated leverage	7.0x
Structure	MTS shall act as a cornerstone investor by selectively taking increased stakes to support fund managers and making larger commitments than initially intended to funds (in some cases above 50%) in fund raising managed by first time, emerging, or established teams and bringing them closer to target fund closing size.
Final recipients	Eligible final recipients include SMEs, Small Mid-caps, and Mid-caps established or operating in the EU Member States. In terms of stage, the facility is expected to focus more prominently on one or more of the stages listed below: ☒ Pre-seed / Seed ☒ Start-up ☒ Growth and expansion, including expansion through, when necessary, financing for acquisition of a business, replacement / transition capital for growth (excluding strategies intended for asset stripping). Final recipients active across all sectors will be eligible, save for EIF restricted sectors.
Geography	All EU Member States
EIF counterparty	Closed-end investment fund or other investment vehicle, in any form, established or to be established, that undertakes long term risk capital or tailored-debt investments in the form of equity, preferred equity, hybrid debt-equity Instruments, other type of mezzanine financing, and/or debt financing.
Product requirements	EIF will have the ability on a case-by-case basis to provide more than 50% (subject to State Aid rules) of total commitments at first closing to facilitate quick deployment of resources and substantially reducing time-to-market.
Main commercial terms	In line with EIF's standard equity investment guidelines
Reporting	From fund manager to EIF based on standard EIF reporting in line with similar indirect equity instruments
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

EIF COVID-19 EQUITY RESPONSE MEASURE # 3: REPLACING DEFAULTING LPS FACILITY (DLP)	
Product name	Replacing Defaulting LPs Facility (DLP)
Product family	Indirect Equity
Policy rationale and strategic objective	As a result of COVID-19, the likelihood of investors in VC and PE funds (Limited Partners or "LPs") not honouring capital calls because of liquidity constraints is rising. Investor defaults are expected to reduce availability of risk capital financing in the EU. Through DLP, EIF shall address the risks associated with LP defaults by: • Replacing defaulting or likely to default LPs, thereby ensuring that PE and VC funds can complete the initially envisaged investment strategy in terms of number of portfolio companies (ensuring sufficient diversification) and capacity to do follow-ons; and • Providing a strong signalling effect to market participants (e.g. banking institutions providing credit facilities, fund managers considering calling "precautionary" capital calls), thereby further reducing pressure on liquidity.
Estimated leverage	1.9x
Structure	EIF replacement of a defaulting LP will be structured as a secondary transaction in line with relevant provisions concerning LP defaults set out in the fund's prevailing legal documentation.
Final recipients	Eligible final recipients include SMEs, Small Mid-caps, Mid-caps established or operating in the EU Member States. In terms of stage, the facility is expected to be invested in final recipients predominantly in one the stages listed below: ☒ Pre-seed / Seed ☒ Start-up ☒ Growth and expansion, including expansion through, when necessary, financing for acquisition of a business, replacement / transition capital for growth (excluding strategies intended for asset stripping). Final recipients active across all sectors will be eligible, save for EIF restricted sectors.
Geography	All EU Member States
EIF counterparty	DLP will be deployed via funds in EIF's VC and PE portfolio that undertake long term risk capital or tailored-debt investments in the form of equity, preferred equity, hybrid debt-equity Instruments, and other type of mezzanine financing.
Product requirements	DLP will focus on defaulting or likely to default LPs (as notified to EIF by the fund managers in its existing portfolio) that can create damage to a fund's shareholding structure and ultimate funding. Investments under DLP shall be originated with a view to continuing to provide meaningful risk-adjusted returns.
Main commercial terms	In line with EIF's guidelines for equity investments
Reporting	From fund manager to EIF based on standard EIF reporting in line with similar indirect equity instruments
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

EIF COVID-19 Equity Response Measure #4: Turnaround/Special Situation Funds (TSS)

Product name	Turnaround/Special Situation Funds (TSS)
Product family	Indirect Equity
Policy rationale and strategic objective	TSS shall aim to support SMEs and Mid-Caps in the EU with sustainable long-term operations facing financial shortages and/or operational distress resulting from the economic downturn linked to COVID-19. For most such companies, the distress is caused by temporary setbacks, whereas their long-term prospects remain positive and business models sound. TSS will support the establishment of funds with dedicated turnaround and special situations strategies that help keep distressed companies active by providing them capital injections and operational restructuring, thereby saving them from bankruptcy, preserving jobs, and restarting growth.
Estimated leverage	6.8x
Structure	TSS shall support turnaround/special situation funds focussed on turnaround of distressed companies in the EU which have fundamentally sound business models. TSS shall be aimed at supporting company return to growth and job preservation.
Final recipients	Eligible final recipients include SMEs, Small Mid-caps, Mid-caps established or operating in the EU Member States. Final recipients active across all sectors will be eligible, save for EIF restricted sectors.
Geography	All EU Member States
EIF counterparty	Closed-end investment fund or other investment vehicle, in any form, established or to be established, that undertakes long term risk capital or tailored-debt investments in the form of equity, preferred equity, hybrid debt-equity Instruments, other type of mezzanine financing, and/or debt financing.
Product requirements	EIF shall be involved early in the launch process of turnaround/special situation funds and invest with a significant participation at first closing. EIF shall have a critical role to play in the current fundraising situation. EIF shall target funds focussed on supporting final recipients by building operational restructuring plans together with management and ensuring a fast and sustainable recovery, notably in relation to self-financing of operational needs and retaining employees over the long-term. TSS shall target turnaround/special situation funds focussing on a broad range of turnaround strategies, including: • both primary and secondary acquisitions; and • pre- or post-administration proceedings. TSS shall not support turnaround/special situation funds engaging in asset stripping.
Main commercial terms	In line with EIF's guidelines for equity investments.
Reporting	From fund manager to EIF based on standard EIF reporting in line with similar indirect equity instruments
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

EIF COVID-19 Equity Response Measure #5: Selective Loan Funds Facility (PCF)	
Product name	Selective Loan Funds Facility (SLF)
Product family	Indirect Equity
Policy rationale and strategic objective	SLF shall aim to support companies in the EU facing persistent medium-term liquidity shortfalls resulting from the economic downturn linked to COVID-19. The main aim of the SLF is providing alternative sources of financing and widening the availability of non-bank financing to companies in the EU. Once seen as a relatively niche offering, European private credit is now a recognised source of financing which can tailored to meet the needs of SMEs and Mid-Caps and can be adapted to longer-term financing needs in light of the current market situation.
Estimated leverage	6.8x
Structure	SLF shall take equity stakes in selective loan funds providing onward debt and hybrid debt/equity financing
Final recipients	Eligible final recipients include SMEs, Small Mid-caps, and Mid-caps established or operating in the EU Member States. Final recipients active across all sectors will be eligible, save for EIF restricted sectors.
Geography	All EU Member States
EIF counterparty	Closed-end investment fund or other investment vehicle, in any form, established or to be established, that undertakes long term risk capital or tailored-debt investments in the form of non-distressed senior, subordinated or unitranche (secured or unsecured) financing.
Product requirement	EIF shall be involved early in the launch process of the selective loan funds and invest with a significant participation at first closing. EIF shall have a critical role to play in the current fundraising situation. EIF shall target funds focussed on supporting final recipients by providing flexible senior debt financing solutions to SMEs, Small Mid-Caps and Mid-Caps in the form of non-distressed (a) senior or unitranche (secured or unsecured) loans/bonds, and (b) subordinated securities, quasi equity and hybrid debt instruments In addition, SLF is aimed to support primarily new financing, meaning financing flowing into final recipients for any purpose other than restructuring of an existing debt prior to its maturity.
Main commercial terms	In line with EIF's guidelines for equity investments.
Reporting	From fund manager to EIF based on standard EIF reporting in line with similar indirect equity instruments
State Aid	It is planned that the product will be market conform. Should this not be possible following consultation with DG COMP, an alternative State aid framework will be sought.

This contribution agreement (the "**Contribution Agreement**") is entered into between:

the **Republic of Malta**,

(the "**Contributor**"),

on the one hand, and

the **European Investment Bank**,

with its seat at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg,

(the "**Bank**"),

on the other hand,

(the Contributor and the Bank each referred to as a "**Party**" and together as the "**Parties**").

Whereas:

(A) The Member States of the European Union have agreed to establish the Pan-European Guarantee Fund in response to COVID-19 (the "**Fund**").

(B) Each contributor to the Fund shall enter into an undertaking to make contributions to the Fund on similar terms and conditions through their respective contribution agreements.

(C) Each contributor to the Fund has entered into (or will accede to) the first demand guarantee agreement (the "**Guarantee Agreement**") with the Bank in relation to Transactions entered into by the Bank for the account of the Fund (including the back-to-back arrangement with the European Investment Fund ("**EIF**")).

(D) The Bank shall enter into a separate arrangement with the EIF in connection with Transactions entered into by EIF in the context of the Fund.

(E) The intention of the Parties is that in relation to all exposures to Transactions of EIB for the account of the Fund and/or EIF in the context of the Fund and the EIB/EIF Arrangement, all credit, market and other risks are assumed by and will be ultimately borne by the Fund and by the contributors and not by the Bank or the EIF. Consistently, the Bank will act in relation to Transactions for the account of the Fund. The Bank shall provide a dedicated internal funding line to the Bank as administrator of the Fund for the purposes of providing liquidity to and treasury for the Fund.

(F) Any Transaction to be entered into by EIB and/or EIF in the context of the EIB/EIF Arrangement is subject to the approval of the Fund's Contributors' Committee as further described in the Fund Description.

The Parties have agreed as follows:

I. Definitions

1. In this Contribution Agreement:

"**Advance**" means as defined in Annex 2, paragraph III A.

"**Acceding Guarantor**" means as defined in paragraph 17.

"**Additional Contributor**" means as defined in paragraph 17.

"**Adjusted Key Percentage**" means the percentage set out against the name of each contributor to the Fund calculated by reference to the Total Contributions and the shareholding of each contributor in the capital of the Bank but adjusted such that at all times, the aggregate of Adjusted Key Percentages is equal to 100%. In the event of an Additional Contributor, the Adjusted Key Percentage shall be re-calculated accordingly and communicated to the contributors.

"**Adjustment Payments**" means as defined in paragraph 17.

"**Business Day**" means any day other than a Saturday or Sunday (a) where the Bank is open for business in Luxembourg and (b) where referring to a payment in euro or the determination of EURIBOR, is also a TARGET2 Business Day.

"**Cash Balance**" means any sums held in cash by the Bank on behalf of the contributors in relation to the Fund.

"**Claim Event**" means, in relation to a Transaction, one or more of the following events or occurrences (as applicable):

(a) in relation to a Transaction which is a funded debt transaction that the Bank has not received any amount paid by it and/or due to it (whether principal, interest, commissions, fees, charges, indemnities, expenses or any other incidental charges in respect of such Transaction);

(b) in relation to a Transaction which is a funded risk participation or a contingent loan transaction (i) that the Bank has not received any amount due to it or (ii) that the Bank has not received any amount scheduled or planned or expected to be paid to it, where such non payment to the Bank resulted from the limited recourse nature of such Transaction or for other reasons intrinsic to the nature of such Transaction (in each case whether such amounts relate to principal, interest, commissions, fees, charges, indemnities, expenses or any other incidental charges in respect of such Transaction);

(c) in relation to a Transaction which is an unfunded transaction relating to an underlying debt transaction, (i) that the Bank has not received any amount due to it or (ii) that the Bank has received a demand for payment (in each case whether the amounts due or demanded or paid relate to principal, interest, commissions, fees, charges, indemnities, expenses or any other incidental charges in respect of such Transaction);

(d) that a Transaction has been subject to a restructuring or similar process which reduces any of the amounts payable to the Bank in relation to such Transaction (whether principal, interest, commissions, fees, charges, indemnities, expenses or any other incidental charges in respect of such Transaction);

(e) in relation to a Transaction which is an equity type operation that upon exit or disposal the net proceeds received by the Bank is less than the sum of (i) the amount invested or lent by the Bank and (ii) the Bank's cost of funding such Transaction;

(f) in relation to a Transaction which has not fully matured, repaid in full or been disposed of by 31 December 2037, that the aggregate amount received or recovered by the Bank in respect of such Transaction is less than the sum of (i) the amount invested or lent by the Bank and (ii) the Bank's cost of funding such Transaction;

(g) in relation to operations deployed by EIF in the context of the Fund under the EIB/EIF Arrangement that (i) there has been a claim event in relation to such operation as defined for the purpose of the EIB/EIF Arrangement or (ii) as at 31 December 2037 the Bank has not been repaid in full in relation to any liquidity advance and any interest accrued thereon under the EIB/EIF Arrangement; or

(h) such other event or circumstance specially designated as a "Claim Event" in relation to the relevant Transaction at the time the Transaction was approved for the purposes of the Fund.

If no Claim Event is designated in relation to a Transaction, then the Claim Event or Claim Events that correspond most closely to the legal nature and financial and other characteristics of such Transaction shall be deemed to have been so designated.

"**Contributor**" means the Republic of Malta and "**contributor**" means, any or as the case may be, all Member States, institutions of the European Union, or institutions created by Member States of the European Union, as the case may be, which are contributors to the Fund from time to time.

"**Dedicated Register**" means as defined in paragraph 9.

"**Demand**" means a demand made under the Guarantee Agreement in a Demand Notice.

"**Demand Notice**" means a demand notice as defined in the Guarantee Agreement.

"**EIB/EIF Arrangement**" means the agreements or arrangements entered into between the Bank and EIF in relation to operations deployed by the EIF in the context of the Fund as described in Recital (D).

"**EIB AML Policy**" means as defined in paragraph 35.

"**EIB Anti-Fraud Policy**" means as defined in paragraph 34.

"**EURIBOR**" means as defined in Annex 2 paragraph IV B.

"**Facility Amount**" means as defined in Annex 2 paragraph II A.

"**First Payment Date**" means as defined in paragraph 9.

"**Fund**" means as defined in Recital (A).

"**Fund Description**" means as defined in paragraph 5.

"**Guarantee Agreement**" means as defined in Recital (C).

"**Liquidity Facility**" means as defined in paragraph 16.

"**Original Guarantor**" means as defined in Definitions section of the Guarantee Agreement.

"**Payment Dates**" means as defined in paragraph 9.

"**Platform Rules**" means as defined in paragraph 5.

"**Required Proportion**" means the then applicable Adjusted Key Percentage.

"**TARGET2 Business Day**" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR.

"**Transaction**" means an operation entered into by the Bank for the account of the Fund which is eligible in accordance with the Platform Rules and the Fund Description, including the EIB/EIF Arrangement (and which has a designated or a deemed designated Claim Event).

"**Total Contributions**" means as defined in paragraph 3.

"**Upfront Payment**" means as defined in paragraph 7.

II. The Contribution

2. The Contributor wishes to make a commitment, and the Bank (as administrator of the Fund) hereby accepts such commitment, to the Fund in the amount of EUR 12,297,410.06 (*twelve million two hundred ninety-seven thousand four hundred ten euro and six cents*) (the "**Contribution**"), of which a part may be paid as an Upfront Payment.

3. It is expected that the Fund will receive additional contributions, under similar terms and conditions (together with the Contribution, the "**Total Contributions**").

4. In the context of the Fund, Contributions, and the Total Contribution shall be used to fund payments to be made by contributors under the Guarantee Agreement and this Agreement.

5. Capitalised terms used in this Contribution Agreement and not otherwise defined herein shall have the meaning given to such terms in the Fund Description (the "**Fund Description**") included as Annex 1(A), Partnership Platform Rules (the "**Platform Rules**") included as Annex 1(B). The Fund is documented on the terms of the contribution agreements, the Fund Description, and the Platform Rules.

6. The Contribution shall be used to meet Demands made under the Guarantee Agreement and any payments due under this Agreement and shall be allocated, administered, and managed by the Bank in accordance with (i) the Bank's rules, policies, and procedures (save where adjustments to these rules, policies and procedures are applied in the context of the Fund and as further set out in the Fund Description), (ii) this Contribution Agreement, including the Fund Description, and (iii) the Guarantee Agreement. The Parties acknowledge and agree that in relation to operations covered by the EIB/EIF Arrangement, the rules, policies, and procedures of EIF shall apply (save where adjustments to these rules, policies and procedures are applied in the context of the Fund and as further set out in the Fund Description).

III. Payments in cash

7. A Contributor may make a cash advance (the "**Upfront Payment**") to meet Demands. Any payment in cash of the Contribution, including any Upfront Payment, shall be paid in full to the Bank promptly following request by the Bank into the following account:

Bank:	European Investment Bank
BIC Code:	BEILLULLXXX
Account:	Direct via TARGET2 (/RT)
IBAN:	LU92 9980 0000 0000 0001

The Contributor shall inform the back-office treasury of the Bank at least five (5) Business Days prior to the scheduled payment date by email to FI_PRO_BOT_LPC_CM@eib.org and FI-PRO/BOT/LPC/RECONCILIATION@eib.org (or to such other e-mail address as may be indicated by the Bank from time to time). The SWIFT message instruction shall include the remittance information (field 70 or 72): "*Contribution to EGF from the Republic of Malta*". The Bank shall confirm to the Contributor the receipts of funds from the Contribution in the account.

8. Notwithstanding article 8.1 of the Platform Rules, the Contributor authorises the Bank to apply to the daily Cash Balance an interest rate (which may be negative) equal to (a) EURIBOR 3M, i.e. the rate for deposits in euros for a period of three months which appears on the Reuters Screen EURIBOR3M= on the day that is two Business Days prior to the start of each relevant Calculation Period (as defined below) (b) minus 12.5 basis points (0.125%) (the "Interest Rate"). With respect to a Calculation Period, the Bank will multiply the daily Cash Balance with the Interest Rate for each day in that Calculation Period, divided by 360. The interest amount with respect to a Calculation Period, which may be negative, will be equal to the aggregated sum of

the amounts of interests so determined and calculated for each day in that Calculation Period. For the purpose of this paragraph 8, "Calculation Period" means, regardless of whether the interest amount is positive or negative, the period from (and including) the first day of each calendar quarter (and including) the last day of such calendar quarter.

The Contributor hereby agrees that the Cash Balance will not be segregated as described in article 3.2.4. of the Platform Rules.

The Contributor acknowledges that while there is not currently an expectation that the Euro Interbank Offered Rate will be discontinued, there is no guarantee that it will continue to be produced and published. If EURIBOR3M is not published in respect of a day for which it is required, or its publication or use is discontinued (either by the interbank market generally or by the Bank in anticipation of a general discontinuation) the Bank may replace it with another benchmark rate and may proceed to any appropriate adjustment to the spread, day-count fraction and/or calculation period, which it will determine in good faith and in a commercially reasonable manner.

IV. The Contributor's Dedicated Register

9.

(a) The Bank shall open a register (the "**Dedicated Register**") in respect of the Contributor, and in respect of all other contributors to the Fund, to credit and debit as appropriate (without double counting):

(i) the amount of the Upfront Payment and any additional cash contribution;

(ii) payments in respect of Demands;

(iii) utilisation(s) of the relevant Contributor's Liquidity Facility and/or its Cash Balance;

(iv) any interest accrued from the holding of or investment of the Cash Balance;

(v) any sums to be debited or credited in relation to Adjustment Payments between the contributors to the Fund ;

(vi) any amounts payable by the Contributor or due to the Contributor in accordance with the allocation rules and orders of priority of the Fund as set out in the Fund Description, unless otherwise claimed under the indemnity set out in paragraph 10 below;

(vii) any amounts payable by the Contributor to the Bank as set out in paragraph 10 below; and

(viii) any other sums as appropriate.

(b) On each payment date, each Contributor shall pay the outstanding amount due as reflected on its Dedicated Register. The Bank shall issue a request for payment 15 (fifteen) Business Days before each Payment Date. The first payment day shall take place on 15 December 2020 (the "**First Payment Date**"). After the First Payment Date, payments will occur on a quarterly basis on 15 June, 15 September, 15 December, and 15 March of each year (the First Payment Date, together with the following payment dates, the "**Payment Dates**"). For the avoidance of doubt, the required payments on a Payment Date in respect of the Dedicated Register do not include any Advances under the Liquidity Facility that have an Advance Repayment Date which is the Payment Date immediately subsequent to such Payment Date.

(c) If a Payment Date is scheduled to occur on a date which is not a Business Day then it shall be postponed to the next following Business Day unless such day would fall into the next calendar month in which case the Payment Date shall occur on the Business Day preceding the scheduled Payment Date.

10.

(a) The Contributor shall upon first demand indemnify and hold harmless the Bank if (i) the Bank incurs funding costs in relation to the Fund, the Guarantee Agreement, this Agreement, the Liquidity Facility, or the EIB/EIF Arrangement, and/or (ii) the Bank is not paid interest or other amount under the Liquidity Facility which in each case have not been paid or reimbursed in accordance with the allocation rules and orders of priority of the Fund, as set out in the Fund Description.

(b) The Contributor shall upon first demand indemnify and hold harmless the Bank if (i) the Bank suffers a capital loss or negative interest on any amount of cash between the date such sum is paid to the Bank by way of an Upfront Payment, a cash contribution, or an Advance and the date on which such sums are applied to discharge a liability to the Bank under this Agreement or under the Guarantee Agreement in respect of a Demand (ii) the Bank incurs or suffers foreign exchange losses in the context of the Fund (including in connection with the EIB/EIF Arrangement) and/or (iii) the Bank incurs or suffers any other form of loss, damage, expenses, claim or liability in the context of the Fund (including in connection with the EIB/EIF Arrangement) which is not otherwise recoverable from the Contributor and in each case such amounts are not reimbursed in accordance with the allocation rules and orders of priority of the Fund as set out in the Fund Description.

(c) Unless otherwise stated by the Bank when making a demand for an indemnity payment under this paragraph 10, the Contributor shall make indemnity payments under this paragraph 10 through direct payment to the Bank upon first demand, within 15 Business Days from the Bank's written request.

(d) The liability of the Contributor to make payments under this paragraph 10 is limited by the amount of its Contribution. If the Bank receives any amount under this paragraph 10 the Bank and the Contributor agree that they shall come to an arrangement to take this into account in relation to the Maximum Individual Amount of the Contributor under the Guarantee Agreement (as defined therein).

VI. Administration

11. The Bank shall manage the payment of Demands under the Guarantee Agreements, the crediting of Upfront Payments and other cash contributions (if any) to each contributor's Dedicated Register, the debiting of each contributor's Dedicated Register to meet its liabilities under this Agreement and the Guarantee Agreement, the payment of Demands by utilising the relevant contributor's Liquidity Facility, and the Adjustment Payments between the contributors when an Additional Contributor adheres to the Fund and Acceding Guarantor accedes to the Guarantee Agreement.

VII. The Liquidity Facility

12. The Bank will make available to the Contributor a liquidity credit facility (the "**Liquidity Facility**"), the proceeds of which shall be used solely for the purposes of payments under the Guarantee Agreement. The terms and conditions of the Liquidity Facility are set out in Annex 2.

13. In the event that a Demand is made under the Guarantee Agreement which cannot be funded by the Upfront Payment or by amounts otherwise available under the Dedicated Register, the Bank shall fund the amount due under the Guarantee Agreement by making an Advance to the Contributor under its Liquidity Facility. In the event that the amounts available under the Liquidity Facility are not sufficient to fund such Demand, the Contributor shall upon first demand pay such amount to the Bank.

VIII. Matters Relating to Payments and Contributions

14. It is acknowledged and agreed that the Bank, as agent of the Contributor, shall be entitled to make payment under the Guarantee Agreement in respect of each Demand which appears to be valid on its face without reference to any other party and without any investigation or enquiry. In particular the Bank, as agent of the Contributors, shall not be required to investigate or enquire as to (i) the legality of any claim or any underlying transaction or any set-off, defence or counterclaim which may be available to any person; (ii) any amendment to any underlying document or (iii) any unenforceability, illegality or invalidity of any underlying document or security.

15. It is acknowledged and agreed that the Bank, as agent of the Contributor, shall be entitled to make payments under this Agreement without reference to any other party and without any investigation or enquiry.

16. Any recoveries relating to a Transaction shall be allocated and applied in accordance with the rules of allocation and orders of priority of the Fund as set out in the Fund Description.

17. If there is a change in the Adjusted Key Percentage due to the adherence of a new contributor (an "**Additional Contributor**" and an "**Acceding Guarantor**"), the Bank shall make adjustments to the Dedicated Register of the Additional Contributor and the then existing contributors ("**Adjustment Payments**") such that all Demands and all indemnity payments under this Agreement including all those incurred and paid from the creation of the Fund shall ultimately be borne by each contributor in accordance with its Required Proportion as derived from the latest applicable Adjusted Key Percentage. The Adjustment Payments shall be reflected by debit and credit entries in the corresponding Dedicated Registers. The Bank, as agent of all Contributors, shall calculate the amount of all such Adjustment Payments between Contributors.

18. Each Contributor shall be a third party beneficiary of the obligations in respect of the obligation to make Adjustment Payments of each other contributor to the Fund under their respective contribution agreements but acknowledge and agree that any Adjustment Payments shall be made by the Bank acting as agent of all contributors to the Fund. The Contributor hereby accepts that it is a third party beneficiary and takes the benefit of such obligations undertaken by the other contributors to the Fund.

IX. Reporting

19. The Bank shall prepare annual financial statements for the Fund. The financial statements shall be drawn up on the basis of cash receipts and disbursements.

20. The financial statements shall comprise a combined statement of account movements of the Fund, individual statements of account movements for each contributor, and additional disclosures notes.

21. The financial year of the Fund shall be the calendar year, except for the first financial period which shall begin at the time when first contribution agreements come into effect and end on 31 December 2020.

22. All amounts shall be reported in Euro. Amounts denominated in a currency other than Euro shall be reported in Euro according to the Bank's policies and procedures.

23. The financial statements shall be subject to external audit and the costs of such audit shall be part of the fees charged by the Bank as set out in the Fund Description.

24. The financial statements shall be approved by the Contributors' Committee.

25. Upon receipt of the financial reporting documents, the Contributor may request additional information related to the content of the documents. The Bank shall use its reasonable efforts to provide the Contributor with the information deemed necessary provided that the relevant information is available to the Bank and subject to having resources to gather such information.

26. The Bank shall provide unaudited financial statements of the previous financial year by no later than 31 March of each year and audited financial statements by no later than 30 April.

X. Representations and Warranties

27. The Contributor hereby represents, warrants and undertakes to the Bank that:

(a) it has the personal and legal capacity to contract and the performance of the obligations assumed hereunder and the execution and delivery of this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement by the Contributor have been duly authorised by the Contributor and that upon due execution and delivery, the Contribution Agreement, the Liquidity Facility and the Guarantee Agreement will constitute valid, legally binding, irrevocable and enforceable obligations of the Contributor in accordance with their respective terms and will not infringe any laws or regulations affecting the Contributor;

(b) all authorisations, approvals and consents required for this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement have been obtained and are in full force and effect, no further authorisations, approvals or consents are required in connection with entering into and performing its obligations under this Contribution Agreement, the Liquidity Facility or the Guarantee Agreement and there are no restrictions or limitations on its ability to consummate the transactions contemplated by these agreements and documents;

(c) the Contributor has obtained, complied with the terms of and has done all that is necessary to maintain in full force and effect all authorisations, approvals, licences, consents and/or budgetary laws required under the laws and regulations of its jurisdiction to enable it lawfully to enter into, to exercise its rights and perform its obligations under this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement and to ensure the legality, validity, enforceability and admissibility in evidence of this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement in its home jurisdiction;

(d) the Contributor has delivered, registered and furnished such documents, instruments information and undertakings to and obtained an consent as may be reasonably necessary or advisable from time to time to comply with all relevant laws and regulations that are relevant to this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement and hereby authorises the Bank so to deliver, register and furnish such documents, instruments, information and undertakings and obtain such consents (at the expense of the Contributor and upon relevant documentary evidence); and

(e) payments due from the Contributor under this Contribution Agreement, the Liquidity Facility and the Guarantee Agreement can and will be made gross, free and clear of any withholding or deduction for or on account of tax, charges, duties, fees, expenses or impositions of whatsoever nature.

These representations are made on the date of signature of this Contribution Agreement and shall be deemed to be repeated on each date when there is an utilisation of the Liquidity Facility.

XI. Additional Provisions

28. Except with respect to the deposit instructions in relation to Upfront Payment and/or cash contributions described in paragraph 7 above, any notice, request or other communication to be given or made under this Contribution Agreement shall be in writing and delivered by mail, fax, e-mail or secure website to the respective party's address specified below or at such other address as such party notifies in writing to the other party from time to time:

For the Bank:

Address: European Investment Bank
Mandate Management
98-100, Boulevard Konrad Adenauer
L-2950 Luxembourg

Email: OPS-EGF-Mandate@eib.org

For the Contributor:

Address: Ministry for Finance and Financial Services,
Maison Demandols, South Street, Valletta
Malta

Email: paul.b.debattista@gov.mt

29. All annexes to this Agreement constitute an integral part of this Contribution Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Contributor and the Bank.

30. This Agreement may be amended only by written amendment between the Bank and the Contributor; provided, however, that the Fund Description may be amended only in accordance with the Platform Rules.

31. In the event of any inconsistency or conflict between the terms of this Contribution Agreement and those of the annexes, the following order of priority shall apply:

(i) this Contribution Agreement;

(ii) the Liquidity Facility;

(iii) the Fund Description; and

(iv) The Platform Rules.

The Guarantee Agreement shall at all times be and shall be construed as an autonomous and independent agreement.

32. The Contributor shall co-operate with the Bank to complete such forms and other documentation as may be required by custodians and/or tax authorities to certify the Contributor's beneficial ownership of its pro-rata share in any securities or other assets held for the account of the Fund.

33. Upon termination or expiry of this Agreement, it is acknowledged and agreed by the Parties that the Bank and/or EIF shall be entitled to retain such amounts as may be required under this Agreement or the relevant Annexes for payment of any fees owed to them or to satisfy and discharge any accrued or contingent obligations under Transactions or operations which remain outstanding as may be further specified in the relevant Annexes.

34. The Contributor is aware of the Bank's policy on preventing and deterring prohibited conduct in European Investment Bank Activities ("**EIB Anti-Fraud Policy**") and agrees to cooperate and promptly inform the Bank of any allegations of prohibited conduct in relation to the Contribution.

35. The Contributor is aware of the Bank's Anti-Money Laundering and Combating Financing of Terrorism Framework (the "**EIB AML Policy**"). The Contributor represents and warrants that (i) in entering into this Contribution Agreement the Contributor acts in its own name and for its own account and (ii) the funds that are to be the source of the Contribution will not be of illicit origins. The Contributor agrees to cooperate with the Bank in the Bank's due diligence and continuous monitoring activities pursuant to the EIB AML Policy.

36. The Fund shall comply with State aid rules, where applicable. To that effect, the Contributor shall cooperate with the European Commission and the Bank, in particular with the completion and submission of any State aid notification, where necessary.

37. The Contributor acknowledges that it is fully informed and aware that the Bank acts as agent for the Contributor under this Agreement in relation to matters relating to the performance of obligations of the Contributor under the Guarantee under which is it the beneficiary for the account of the Fund, as well as in relation to other matters hereunder. The Contributor hereby waives any rights or defences (if any) which it may have as a result of any conflict of interests (if any) that might arise in this respect.

38. If, at any time, any of the provisions under this Contribution Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Contribution Agreement nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

39. The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Contribution Agreement in accordance with the objectives of the Fund and in particular the principles set out in Recital (E).

    For the purposes of any dispute arising in relation to this Contribution Agreement, the Parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

    This Contribution Agreement and any non-contractual obligations arising therefrom is governed by, and shall be construed in accordance with the general principles common to the laws of the Member States.

40. To the extent that the Contributor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Contributor, its assets or its revenues, the Contributor agrees, to the extent legally possible, not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

In witness, hereof the Parties hereto have executed this Contribution Agreement in four (4) original copies, two (2) for the Bank and two (2) for the Contributor. Upon possession by the Bank of two originals of the fully signed Contribution Agreement, this Contribution Agreement shall become effective as of the date of the last signature.

Signed for and on behalf of

REPUBLIC OF MALTA

Mr Edward SCICLUNA

Minister for Finance and Financial Services

Date:

Signed for and on behalf of

EUROPEAN INVESTMENT BANK

Date:

Date:

Annex 1B

Platform Rules

European Investment Bank

Partnerships Platform for Funds

Rules

Version 2 - 20 November 2017

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WHEREAS:

(1) Considering the need to increase financial flows for sustainable development, and building on the successful experience of the European Investment Bank (the "**Bank**" or the "**EIB**") in combining its lending operations with instruments facilitating project preparation and implementation, through the Bank's current portfolio of trust funds and blending facilities, the Bank has decided to set up an EIB-managed multi-region, multi-contributor and multi-sector Partnerships Platform for Funds (the **"Platform"**). The Platform is established also in anticipation of an increasing volume of funds that would require ensuring cost-efficiency of the related management activities.

(2) The principal objective of the Platform is to strengthen operational efficiency by streamlining and standardising, to the extent feasible, processes and procedures, governance arrangements, fee calculation methodologies, and reporting standards applicable to the assets under the Bank's management in respect of this Platform.

(3) Operations under the Platform shall be organised through the contractual establishment of individual pools of assets (each a "**Fund**" and collectively the "**Funds**"). The Bank shall arrange for Funds to be set up in collaboration with interested contributors, in order to address regional and sectoral priorities. These rules (the "**Platform Rules**") shall apply to each new Fund to be set up under the Platform. Moreover, a Fund description shall be provided in a contribution agreement to be entered into between each contributor and the Bank to reflect specific objectives, requirements and eligibilities applicable to each Fund.

(4) For the avoidance of doubt, despite the fact that the contractual relationship between the Bank and contributors may use terms such as "fund", "trust" or "trust funds", it is not the intention of the Bank to create, and these Platform Rules do not set up, any investment fund, trust or similar legal arrangement under the Platform.

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

"Account" means, with respect to a Contribution Agreement, the bank account indicated by the Bank in that Contribution Agreement to which the relevant Contributor shall transfer the relevant Contribution in accordance with the terms of that Contribution Agreement.

"Administrator" means the EIB in its capacity of the administrator of the Platform.

"Article" means an article of these Platform Rules.

"Business Day" means a day during which the EIB is open for business at its seat in Luxembourg.

"Contribution" means funds committed by each Contributor to a Fund established under the Platform pursuant to the Contribution Agreement.

"Contribution Agreement" means an agreement between the EIB and each Contributor based on which Contributions are to be made to a Fund under the Platform.

"Contribution Paid" means the Contribution transferred by the Contributor to the Account and received by the Bank.

"Contributor" means any Member State of the European Union as well as the European Commission, and the EFTA Countries that contribute funds to a Fund under the Platform.

"Contributors' Committee" means a committee established in accordance with Article 5.4 of these Platform Rules.

"EFTA Countries" means countries that are members of the European Free Trade Association.

"Eligible Operations" means operations approved in accordance with Article 6.5 of these Platform Rules.

"Fund Account" means, in respect of a Fund, the account denominated in euro opened by the EIB in its books for the purpose of managing the Contributions Paid.

"Fund Description" means a document annexed to the Contribution Agreement where the objectives to be pursued under each Fund, its indicative budget, as well as eligible operations are specified.

"Fund Outstanding Balance" means, for any Fund, the balance of the respective Fund Account.

"Instrument" means each of the instruments specified in Article 4.6 of these Platform Rules.

"Legal Framework" means the Platform Rules, each Contribution Agreement and each Fund Description that constitute a legal basis for the cooperation between the EIB and the Contributors in relation to the management of Contributions.

"Partnerships Committee" means a committee established in accordance with Article 5.3 of these Platform Rules.

"Platform Outstanding Balance" means the sum of the Fund Outstanding Balances.

"Resources" means the sum of (i) the aggregated amount of any Contribution Paid, (ii) any revenues and repayments generated by the activities of the Platform and credited to the relevant Fund Account, and (iii) any revenues generated by the asset management by the EIB of the assets constituting the Platform Outstanding Balance and credited to the relevant Fund Accounts, pro-rata the Funds Outstanding Balances.

"Third Party" means any entity other than those defined as Contributors, such as a country other than a Member States of the European Union and EFTA Countries, international financial institutions, funds, foundations, private sector and banking entities contributing funds to a Fund under the Platform.

"Third Party Agreement" means an agreement pursuant to which Third Party Financing is contributed to a Fund under the Platform, as defined in Article 2 of Annex I *"Receipt of Third Party Financing"* to these Platform Rules.

"Third Party Financing" means funds contributed to a Fund under the Platform by a Third Party, subject to the provisions of Annex I *"Receipt of Third Party Financing"* to these Platform Rules.

"Unitary Fund" means the pooled investment portfolio established by the EIB by the Deed Poll of 1 July 2009, as supplemented and amended from time to time and as defined in the corresponding Information Memorandum.

1.2 Interpretation

Subject to Article 1.1 of these Platform Rules and save where the context otherwise requires:

a) capitalised terms and expressions defined in the Preamble have the same meaning throughout these Platform Rules, unless herein otherwise defined;

b) words denoting:

(i) the singular number only shall include the plural number also and vice versa;
(ii) one gender only shall include the other gender; and
(iii) persons only shall include firms and corporations and vice versa.

c) any provision of any primary or derivative legislation shall be deemed also to refer to any modification thereof;

d) headings shall be ignored in construing these Platform Rules; and

e) the Annexes form an integral part of these Platform Rules and shall have effect accordingly.

ARTICLE 2
INTRODUCTION

The Platform is set up by the EIB to administer externally contributed resources that shall be used to facilitate the EIB's activities across the full range of countries and sectors and using the full range of instruments described in Article 4.6 of these Platform Rules, through the establishment of the respective Funds under the Platform.

2.1 Policy framework

Operations supported with the resources contributed to the Funds established under the Platform shall be consistent with the objectives, policies, guidelines and principles, as amended from time to time, applicable to the EIB's activities, and including, but not limited to, the following:

2.1.1 Main objectives

Main objectives include the following:

a) Promoting growth and development in beneficiary countries;
b) Supporting the EU enlargement;
c) Supporting strategic partnerships and security;
d) Reducing and eventually eradicating poverty;
e) Supporting the achievement of the Sustainable Development Goals[10];
f) Development of social and economic infrastructure;
g) Local private sector development;
h) Climate change mitigation and adaptation; and
i) Regional integration.

2.1.2 Applicable policies, guidelines and principles

The management of the Platform as well as of the respective Funds established thereunder shall be performed with the application of the EIB's internal policies and guidelines, such as environmental, social and gender policies, as well as those related to anti-fraud, fight against **tax evasion, tax avoidance,** harmful tax practices, anti-money laundering and fight against financing of terrorism, market abuse, non-cooperation with non-transparent and uncooperative jurisdictions, procurement and transparency policies[11].

It should be noted that several cross-cutting principles are also applicable to the EIB activities, and consequently shall also be applicable to the operations supported through the resources contributed to the Funds under the Platform, including the following:

a) Protection of human rights and safeguarding against social, climate and environmental risks that should be achieved by ensuring compliance with the EIB's environmental and social standards, as well as the EIB's Climate Action Statement;

b) Protection of women's rights that should be achieved through the application of the EIB's social standards, and the promotion of gender equality and women's economic empowerment based on the implementation of the EIB Group Gender Equality Strategy;

c) Avoiding investments being impacted by, or indeed triggering, conflict, social tensions and violence through the application of a conflict sensitivity approach to operations in fragile, conflict-affected or conflict-prone contexts;

d) Ownership that should be ensured through consultations with the beneficiary countries and ensuring the alignment and complementarity of operations with relevant regional, national and local strategies and priorities;

e) Cost-Sharing that should be achieved through ensuring that, whenever possible, final beneficiaries shall make an appropriate contribution to the operations financed under

[10] The Sustainable Development Goals (SDGs) is a set of 17 "Global Goals" with 169 targets between them. Spearheaded by the United Nations through a deliberative process involving its 193 Member States, as well as global civil society, the goals are contained in paragraph 54 United Nations Resolution A/RES/70/1 of 25 September 2015.
[11] Further details available on: http://www.eib.org/about/partners/cso/key-policies/

the Platform in accordance with modalities to be determined by the Contributors and the Bank;

f) Cost-Efficiency that should be achieved by ensuring that only a justifiable proportion of grants/subsidies/guarantees shall be provided along other sources of financing. It shall be ensured that the costs of implementation of the operations shall always be reasonable;

g) Sustainability that should be achieved by seeking to ensure an improved local capacity by transferring knowledge to final beneficiaries and maintaining the impact of the investment also beyond the life of the operation;

h) Catalytic Impact that should be achieved by ensuring that resources are provided only for activities that can contribute to the subsequent mobilisation of additional funds, partners, or further assistance in supported areas; and

i) Promotion of open market that should be achieved by ensuring that overcompensation is avoided and that supported operations do not distort the functioning of the market.

2.2 Expected Results and Impact

The following section provides the list of results and describes impact that the operations supported through the resources contributed to the Funds under the Platform are expected to achieve. Such results and impacts include the following:

a) Leverage of the overall investment

Appropriate leverage may allow to implement investments that would otherwise not take place, to accelerate their implementation, or to increase their chances of success. Through leverage the scope and scale of the overall investment may also be increased to deliver a larger impact than would otherwise be the case, extend the benefits to a wider group of final beneficiaries, especially the poor and vulnerable groups, and boost private sector investments that may otherwise not be engaged.

b) Economic benefits

Economic benefits include the creation or sustainability of jobs, boost of economic growth, purse of reforms and a transition to a market economy.

c) Financial benefits

Financial benefits include broadening access to finance to target groups, improvement of financial viability, lowering end-user tariffs.

d) Social benefits

Social benefits include the limitation of affordability constraints for low income households, economic inclusion and social wellbeing, gender equality, inclusive public consultations.

e) Environmental impact

Environmental impact relates to an enhanced consideration of the environmental dimension of the investment and higher environmental standards achieved.

f) Promotion of innovation

Promotion of innovation includes focus on innovative proposals, which do not necessarily require large amounts of resources but can provide high value added to the beneficiary countries, and operations aimed at supporting vulnerable groups through innovation (e.g. digital technology and financial inclusion of women).

g) Other benefits

Other benefits may include positive externalities realised by the operation, which would not happen without the presence of the funding component, including addressing market failures and avoiding market distortions, decentralization and commercialization activities.

ARTICLE 3
THE PLATFORM SET UP

3.1 Eligible Contributors

Any Member State of the European Union as well as the European Commission, and the EFTA Countries can make Contribution(s) to a Fund under the Platform.

Third Party Financing is subject to approval by the EIB and the relevant Fund's Contributors' Committee. Third Parties shall enter into a Third Party Agreement with the Bank for the purpose of contributing Third Party Financing to a Fund under the Platform. Unless otherwise provided in these Platform Rules or in Annex I *"Receipt of Third Party Financing"* to these Platform Rules, or unless otherwise agreed by the parties to a Third Party Agreement, these Platform Rules shall apply to each Third Party.

3.2 Contributions

3.2.1 Legal Framework applicable to Contributions

Contribution(s) shall be contributed by each Contributor pursuant to a Contribution Agreement which shall specify the amount of the respective Contribution and its payment schedule.

Objectives to be pursued under each Fund, its indicative budget, as well as eligible operations shall be defined in the Fund Description annexed to the Contribution Agreement.

By entering into a Contribution Agreement, the Contributor shall be deemed to acknowledge, agree, and undertake to continuously comply with any and all terms and conditions of these Platform Rules.

3.2.2 Time schedule for Contributions

Contributions can be provided at any time during the term of a Fund under the Platform, upon execution of a Contribution Agreement between the Bank and the relevant Contributor and subject to the terms thereof. A Contributor may at any time increase the amount of its Contribution upon the execution of a further Contribution Agreement between the Bank and the Contributor and subject to the terms thereof. The provisions of these Platform Rules relating to Contributions shall apply equally to additional Contributions with respect to that same Fund.

By entering into a Contribution Agreement, the Contributor irrevocably and unconditionally undertakes to make the Contribution described therein on the relevant Contribution payment dates, as defined in the Contribution Agreement, and allow the EIB, as the Administrator, to proceed with the allocation of the relevant Contribution Paid, subject to any fees, costs, charges, and losses, to operations according to the scheduled payment dates specified in that Contribution Agreement.

3.2.3 Payment of Contributions and Third Party Financing

Each Contribution and each Third Party Financing shall be (a) denominated and paid exclusively in euro and (b) paid by the relevant Contributor or Third Party, as the case may be, in accordance with the terms of the applicable Contribution Agreement or Third Party Agreement, in the form of:

(i) a single instalment; or

(ii) in several instalments as set out in the relevant Contribution Agreement or Third Party Agreement.

On an exceptional basis specific payment modalities may be defined in the relevant Contribution Agreement or Third Party Agreement.

Each Contributor shall transfer the payable Contributions or Third Party Financing directly to the Account or the bank account indicated by the Bank in the relevant Third Party Agreement.

3.2.4 Allocation, administration and management of Contributions Paid

Each Contributor hereby authorises and appoints the Bank to act as the Administrator of the Platform to:

a) provide the services described in these Platform Rules and in particular, the allocation (in accordance with Article 5.2 of these Platform Rules) of the Contributions Paid, the administration and the management of the Resources;

b) credit the Resources to the relevant Fund Account; and

c) debit from the relevant Fund Account any amount (i) to be disbursed for the purpose of the activities of the Platform, (ii) due to the EIB in accordance with the Legal Framework (in particular, Article 7 of these Platform Rules), (iii) repaid to any Contributor, (iv) corresponding to any fees, losses, and costs arising out of the treasury management (including, but not limited to, fees, losses, and costs charged by the Unitary Fund), and (v) corresponding to any applicable charge.

The Bank shall ensure that the Contributions Paid are allocated, and the Resources administered and managed with the same diligence as the Bank's own resources and operations and in accordance with the Legal Framework[12]. In particular, the Bank shall promptly upon receipt of the Contributions on the Account, allocate the Contributions to a specific Fund in accordance with the terms of the Contribution Agreement.

The Contributions Paid shall, for and in relation to each Fund, be kept in separately and segregated from any and all of the Bank's own resources and from any other Contributions Paid allocated to another Fund or other assets held by the Bank in any capacity. Any cash held on the Account is held at the risk of the Contributors.

Each Contributor acknowledges and agrees that the Contributions may be allocated by the Bank on a non-refundable basis, depending on the Instrument used to carry out the operations of an individual Fund, and that a part or all of their Contribution may not be repaid to them. Each Contributor acknowledges and agrees that it is its intention to invest in such Instruments and the Bank shall not be held liable towards the Contributors for the repayment of the Contributions should all or part of these Contributions be invested on a non-refundable basis and each Contributor agrees to hold the Bank harmless in such a situation.

The Bank shall report on its administration and management of the Resources to the Contributors in accordance with the provisions of Article 9 of these Platform Rules and with the Legal Framework.

3.2.5 Change in status of Contributor

If a Contributor changes its status (for example by ceasing to be a Member State of the European Union or an EFTA Country) with the result that, after having become a Contributor, it ceases to fall within the definition of "Contributor" set out in Article 1, it shall nonetheless remain a Contributor with the full rights and privileges of a Contributor. It shall not be a Third Party for the purposes of the Legal Framework and its Contributions shall not be Third Party Financing. This provision shall apply in respect of all Contributions to all Funds under the Platform, whether the applicable Contribution Agreement was signed before or after the change in status of the Contributor.

3.3 Resources under management

Each Contributor acknowledges and agrees that: (i) any investment carried out by the Bank, including any investment in the Unitary Fund, is subject to fees, losses and costs, which are to be borne by the Resources, and (ii) the amounts available for financing operations through the Funds under the Platform may be lower than the Resources.

The Resources shall be managed in accordance with the principles of sound financial management and shall be invested in accordance with Article 8 of these Platform Rules.

3.4 Transfer of Resources

A Fund Outstanding Balance may be partially or fully transferred from one Fund to (an)other Fund(s), and to (an)other Instrument(s), provided that the EIB and the respective

[12] For more details refer to Article 12 of these Platform Rules.

Contributor(s), agree on this transfer. In cases where a Fund Outstanding Balance is transferred, partially or totally, from one Fund to another, the Bank shall decide if any charges shall be applied to the transferred Fund outstanding Balance, or a portion thereof, to ensure for the recovery of administrative costs and direct expenses.

ARTICLE 4
FUNDS, ELIGIBLE OPERATIONS AND INSTRUMENTS UNDER THE PLATFORM

4.1 Creation of a Fund

The Bank may establish a new Fund under the Platform at its discretion and may take such a decision on the basis of, among others, the needs and requests of existing or potential Contributors. Each Fund shall be established in accordance with these Platform Rules and any specific rules set out in the relevant Fund Description, as applicable and agreed between the Bank and the relevant Contributor(s).

For each Fund created, the Bank shall open a Fund Account and shall operate the respective Contributions Paid in accordance with Article 3.2.4 of these Platform Rules.

4.2 Operations under the Funds

The operations supported through the Contributions made to the Funds under the Platform shall be selected and administered in accordance with the EIB's mandate and the objectives in all countries where EIB is operational. The Bank shall originate, identify, and structure operations, based on demand from eligible project promoters, in accordance with the eligibility criteria defined in the Fund Description.

Such operations can cover a broad geographic and sectorial scope and various types of assistance Instruments, of which a selection shall be made for each Fund.

In relation to each Fund under the Platform the eligible regions, countries, sectors, beneficiaries and Instruments shall be specified in the Fund Description.

4.3 Geographical Coverage

All countries in which the EIB is mandated to operate in are eligible for financial support from Contributions made to the Funds under the Platform, both within and outside of the EU[13].

4.4 Eligible Sectors

Legal activities in all economic sectors are eligible for financial support from Funds under the Platform, with the exclusion of activities with a negative social or environmental impact, not addressed by mitigation plans approved by the competent authorities and

[13] The information about eligible countries is available on the EIB Website: http://www.eib.europa.eu/projects/regions/index.htm

specifically excluded from EIB lending, as per the EIB internal procedures[14]. Sector coverage shall duly take into consideration the relevant EU regional and country strategies.

4.5 Beneficiaries

Typical beneficiaries of the funding provided under the Platform shall be both public and private sector entities such as:

(i) states and other public sector entities;

(ii) public enterprises managed in accordance with market principles;

(iii) financial intermediaries such as commercial banks, financial institutions, private equity funds and micro-finance institutions;

(iv) local and/or foreign private enterprises (large enterprises, project finance vehicles, SMEs and mid-caps); and

(iv) non-governmental organisations.

4.6 Instruments

The following Instruments may be deployed within the Funds under the Platform (the below list is not exhaustive and may be updated unilaterally by the Bank from time to time):

(i) **Technical assistance:** an instrument aimed at supporting preparation and implementation of investments through institutional capacity building and the financing of e.g. pre-feasibility and feasibility studies, design and tender documents, institutional and legal appraisals, environmental and social impact assessments, project management, as well as financing upstream studies, gender analysis or advisory services to beneficiaries.

(ii) **Investment grants**: non-reimbursable contribution to finance tangible or intangible components of an infrastructure project or venture, in joint or parallel co-financing with financing from other investors. In particular, the investment grants may decrease the investment costs for a beneficiary through financing a part of the investment or through an increase of the concessionality of the financing package of a given project. They may also target specific project components which have substantial demonstrable social or environmental benefits or which can mitigate negative environmental or social impacts.

(iii) **Interest rate subsidies:** the provision of a grant amount to an investor financing an operation to enable it to make long-term finance available in flexible ways that reduce the total amount of debt service to be paid by the borrower. Such subsidies can therefore be applied upfront or over time. In either case, such grants should aim to minimise market distortions. Financing operations benefiting from interest rate subsidies shall be in line with the EU position on debt sustainability in low income countries, where applicable.

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[14] The list of "Excluded Activities" is available on the EIB Website: http://www.eib.org/about/documents/excluded-activities-2013.htm

(iv) **Financial instruments**: including but not limited to guarantees (including loan guarantee cost financing and insurance premia), equity or quasi-equity investments or participations, and risk-sharing instruments.

(v) **Direct exchange:** focused on strengthening the capacity of public and private sector organisations and groups via secondments, internships, and other activities which increase their knowledge, skill level and/or efficiency.

ARTICLE 5
GOVERNANCE OF THE PLATFORM

5.1 Governance structure

The Governance structure of the Platform shall consist of:

(i) the Administrator;
(ii) Partnerships Committees at Platform level; and
(iii) Contributors' Committee at Fund level.

5.2 Administrator

The Administrator shall receive Contributions Paid and manage the respective Resources (including the management of the Fund Outstanding Balance), in accordance with the Legal Framework and the Bank's policies and procedures applicable to the administration of the assets stemming from the Contributions Paid.

The Administrator is responsible for ensuring that operations supported under each Fund under the Platform are compliant with the Fund Description for that Fund and with these Platform Rules.

Roles and responsibilities of the Administrator include the following:

(i) administering Eligible Operations, including entering into agreements with beneficiaries, where appropriate;

(ii) preparing documents for the Bank's Governing Bodies' approval;

(iii) organizing meetings of each Contributors' Committee and of the Partnerships Committees;

(iv) preparing and circulating minutes of meetings of the Contributors and Partnerships Committees;

(v) handling written procedures in accordance with Article 5.8 of these Platform Rules;

(vi) compiling progress reports of operations and financial statements for distribution to each Contributors' Committee; preparing the Platform's annual Contributors' report and other relevant documents necessary to allow the Partnerships Committee and each Contributors' Committee to carry out their respective duties;

(vii) informing each Contributors' Committee about operations and activities financed from Third Party Financing;

(viii) providing guidance on the functioning of Platform and the underlying Fund processes and requirements;

(ix) preparing proposed amendments to the Fund Description of a specific Fund for decision by the Contributors' Committee;

(x) proposing amendments to the provisions of the Platform Rules, in consultation with Contributors, where appropriate;

(xi) supporting each Contributors' Committee in commissioning reviews and evaluations;

(xii) ensuring that, in communicating internally and externally, in its publications, in communication with beneficiaries, countries and other entities as well as the media, appropriate visibility is given to the Platform and its Contributors;

(xiii) carrying out such other functions as may be necessary for the efficient administration of the Platform and the Funds created thereunder, except for functions which pertain to the competence of the relevant Contributors' Committee and which have not been delegated to the Bank; and

(xiv) liaising and coordinating, to the extent necessary to fulfil its role, with Contributors and other relevant parties.

The Bank, as Administrator, operates in accordance with applicable EIB policies and procedures. It is accountable to the Contributors' Committees for the performance of its obligations in accordance with Article 12 of these Platform Rules, and is serving as the liaison between the Contributors' Committees and the respective departments at the Bank. In this respect, the Administrator handles Funds' operations in accordance with the EIB's Access to Information Policy available on the website of the Bank http://www.eib.org/attachments/strategies/pai_ips_en.pdf.

5.3 Partnerships Committees

Contributors to the Funds shall be invited to meetings of the Partnerships Committees as organised from time to time at the Platform level for thematic and geographical windows, to discuss and provide strategic guidance to the EIB, advise on the operation of the Platform and on the opportunity to create new Funds.

The Partnerships Committee is solely an advisory body with no decision making power in relation to either the Platform or any Fund under the Platform.

5.4 Contributors' Committees

For each Fund under the Platform a Contributors' Committee shall be set up. The main role of each Contributors' Committee is to oversee activities under the respective Fund and to approve specific operations supported through the Contributions made to such Fund. Decisions of each

Contributors' Committee on operations shall be made either by tacit procedure or during meetings, as further described in Article 5.8 of these Platform Rules.

The roles and responsibilities of the Contributors' Committee include the following:

(i) approving proposed operations within 15 Business Days of their receipt on a tacit basis, as applicable in accordance with Article 5.8 of these Platform Rules;

(ii) approving Third Party Financing;

(iii) approving redemption (to the Contributors) or reallocation (to another Fund) of remaining Contributions Paid in the relevant Fund upon its termination;

(iv) approving any amendment to the Fund Description, including any prolongation of the Fund;

(v) approving minutes of the Contributors' Committee meetings within 15 Business Days of their receipt;

(vi) reviewing reports on operations submitted by the Administrator within 30 Business Days of their receipt;

(vii) approving the consolidated financial statements submitted by the Administrator within 30 Business Days of their receipt; and

(viii) exercising other functions that may be necessary from time to time to contribute to the achievement of the objectives of the Fund.

5.5 Members of the Partnerships Committees and the Contributors' Committees

Each Contributor to a Fund is entitled to designate a member that shall represent such Contributor in the Partnerships Committee and the Contributors Committees. The Bank shall also be represented in the Partnerships Committee and in each of the Contributors' Committees. Unless otherwise decided by the Bank and the Contributors Committees, Third Party Financing pursuant to Article 3.1 of these Platform Rules does not entitle the respective Third Parties to be represented in the Partnerships Committees and the relevant Contributors' Committee and to attend their meetings.

Contributors shall each appoint a member and an alternate member (the later only participating in a meeting in the case of absence of the member) and communicate in writing their names and contact details to the Bank within 30 Business Days following the execution of the Contribution Agreement. Each Contributor shall inform the Bank about a replacement of a member or an alternate within 30 Business Days of their appointment. Both the member and the alternate shall be authorised to exercise the Contributor's rights in the Partnerships Committees and in each of the Contributors' Committees. The member or the alternate, in the absence of the member, may be accompanied by no more than one advisory staff.

An individual may at the same time serve as a member or an alternate of more than one Contributor in the Partnerships Committees and/or each relevant Contributors' Committee subject to the non-objection of the Bank.

No voting rights shall be granted to other persons than the designated members and alternates.

The number of the Bank's representatives attending the meeting of the Partnerships Committee

and the Contributors' Committees shall not be limited.

If the European Commission becomes a Contributor to any of the Funds under the Platform, it shall be treated, for the purposes of these Platform Rules, as any other Contributor.

Each Partnerships Committee and each Contributors' Committee shall have a chairperson appointed by the EIB within 15 Business Days prior to the first scheduled meeting of such Partnerships Committee and each Contributors' Committee or prior to the submission of first proposals for decision by the tacit procedure, as applicable. Such an appointment shall be communicated by the EIB to all the Contributors. A chairperson may be replaced by the EIB at its sole discretion at any time. The chairperson may invite representatives of governments, other institutions and entities to attend specific agenda items of meetings of the Partnerships Committees or the Contributors' Committees as observers.

5.6 Meetings and conferences

Meetings of the Partnerships Committees and the Contributors' Committees that may take place from time to time shall be organised in the Bank's headquarters in Luxembourg, or in such other place as may be indicated by the Bank.

It is foreseen that an annual conference shall be organised once per annum, open for all Contributors and aimed at promoting the activities under the Funds and creating an opportunity for fund-raising.

Concurrently with such an annual conference, the Partnerships Committees shall meet within thematic and geographical windows, with the aim to discussing and advising on strategic issues, overall orientations and priorities. Contributors Committees shall meet on a needs be basis either physically or via video conference.

5.7 Convening power

The chairperson of each Contributors' Committee may convene meetings at any time at his own initiative or if so decided in a previous meeting of the Contributors' Committee, or at the request of the Contributors to the relevant Fund, whose Contributions Paid account for not less than one-third of the aggregate amount of all Contributions Paid in the relevant Fund. The Contributors' Committees may conduct business electronically via email or with the use of other devices or services that may be indicated by the Bank and made available to the Contributors.

5.8 Decision-making process

Unless otherwise agreed in the Fund Description, decisions of the Contributors' Committees are made as follows:

a) during meetings, audio- or video conference meetings. Decisions taken during meetings are deemed binding if adopted by consensus. If no consensus can be reached, decisions can only be approved by Contributors representing at least:

(i) 2/3 of the total amount of the Contributions Paid actually received by the Bank since the inception of the Fund from the Contributors present or represented at such a meeting; and

(ii) one-half plus one of the total number of Contributors to the Fund;

or

b) in writing, through a tacit procedure where the Contributors shall be given 15 Business Days to vote following the receipt of the draft decision and the corresponding documents. Written procedure requests may be submitted, with corresponding documentation, at any time. Such requests are deemed approved unless Contributors representing more than 1/3 of the total amount of the Contributions Paid to the Fund reject the proposed decision. The Chairperson shall inform the members and alternates of each Contributors' Committees of the respective outcome of the written procedure at the next meeting of the Contributors' Committee and in cases where no meeting is foreseen to take place within 90 Business Days following the adoption of the decision, the Bank shall inform the Contributors in writing within 30 Business Days following the adoption of the decision. Rejected decision by way of written procedure shall be discussed at the next meeting of the Contributors' Committee. In exceptional circumstances, the 15 Business Days period for tacit approval may be shortened by the chairperson in duly justified cases but in any case shall not be shorter than 5 Business Days.

In relation to each Fund, Contributors representing not less than (i) one-half plus one, of the Contributors who have entered into a Contribution Agreement with the Bank relating to that Fund and (ii) one-half plus 1% of the aggregate amount of all Contributions Paid in relation to that Fund since its inception, shall constitute a quorum at meetings of the relevant Contributors' Committee.

Representatives and alternates shall notify the Bank in writing of any comments or requests for further information and of any potential conflict of interest with regard to one or more points on the agenda, at least 5 Business Days before the date of the meeting. They shall withdraw from the voting on the items in case of which the potential conflict of interest has been identified.

If a Contributor identifies that it has a potential conflict of interest in relation to a request for a decision to be taken by written procedure, it shall inform the chairperson of that potential conflict of interest. The chairperson shall decide whether or not the Contributor in question shall be permitted to vote on the written procedure and may decide that the decision must be submitted to a meeting of Contributors.

5.9 Agenda and documentation

Prior to any meeting of the Contributors' Committee, the Administrator shall prepare an agenda and relevant documentation and provide them to each Contributor's designated member and alternate in electronic form 15 Business Days prior to the meeting.

5.10 Minutes and disclosures

Issues discussed during the Contributors' Committee meeting and decisions made shall be recorded in the minutes of the meeting prepared by the Administrator. Draft minutes are circulated by the Administrator within 30 Business Days after the meeting to each member and alternate, for approval and/or comments, if any. Should amendments be requested by Contributors, the Administrator shall prepare and distribute final minutes for approval within 15 Business Days to all members and alternates of the Contributors' Committee.

In case of disagreements that cannot be resolved, the proposed amendment to the minutes shall be annexed to the minutes. The minutes shall, as a minimum, state the time and venue of the meeting, as well as the participants, the proceedings and the decisions adopted. If a decision is not unanimous, it shall be stated who voted for and who voted against. Minutes shall be signed by the Chairman. Minutes, shall, unless the contrary is proved, be conclusive evidence of the proceedings at a meeting.

5.11 Correspondence

Correspondence concerning the meetings shall be addressed to the Administrator. All notices, correspondence or documents to be transmitted pursuant to these Platform Rules may be transmitted using electronic mail or delivered via standard mail.

5.12 Confidentiality

Any persons attending Partnerships or Contributors' Committees' meetings shall be required to observe the confidentiality of the Committees' work and deliberations. They shall not divulge any confidential information coming to their knowledge during the performance of their duties to persons outside the Bank or the Partnerships or Contributors' Committees other than to persons assisting them in the performance of their duties, provided that such persons are subject to the equivalent duty of confidentiality. Documents relating to such work and deliberations shall be for the use of those to whom they are addressed, who shall be responsible for their safekeeping and the preservation of their confidentiality.

The minutes of meetings of Contributors, and decisions taken by written procedure, shall be considered confidential; however, the Bank or the chairperson of any Contributors' Committee may publish or disclose decisions taken by the Contributors.

5.13 Remuneration

Contributors do not receive remuneration and shall cover their own costs of participation unless otherwise decided in relation to any Fund by the Contributors of that Fund.

ARTICLE 6
APPROVAL PROCESS OF OPERATIONS

6.1 Design and implementation of operations

In order to ensure the quality of operations, the Bank shall make available Bank's staff that will provide project expertise and high professional capacity and carry out the processes necessary to establish, implement and administer the operations efficiently.

The Bank shall ensure that projects submitted for financing are technically, economically and financially viable. All projects undergo an ex-ante due diligence performed by sector experts and are monitored on a regular basis according to the Bank's monitoring procedures and guidelines.

Implementation is embedded into the different Bank departments, and the EIB staff includes, among others, loan officers, financial monitoring officers, sector specialists in charge of the design and monitoring of the technical substance of the project as well as providing oversight of climate, social and environmental considerations including gender equality, procurement, legal, financial and other issues as deemed necessary. The EIB external/local offices are also involved in all steps of the operation cycle as necessary. In addition, corporate secretariat officers shall ensure the efficient decision-making process for operational and other documents submitted to the Partnerships Committees and the Contributors Committees.

6.2 Submission of operations for approval

No operation may be submitted to the Contributors of any Fund for approval unless it has first been approved by the Governing Bodies of the Bank.

Operations cannot be presented for approval in relation to a specific Fund if the total of all Contributions Paid in respect of that Fund (including Third Party Financing, as applicable) is lower than the amount necessary to finance the operation, after deduction of actual disbursements, existing commitments and administrative fees.

6.3 Operations below a defined threshold

Unless otherwise agreed in the Fund Description, for operations financed from a Fund up to a certain threshold to be defined for each Fund in the relevant Fund Description, the Contributors' Committee fully delegates the authority for approving the allocation of Contributions Paid to the Bank's Governing Bodies. The Bank's Governing Bodies' decision on the allocation of Contributions Paid shall be guided by the eligibility criteria set out in the Fund Description.

Operations approved by the Bank's Governing Bodies shall be communicated, for information, to each member and alternate of the Contributors' Committee within 15 Business Days following the Bank's Governing Bodies' approval.

6.4 Operations above a defined threshold

Unless otherwise agreed in the Fund Description, for operations above the threshold defined for each Fund, in addition to and subsequently to the Bank's Governing Bodies' approval, the Contributors' Committee shall be responsible for approving the allocation of Contributions Paid, in accordance with the decision-making process described in Article 5.8 of these Platform Rules.

6.5 Approved operations

Eligible Operations shall be placed on the list of the Eligible Operations managed by the Administrator.

An approval of an operation remains valid for 24 months. If the relevant operation has not been signed by that time, the approval shall lapse unless prolonged for one or more additional periods of up to 12 months (provided that the effect of the extensions does not prolong the authorisation to more than four years from the date of the Bank's Governing Bodies' approval of the operation) by either (i) the Bank alone if the total amount of the considered operation does not exceed the threshold referred to in Article 6.3 of these Platform Rules or (ii) the Bank together with the Contributors' Committee (using the non-objection procedure) if the total amount of the considered operation exceeds the threshold referred to in Article 6.4 of these Platform Rules.

ARTICLE 7
FEES

The Bank shall apply a fee structured to cover both: (i) costs incurred in administering the Platform and all the Funds under the Platform; and (ii) costs associated with implementing different types of Instruments under the Funds. The amount of fees owed to the Bank shall be deducted directly from the Fund Account.

Unless otherwise agreed in the Fund Description, the fees charged to Contributors shall be the following:

7.1 Administration fee

Administration fee shall be calculated as follows:

(i) 1 percent on the total committed Contribution, to be deducted by the Bank from the first instalment of such total committed Contribution; and

(ii) 0.25 percent per annum, calculated at the Platform level[15] on the outstanding available funds as at 31 December of the relevant year, to be deducted by the Bank within one month after the end of the financial year. The amount of the management fees charged with respect to the management of any pooled

[15] For the avoidance of doubt, "calculated at the Platform level" means that the fee of 0.25% shall be calculated on the Fund Outstanding Balance for each Fund as at 31 December of the relevant year and deducted from the cumulative Contributions paid in by each Contributor to each Fund.

investment portfolio or any other investment product directly managed by the EIB (such as the Unitary Fund) shall be deducted from the fee computed under this section.

The Administration fee covers activities carried out to raise or access Contributors' funds, account for the use of funds (audits, evaluations), management of Fund Outstanding Balances (such as costs arising from cash accounts, calculation agents, custody fees), communication and Contributor visibility, creation and maintenance of dedicated IT systems, Contributors engagement and all other costs to meet obligations placed on the Bank by Contributors.

7.2 Instrument fee[16]

Instrument fee shall be payable upon the approval of a given operation under the Fund, as follows:

(i) Investment grants and interest rate subsidies: 1 percent;

(ii) Technical assistance: 3.5 percent; and

(iii) Financial instruments: 4.5 percent.

Instrument fee covers the costs of the activity of multiple teams across the Bank contributing to various stages of the instrument management cycle, including the design of operations, the operations approval process, procurement, implementation and monitoring of operations, results and financial reporting, and other operational costs.

7.3 Other fees

For any additional request by a Contributor beyond those specified in these Platform Rules or in the Fund Description, additional fees may be applied by the Bank to the requesting Contributor.

ARTICLE 8
MANAGEMENT OF OUTSTANDING BALANCE

8.1 Investment of Fund Outstanding Balance

Each Contributor authorises the Bank to invest, at its discretion and at the risk of that Contributor, the Fund Outstanding Balance (pro-rata its Contribution Paid) in accordance with:

(i) the Asset Management Guidelines of the EIB (Annex II *"Asset Management Guidelines"* to these Platform Rules), where the Platform Outstanding Balance is at least equal to 100,000,000 euros and an investment horizon of more than one year; or

(ii) the Unitary Fund in case where the Platform Outstanding Balance is lower than 100,000,000 euros or the investment horizon is less than one year. The Deed Poll and the Information Memorandum of the Unitary Fund shall be submitted to each

[16] Percentage calculated on the approved amount of the operation.

Contributor upon the Bank receiving the Contribution and, as the case may be, upon revision of these documents.

The Bank shall be entitled to invest the Platform Outstanding Balance in the Unitary Fund in accordance with this Article 8.1, and to divest the investments in the Unitary Fund any time as necessary to implement an operation. For that purpose, each Contributor hereby authorises the Bank to sign and execute the relevant subscription and redemption forms on its behalf and to deduct any amount concerning subscriptions, and fees and costs charged by the Unitary Fund from the Platform Outstanding Balance.

The Contributors shall not interfere in the decision of the Bank to invest the Fund's Outstanding Balance in accordance with the Platform Rules.

8.2 Proceeds/losses from placement of Fund Outstanding Balance

Such investments made from the Fund Outstanding Balance may lead to gains or losses and such gains or losses shall be borne by each Fund from which the associated investments were made.

8.3 Investment tools and features

The details of each investment tool and features available to the Bank in relation to Article 8.1 of these Platform Rules are set out in Annex II *"Asset Management Guidelines"* to these Platform Rules.

8.4 Liability arising from management of Fund Outstanding Balance

The Bank shall only be bound to use its best endeavours (*"obligation de moyens"*) when carrying out its duties as manager of the Fund's Outstanding Balance, which each Contributor expressly accepts. The Bank shall in any case only be liable towards the Contributor in case of gross negligence (*"faute lourde"*) or wilful misconduct (*"faute dolosive"*).

Each Contributor is solely responsible for the transactions made on its behalf by the Bank in accordance with Article 8.1 of these Platform Rules.

With regard to the assessment and evaluation of the possible performance and risks of an asset, the Bank's liability is limited to gross negligence (*"faute lourde"*); this shall also apply to secondary contractual obligations. The Bank is only liable for direct damages and under no circumstances for any consequential or special damages (such as, for example, any loss due to an unexecuted transaction, loss of profit, loss of data, damaged or unreadable data, damage to goodwill, damage to reputation or waste of management time), which are triggered or occur as a result of any of the Contributors entering into these Platform Rules or their termination or suspension.

Each Contributor agrees that the Bank does not guarantee any specific results and/or profits.

Moreover, the Bank shall not be liable for any losses in the value of the Fund Outstanding Balance resulting from market fluctuations, from changes in the exchange rates or from any other reason, for fluctuations in the yield, for temporary overexposure of the Fund Outstanding Balance in relation to limits fixed in the Asset Management Guidelines or Unitary Fund of the

EIB (due to the volatility of the markets, of other consequences, of errors of judgement or losses of opportunity when selecting investments, or for loss of opportunity at the level of the Contributor).

Each Contributor acknowledges and accepts that the Bank may not at all times, be aware of all investment opportunities available in the financial markets.

The Bank shall not be held liable for any depreciation suffered by any of the Contributors as a direct or indirect consequence of a change in the investment strategy applicable in the Asset Management Guidelines or Unitary Fund of the EIB, in particular in case of a change in this strategy before the term of the investment horizon determined by the Bank, in case of premature withdrawals of a Fund Outstanding Balance or termination of the Platform or of an individual Fund.

The Bank shall assume no responsibility for the consequences of events beyond its control, such as force majeure, a war, a riot, terrorist acts, IT failures, measures taken by public or foreign authorities or consequences of changes to the laws of Luxembourg or a foreign country.

The Bank shall not be liable for the correctness of information received from third parties and on which it relies for the management of the Fund Outstanding Balance. Similarly, the Bank shall not be held liable for inaccurate financial information provided to the Contributors on the basis of information provided by third parties.

The responsibility of examining the expediency of investments in relation to current tax, duty and currency legislation remains with the Contributors.

The Bank may manage the Fund Outstanding Balance without regard to the tax situation of the Contributor and shall assume no liability in this respect.

If any claims are made by or against the Bank, related to these Platform Rules or the services provided thereunder, each Contributor agrees to provide the Bank with all assistance reasonably requested.

The Bank offers no guarantee of any kind regarding investment success, which each Contributor expressly accepts.

ARTICLE 9
ACCOUNTING AND REPORTING

9.1 Accounts

The Bank shall maintain its recordings in the relevant accounts of the Platform exclusively in euros.

9.2 Financial statements

The Bank shall prepare the annual audited and consolidated financial statements for the Platform in euros. The consolidated financial statements shall be drawn up on the basis of cash receipts and disbursements except for the investments of Fund Outstanding Balances which shall be reported on a fair value basis.

The financial statements shall comprise:

(i) a consolidated statement of account movements of the Funds under the Platform; and

(ii) individual statements for each Fund including the breakdown of all movements with value dates and including an overview of the Fund Outstanding Balances and an overview of fees charged.

The financial year of each Fund is the calendar year.

Once they have been audited in accordance with Article 10 of these Platform Rules, the financial statements shall be approved, in line with financial statement approval procedures generally applied by EIB to third party mandates.

9.3 Valuation

9.3.1 Currencies

Whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the value of any currency in terms of another currency, the valuation shall be made by the Bank, using the same principles as the Bank applies for its own resources operations.

9.3.2 Investment of Fund Outstanding Balance

Whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the fair value of investments of the Fund or the Platform Outstanding Balance in comparison to the cost of investments, the valuation shall be made by the Bank, using the same principles as the Bank applies for its own resources operations.

9.4 Reporting

The Bank shall provide each Contributor with the following reports:

9.4.1 Reporting at the Fund level:

(i) annual operations progress reports: providing a status update on operations, summary of operational highlights and issues over the reporting period, results report on the Fund level and financial status;

(ii) bi-annual operations progress update: providing information on new operations approved, financial resources and disbursements status, and the project pipeline;

(iii) operations completion reports: providing a fully-fledged information on operation including results and financial aspects; and

(iv) annual audited and consolidated financial statements.

Measurable results shall be reported against the Result Framework developed for each Fund, and shall be based on the existing result measurement tools used at the

EIB[1] (http://www.eib.org/projects/cycle/monitoring/rem.htm). Such Results Framework, which may be revised by the Bank from time to time in consultation with the Contributors, shall be used for reporting and evaluation purposes.

In addition, qualitative information shall be provided on important aspects of, among others, sustainability, ownership, broader economic impact, as frequent as appropriate.

Limited additional reporting may be agreed with any Contributor to a Fund on a bilateral basis and may be subject to extra fees.

9.4.2 Reporting at the Platform level

The EIB shall issue a consolidated Annual Contributors Report that shall highlight activities and achievements across the Bank's Funds portfolio, providing visibility to the Contributors and each of the Funds to which they contribute.

In the context of review of the Platform activities (and for the first time in December 2022), the Bank shall provide the Contributors with an evaluation report analysing the impact of operations financed by the Funds under the Platform in the beneficiary countries.

ARTICLE 10
AUDIT AND CONTROL

10.1 Audit

The consolidated financial statements with respect to the Platform shall be subject to external auditing and the costs of such audit shall be borne by the Platform.

The individual Fund Instrument account statements shall not be subject to external audit but shall be covered under the external audit of the Platform's consolidated financial statements.

10.2 Control

The Platform shall be managed in accordance with the Bank's usual criteria and procedures, including appropriate control measures.

ARTICLE 11
DURATION

11.1 Termination of a Fund and of the Platform

The Platform and the Funds under the Platform shall remain in force so long as there remain funds, commitments or investments with respect to the Platform and the Funds.

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[1] The Bank measures the results of its operations through the 3 PA and ReM frameworks (inside and outside the EU respectively) and the logical framework covers both lending and technical assistance operations. These are based on a 3 pillar methodology, which is designed to show how EIB inputs (e.g. loan, technical advice) generate outputs (e.g. an electricity transmission line, a training programme), which enable outcomes (e.g. improved access to energy, improved institutional capacity) and, over time, lead to impact (e.g. development of economic infrastructure, regional integration).

Individual Funds shall not specify a termination date but may be terminated at any time by a decision of the relevant Fund's Contributors' Committee made with the unanimous consent of the Contributors and, if appropriate, after consultation of the EIB's Governing Bodies.

11.2 Payment of the Fund Outstanding Balance upon termination of a Fund

Upon a decision of the relevant Contributors' Committee, in view of the termination of a Fund, the following provisions shall apply with respect to the Fund Outstanding Balance of that Fund:

(i) the Bank shall forthwith cease all activities relating to such corresponding amounts, except those incidental to the orderly realisation, conservation and preservation of such amounts and the settlement of the direct or contingent obligations to which they may be subject;

(ii) in case where the Fund Outstanding Balance is positive, the Bank shall discuss with Contributors as to possible uses of the funds available from the Fund Outstanding Balance and not yet committed into an operation at the time of termination, with a view to integrate such funds in other Funds or as otherwise agreed with the Contributors. The remaining funds, if any, may as well be returned to the Contributors, if so requested in the decision on termination of the Fund;

(iii) the Bank shall establish individual Fund Instrument account statements for the Fund being terminated for covering the period from the last annual consolidated financial statements till the date of termination, which shall be subject to the audit procedure referred to in Article 10 of these Platform Rules; and

(iv) in case where the Fund Outstanding Balance is equal to zero, the Bank may send to the Contributors an invoice corresponding to any remaining costs incurred, pro-rata their respective Contributions Paid.

ARTICLE 12
STANDARD OF CARE AND LIABILITY

12.1 Standard of Care

The Bank shall, in accordance with its internal policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Funds' proceeds, and include provisions in its agreements with beneficiaries to give full effect to the relevant Bank guidelines on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism.

12.2 The Bank acting as for its own resources and operations

When acting as Administrator of the Platform, the Bank shall exercise the same degree of care and diligence as for its own resources and operations. Each Contributor acknowledges and agrees that the obligations of the Bank, as Administrator, are to be performed on a best endeavour basis only (*"obligation de moyens"*).

The Bank shall administer the Platform as it deems appropriate, in all respects in accordance with these Platform Rules and its internal policies and procedures. The relevant policies and procedures are available on the website of the Bank.

The Bank may adopt new internal procedures and policies as it deems appropriate, which shall be applicable to these Platform Rules to the extent compatible with them.

12.3 The Bank acting in specific circumstances

In certain circumstances, the Bank may, with the relevant Contributors' approval expressed in a form separately agreed upon by the Bank and the relevant Contributor, carry out operations, under an individual Fund, that present a level of risk that can normally not be undertaken and borne by the EIB with its own resources. Therefore, the internal policies and procedures of the Bank shall not apply to these operations.

In these specific circumstances, the Bank shall implement ad hoc policies and procedures in accordance with the level of risk inherent to, and the nature of, the contemplated operations. Such ad hoc policies shall always be consistent with the relevant Bank's guidelines on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism.

The Bank shall communicate those ad hoc policies and procedures to the relevant Contributors to the extent practically possible before the holding of a Contributors' Committee to decide on the contemplated operation, as the case may be and, if not practically possible, promptly after the decision to launch the contemplated operation has been made.

12.4 Liability limited to gross negligence and wilful misconduct

Unless otherwise provided for in these Platform Rules and or in the relevant Contribution Agreement, the Bank shall only be liable in the case of gross negligence (*"faute lourde"*) or wilful misconduct (*"faute dolosive"*).

12.5 Force majeure and disturbance of business

The Bank shall not be liable for any losses caused by abnormal or unforeseeable circumstances, force majeure, riot, war or natural events or due to other occurrences which are beyond the control of the Bank (for instance, strike, lock-out, traffic hold-ups, administrative acts of domestic or foreign authorities or courts, as well as interruptions of telecommunications system or other similar events).

12.6 Delays

Nothing in these Platform Rules shall require the Bank to take any action which, in the opinion of the Bank acting in good faith, is not possible or would be in contravention of any applicable law, regulation, market custom or practice.

The Bank shall not be liable for any delays in the performance of its obligations under these Platform Rules arising from compliance with duties flowing from applicable laws and regulations.

12.7 Limited recourse

Each Contributor acknowledges and accepts that it has only recourse to the Contributions Paid allocated to the relevant Fund, in accordance with the account statement to be established by the Bank in relation to each Fund and subject to the deduction of any applicable fees, costs, losses, and charges. Each Contributor expressly acknowledges and accepts that once all the Contributions Paid of the relevant Fund have been realised (that is, if upon termination of the relevant Fund, all the Contributions Paid, subject to the deduction of any applicable fees, costs, losses, and charges, have been redeemed on a pro rata basis), it is not entitled to take any further steps against the Bank to recover any further sums due (if any) and the right to receive any such sum shall be extinguished. Each Contributor accepts not to attach or otherwise seize the assets of the Fund, if at all possible.

ARTICLE 13
AMENDMENTS AND ORDER OF PRECEDENCE

13.1 Amendments

The Bank may, at any time and in consultation with Contributors, amend the provisions of these Platform Rules. The Bank shall inform the Contributors indicating the provisions it intends to modify or add as well as the content thereof. In proposing amendments to the provisions of the Platform Rules, the Bank shall assess the potential impact of those amendments on existing Funds and inform the Contributors thereof.

The amendments shall be deemed approved by the Contributors if they have not addressed a written objection to the Bank within 15 Business Days of dispatch of the notification by the Bank regarding the amendments.

If one or more Contributors object(s) to the amendments proposed, these Contributors are entitled to terminate the Contribution Agreement they entered into with the Bank with immediate effect within the timeframe set out above and to ask for the refund of the portion not invested into operations, if any, and subject to the deduction of any applicable fees, costs, losses, and charges, of their Contribution Paid if the amendments proposed by the Bank:

(i) prevent such Contributor to continue to participate to the Platform in compliance with the laws and regulations applicable to it;

(ii) impose on the Contributors to increase the amount of their Contributions; or

(iii) substantially increase the costs of participation in the Platform.

A Contributor willing to terminate the Contribution Agreement pursuant to the termination process described above shall give evidence to the Bank and the other Contributors in the Fund that it is affected by an event listed under items (i)-(iii) above.

If an amendment to the provisions of the Platform Rules has a negative impact on one or more Funds, the relevant Contributors' Committees shall decide whether to continue the affected Funds or to terminate them in accordance with Article 11.1 of these Platform Rules.

Each Contributor acknowledges and agrees that technical amendments (such as, but not limited to, correction of drafting errors, numbering of Articles in the Platform Rules or cross- or external references in the Platform Rules) and amendments that do not affect the substance of any provisions of these Platform Rules may be made unilaterally by the Bank. The Bank shall immediately inform the Contributors of those technical or minor amendments.

13.2 Order of precedence

In the event of any inconsistency or conflict between the terms of the Platform Rules, a Contribution Agreement and those of the corresponding Fund Description, the following order of priority shall apply:

(i) the Contribution Agreement (as between the Bank and the relevant Contributor);
(ii) the Fund Description; and
(iii) the Platform Rules.

In the event that there is more than one Contribution Agreement between the Bank and a Contributor in relation to the same Fund, then in the event of any inconsistency or conflict between the two, the later shall prevail as between the Bank and that Contributor.

ARTICLE 14
SEVERABILITY

If, at any time, any of the provisions under these Platform Rules is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Platform Rules nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

ARTICLE 15
DISPUTE RESOLUTION AND GOVERNING LAW

15.1 Amicable resolution of disputes

The parties having agreed to these Platform Rules shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of these Platform Rules.

15.2 Jurisdiction

For the purposes of any dispute arising in relation to these Platform Rules, the parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

15.3 Governing law

These Platform Rules are governed by, and shall be construed in accordance with, the laws of the Grand-Duchy of Luxembourg.

ANNEX I
RECEIPT OF THIRD PARTY FINANCING

With a view to reinforcing complementarities and coordination with other parties' activities that are in line with the objectives and guiding principles of the Platform, (other countries, International Financial Institutions, funds, foundations, private and banking entities etc.) the Contributors' Committee of a Fund may authorize Third Party Financing in relation to that Fund.

Capitalised terms used in this Annex and not otherwise defined herein shall have the meaning given to such terms in the Platform Rules to which this Annex is attached.

Article 1 Third Party Financing

Third Parties may contribute funds to a Fund under the Platform subject to the approval by the Bank and to the unanimous approval by the Contributors' Committee of the relevant Fund. Once approved as eligible resources for the relevant Fund, Third Party Financing is subject to the special terms and conditions set forth in this Annex.

The approval of Third Party Financing does not result in the Third Party acquiring the status of Contributor and does not give the right to the Third Party concerned to be represented in the Contributors' Committee of the relevant Fund and to participate in its meetings, written procedures or in any governance structure of the relevant Fund.

The Bank shall act as an intermediary with respect to Third Party Financing. In this respect, Third Party Financing shall not be recognized as Contributions in the Fund's financial statements.

Article 2 Third Party Agreement

Subject to the approval of the Bank's Governing Bodies and the Contributors' Committee of the relevant Fund, the Bank may sign, in its role of Administrator, an agreement with the relevant Third Party (the "Third Party Agreement") specifying the name of the Third Party (including name of the contact person), nature of the Third Party Financing, applicable rules and its use. The use of the Third Party Financing shall be in line with the general purposes of the Platform and the related Fund, and for the operations approved as indicated in the Third Party Agreement.

Article 3 Amount and Payment Modalities of Third Party Financing

The Third Party Agreement shall in principle include the total amount and payment modalities of the Third Party Financing. When such elements are not included in the Third Party Agreement at the time of the signature, the Contributors' Committee of the relevant Fund shall be separately informed about the precise amount and payment modalities of the Third Party Financing under the Third Party Agreement, as soon as practically possible. Funds shall be committed exclusively in euros.

Article 4 Rules Applicable to Third Party Financing

Proposals for potential operations funded from the Third Party Financing shall be submitted for approval to the Bank's Governing Bodies and the Contributors' Committee of the relevant Fund shall be informed about the approved operations.

The Third Party Financing shall be governed by the terms and conditions specified in the Third Party Agreement, including the use of such funds, reporting obligations, payment modalities, visibility, dispute settlement.

Article 12 of the Platform Rules shall apply with respect to Third Party Financing.

Article 5 Bank Account for Third Party Financing

The Bank shall open a separate account in its accounting books for each Fund under which Third Party Financing has been approved. This account shall be called "Fund [●] – Financing from Third Party" for the receipt of the Third Party Financing, the disbursement of the monies and the Bank's fees, and any potential remuneration as indicated in the Third Party Agreement.

Article 7 of the Platform Rules shall apply with respect to Third Party Financing.

Article 6 Financial Reporting

The Bank shall provide financial reporting to substantiate the use of the Third Party Financing in accordance with the Article 9 of the Platform Rules.

Article 7 Audit

Movements from the separate account opened for Third Party Financing may be subject to a separate external audit in accordance with the provisions of the Article 10 of the Platform Rules.

Article 8 General Reporting Obligations

The Bank shall ensure that the Contributors' Committee of the relevant Fund is comprehensively informed on an annual basis with respect to all operations and activities financed from Third Party Financing.

ANNEX II
ASSET MANAGEMENT GUIDELINES

Preamble

The assets constituting the Platform Outstanding Balance from time to time which are under treasury management by the EIB (the "**Platform's Assets**") shall be managed in accordance with the principles of sound financial management and following appropriate prudential rules in accordance with the principles laid down in Section I below. These assets shall be invested at the risk of the Contributors according to the guidelines as set out in Section II below. In this document, "Unitary Fund" means the pooled investment portfolio established by the EIB by the Deed Poll of 1 July 2009 as supplemented and amended from time to time and as defined in the corresponding Information Memorandum.

Section I - Principles Relating to the Platform Outstanding Balance

1. The EIB shall manage Platform's Assets in accordance with the following principles:

(i) The risk exposure taken on the Platform's Assets shall be limited to the capital invested and returns earned thereon.

(ii) While executing transactions on behalf of the Platform, the EIB shall apply the same standards of due diligence and care it normally applies when managing its own treasury portfolios or its other mandates. While purchasing securities at any time, either on the primary market or the secondary market, the EIB shall guarantee equal treatment among the different portfolios under management. In this context, it shall not purchase securities of the same issue at the same time on more advantageous conditions for its own account or for the account of any other portfolio under management.

(iii) Management of the assets shall be based on the best practice of the asset management industry and on the traditional prudential rules applied in financial activities. Management shall comply with the risk limitations set out under these Asset Management Guidelines. Particular care shall need to be taken to ensure that the managed assets provide sufficient liquidity in relation to the commitments to which the assets must respond, while still optimizing the return that is compatible with maintaining a high-degree of security and stability over long-term.

(iv) The EIB shall not be authorized to enter into speculative transactions or to borrow from the market to cover any liquidity gap. Unforeseen cash payments that are not sufficiently covered by cash holdings shall be covered adequately by the sale of assets. Reverse repo and collateralised securities lending transactions are authorised at the discretion of the EIB subject to the limitations set out in these Asset Management Guidelines.

(v) A performance index, taken as a benchmark shall be defined by the EIB and shall be in line with the existing benchmark used for other third-party portfolios.

(vi) All investments need to respect the limits set out hereto.

(vii) In accordance with the operational cash flow forecast, the EIB shall take the necessary measures to manage the placement of the Platform's Assets in order to execute all payments in a timely manner.

(viii) Securities transactions shall be based on the principle of "delivery versus payment"; delivery and payment to clearing systems are authorized.

(ix) The sale of assets is authorized, among others, if the securities no longer correspond to the criteria set out hereto or with a view to balancing the maturity profile or enhancing overall portfolio performance.

(x) The EIB shall regularly supervise the continuous respect of the limits set out hereto.

2. Funds' Assets may be invested in EUR. Hedging instruments may be considered if relevant and cost-efficient.

Section II: Guidelines

The EIB shall manage the Funds' Assets in accordance with the principles set out in Section I above.

1. Portfolio structure

The portfolio maturity structure shall reflect the projected cash flows from the Platform / Funds. Sufficient assets shall be placed in monetary assets to cover the short term (less than one year) outflows, at a proportion to be fixed in the annual investment strategy.

1.1. The remaining assets may be allocated to medium and long term instruments, with a maximum remaining maturity of 10 years and six months from the payment date (medium and long-term portfolio).

1.2. Should the requirements of efficient portfolio management or some other grounded reasons require so and/or if the portfolio of asset management is smaller than EUR 100 million the EIB may allocate more or all of the assets in the units of the Unitary Fund. The EIB may in any case temporarily allocate more or all of the assets in the units of the Unitary Fund pending investment of the relevant part of the assets to the medium and long term instruments.

2. Types of investment

The monetary assets may comprise units in the Unitary Fund, and other short term instruments with maturities up to 397 days at value date including fixed rate bonds (with such remaining maturity) and floating rate notes of up to 2 years of remaining maturity. It is understood that the Unitary Fund shall constitute the preferred investment option for the monetary assets in EUR. In case of unsecured bank deposits, the time to maturity should not exceed 95 days at value date. Considering the portion of the monetary assets invested in unsecured bank deposits, due consideration should be given to prevailing market conditions and risks. The remaining assets may include fixed rate bonds with remaining maturity longer than 397 days and floating rate bonds with more than 2 years of remaining maturity.

3. Limits

Qualifying ratings shall be the ratings issued by Fitch, Moody's or Standard & Poor's.
The rating criteria refer to Moody's "or equivalent". In case of split ratings, the second best rating is considered for assessing whether the rating criteria are met.
In case where only one rating is available, it shall be applied.
In case where there are 2 or more equivalent ratings, they shall be considered as ranked in a strict total order[17].
The equivalents of Moody's ratings are the following:

	Moody's	Standard & Poor's	Fitch
Long term			
	Aaa	AAA	AAA
	Aal	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	Al	A+	A+
	A2	A	A
	A3	A-	A-
	Baal	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Short term			
	P-1	A-1	Fl
	(P-1)	A-1+	Fl+
	P-2	A-2	F-2

3.1 Criteria for the Bank's Unitary Fund, short-term money market funds, deposits, including collateralised deposits, reverse repos:

3.1.1 The EIB Unitary Fund operating and managed in accordance with the Deed Poll and its information memorandum, shall be eligible. Up to 100% of the assets allocated to the monetary assets held in EUR may be invested in the EIB Unitary Fund. The concentration limits do not apply to the Unitary Fund.

3.1.2 The banks authorised to receive term deposits shall be rated at least P-1 short-term Moody's or equivalent. In case of reverse repos or collateralised deposits, the required rating shall be at least P-2 short-term Moody's or equivalent. In case of term deposits with non-rated central banks and national debt management agencies, the rating of the respective sovereign shall apply. Deposits with Bank for International Settlements shall be authorised.

[17] A<B<C, e.g. AAA (1st), Aaa (2nd), AA+ (3rd).

3.1.3 The ceiling of authorised investments with banks referred to in 3.1.2 is fixed at 5% of the banks' own funds[18], capped at EUR 50 million per counterparty provided that the counterparty is rated at least Aa2 long-term Moody's or equivalent and EUR 25 million for counterparties rated below Aa2 long-term Moody's or equivalent. Should the nominal size of the total portfolio exceed EUR 1 billion, increased caps of respectively EUR 100 million and EUR 50 million shall apply. Should the nominal size of the total portfolio exceed EUR 2 billion, increased caps of respectively EUR 150 million and EUR 75 million shall apply. In case of collateralised deposits the limit utilisation rate of the investment may be reduced to 20% and the required rating to P-2, provided that collateral haircuts are applied in accordance with the EIB's practices applying to its own treasury assets.

3.2 Criteria for securities investments:

3.2.1 Short-term securities (remaining term to maturity from acquisition settlement date: less than 397 days)

3.2.1.1 Purchases of long-term and medium-term bonds with less than 397 days to run must comply with the conditions applicable to medium-term and long-term bonds described in 3.2.2 and respect the limits set out therein.

3.2.1.2 For short-term securities, purchases are not authorised unless one of the following conditions is satisfied:

- instruments (certificates, T-bills etc.) are issued by states or institutions satisfying the definition set out in 3.2.2;
- instruments are issued by authorised banks referred to in 3.1.3 and within the limits set out in 3.1.3;
- instruments are issued by non-credit institutions when the issuer or issuance program complies with the criteria set out in 3.1.3 and the eligibility criteria set out in 3.1.3 *mutatis mutandis*.

3.2.2 Long- and medium-term securities (remaining term to maturity from acquisition settlement date: 397 days or more)

3.2.2.1 In all cases, the EIB shall invest in bonds which are expected to provide a sufficient degree of liquidity.

3.2.2.2 The long and medium term investments must consist of:

- bonds issued or guaranteed by European Union or Euratom with long term rating according to the table below;
- bonds issued or guaranteed by a Member State of the EU with a long term rating according to the table below:

[18] The bank's own funds taken into account shall be the latest figures obtained from the annual audited balance sheet published. For Central Banks, national debt management agencies, and the BIS the cap related to own fund shall not apply.

Applicable rating (Moody's or equivalent)	Maximum amount per issuer or guarantor in EUR millions		
	Nominal Portfolio Size <= EUR 1bn	Nominal Portfolio Size <= EUR 2bn	Nominal Portfolio Size > EUR 2bn
Aaa-Aa2	100	250	400
Aa3-A3	50	125	200
Baa1	25	50	80
Baa2-Baa3	10	25	40

- bonds issued or guaranteed by other supranational institutions in which Member States of the EU have a participation or by sovereigns that are not Member States of the EU, provided that such institutions or countries have a minimum long term rating of Aa2 Moody's or equivalent, for a maximum amount of EUR 80 million per issuer or guarantor of the obligations. This amount shall be increased to EUR 200 million, should the nominal size of the total portfolio exceed EUR 1 billion, and to EUR 300 million, should the nominal size of the total portfolio exceed EUR 2 billion;

- bonds issued by other legal entities with a long-term rating from Aaa to Aa3 Moody's or equivalent, for a maximum amount of EUR 35 million per issuer, and in case of a long-term rating from Al to A3 Moody's or equivalent, for a maximum amount of EUR 20 million per issuer. Should the nominal size of the total portfolio exceed EUR 1 billion, increased maximum amounts of respectively EUR 75 million and EUR 35 million shall apply. Should the nominal size of the total portfolio exceed EUR 2 billion, increased maximum amounts of respectively EUR 125 million and EUR 60 million shall apply;

- the EIB and the Contributors may agree on further rating/maturity limits.

3.3 Applicable Rating

Securities should be rated at least by one of the rating agencies Standard and Poor's, Fitch or Moody's. In the absence of all bond/issue ratings, the respective issuer ratings (in case of guaranteed positions the guarantor ratings) shall be considered.

Loss of required rating

In case of a loss of required rating, the EIB shall endeavor to replace the relevant assets in the portfolio by other assets of adequate quality respecting the relevant limits. Alternatively, the EIB may analyze, among other factors, the remaining maturity of the asset and the probability of repayment at scheduled maturity, and as a result of this analysis decide to keep such assets.

Member State securities (including securities guaranteed by Member States) may be kept in an event of loss of required rating(s).

3.4 Concentration limits

3.4.1 The total exposure to the same issuer or counterparty (consolidated at the TOP parent level) shall not exceed 10% (in the case of Member States, 20%) of the total amount of that portfolio.

3.4.2 Should the total amount of assets in the portfolio be lower than EUR 100 million, the limit in 3.4.1. shall not apply. In this case however, a maximum exposure to any single issuer or counterparty should not exceed EUR 20 million.

3.4.3 The total investment in an issue must not exceed 10% of the total nominal outstanding amount of the issue.

4. Securities lending and repos

The EIB is authorised, but is not under any obligation, to enter into reverse repo or collateralised securities lending operations with leading financial institutions complying with the criteria laid down for short-term investments under 3.1.2 and 3.1.3 above and with securities clearing companies.

Annex 2

Terms and Conditions of the Liquidity Facility

These Terms and Conditions shall form an integral part of the Contribution Agreement between each contributor (in these Terms and Conditions the **"Borrower"**) and the European Investment Bank (in these Terms and Conditions the **"Lender"**).

IT IS AGREED as follows:

I. The Facility

The Borrower has requested the Lender to make available an uncollateralised credit facility (the "**Facility**"), the proceeds of which shall be used for the purposes of payments under the first demand guarantee (the "**First Demand Guarantee**") entered into by the Borrower together with other guarantors in the context of the EU COVID-19 Guarantee Fund (the "**Fund**").

The Borrower has entered into a contribution agreement (the "**Contribution Agreement**") to make contributions ("**Contributions**") to the Fund. The Facility shall be used to make Advances to the Borrower in the event that a Demand under its First Demand Guarantee will not be funded by Upfront Payments or cash contributions to the Fund.

Capitalised terms which are defined in the First Demand Guarantee and the Contribution Agreement shall unless otherwise defined bear the same meaning in these Terms and Conditions.

II. Total amount of the Facility - Use of the proceeds

A. The total principal amount of the Facility for each Contributor shall be its Adjusted Key Percentage of EUR 7,500,000,000 (*seven billion and five hundred million euro*) (the resulting amount being the Contributor's "**Facility Amount**"). The aggregate total principal amount of all Facilities shall be equal to the aggregate of the Facility Amounts for all Contributors (the "**Aggregate Facilities Amount**").

B. The Borrower agrees to use the proceeds of the Facility solely for the purposes of financing payments under the First Demand Guarantee.

III. Availability

A. The Facility will be available in one or more advances (each an "**Advance**" and together the "**Advances**") until the earlier of (i) the date on which the Fund is terminated in accordance with Article 11 of the Platform Rules and (ii) 30 April 2038 (the "**Availability Period**").

B. At any time prior to the expiry of the Availability Period if the credit balance on the Dedicated Register of the Borrower on any Business Day is insufficient to discharge in full the portion of a Demand to be paid by the Borrower then the Lender shall finance the Borrower's obligations in relation to such Demand or such amounts by making an Advance to the Borrower for the Advance Period.

"**Advance Period**" means, in relation to an Advance, the period commencing on its utilisation date (its "**Advance Date**") and ending on the Advance Repayment Date.

"Advance Repayment Date" means a Payment Date under the Contribution Agreement after the Advance Date of the relevant Advance and means:

(a) for an Advance in relation to which the Advance Date falls between 31 December in year n-1 (inclusive) and 30 March in year n (inclusive), 15 June in year n;

(b) for an Advance in relation to which the Advance Date falls between 31 March in year n (inclusive) and 29 June in year n (inclusive), 15 September in year n;

(c) for an Advance in relation to which the Advance Date falls between 30 June in year n (inclusive) and 29 September in year n (inclusive), 15 December in year n; and

(d) for an Advance in relation to which the Advance Date falls between 30 September in year n (inclusive) and 30 December in year n (inclusive), 15 March in year n+1.

If an Advance Repayment Date would be a day that is not a TARGET2 Business Day, the Advance Repayment Date shall instead be the following day that is a TARGET2 Business Day.

Borrower shall not repay an Advance prior to the applicable Advance Repayment Date except with the prior agreement of the Lender

C. All amounts due hereunder must, if not repaid earlier pursuant to another provision of these Terms and Conditions, be repaid by 15 September 2038.

IV. Interest Rate

A. Interest on each Advance shall be payable on the Advance Repayment Date of such Advance at the rate of the EURIBOR for the Advance Period plus the aggregate of: (i) a spread (which may be positive or negative) calculated following the Lender's standard pricing methodology for recovering its cost of funding on the capital markets; and (ii) a mark-up in respect of its administrative costs of five basis points (0.05%) per annum (the "**Applicable Rate**"). If the Applicable Rate is a negative number, it shall be deemed to be zero.

B. "**EURIBOR**" means:

(i) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;

(ii) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and

(iii) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "**Representative Period**").

For the purposes of paragraphs (ii) and (iii) above:

(i) "**available**" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), or any successor to that function of EMMI, as determined by the Bank; and

(ii) "**Screen Rate**" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the "**Reset Date**") which falls 2 (two) relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

All percentages resulting from any calculations referred to in this Clause will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.

If EURIBOR is not published in respect of a day for which it is required, then the Bank shall replace it with another benchmark rate and make any appropriate adjustment to the spread, day-count fraction, quotation date(s) and/or calculation period which it will determine in good faith and in a commercially reasonable manner.

If any of the provisions of this Clause become inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI (or any successor to that function of EMMI and EURIBOR ACI as determined by the Lender) in respect of EURIBOR the Lender may by notice to the Borrower amend the provision to bring it into line with such other provisions.

If the Screen rate becomes permanently unavailable, the Euribor replacement rate will be the rate (inclusive of any spreads or adjustments) formally recommended by (i) the working group on euro risk-free rates established by the European Central Bank (ECB), the Financial Services and Markets Authority (FSMA), the European Securities and Markets Authority (ESMA) and the European Commission, or (ii) the European Money Market Institute, as the administrator of EURIBOR, or (iii) the competent authority responsible under Regulation (EU) 2016/1011 for supervising the European Money Market Institute, as the administrator of the EURIBOR, or (iv) the national competent authorities designated under Regulation (EU) 2016/1011, or (iv) the European Central Bank.

If no Screen Rate and/or the Euribor replacement rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Advance or amount based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

C. All interest shall be calculated on the basis of a 360 day year and actual days elapsed.

D. If any amount under this Agreement is not paid on the date it is due then such unpaid amount shall bear interest at the daily rate of €STR plus a spread of two per cent (2%) per annum floored at zero calculated on a daily basis which interest shall accrue from the date when payment was due until the date of actual payment of such unpaid amount. For this purpose €STR means the euro short-term rate administered by the European Central Bank (or any other person which takes over the administration of that rate) displayed (before any correction, recalculation or republication by the administrator) on page EUROSTR of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate).

E. For the avoidance of doubt, interest on each Advance shall be payable on the Advance Repayment Date. Interest accrued on each Advance shall not be debited from the Dedicated Register or financed through a new Advance but shall be paid in cleared cash on each Payment Date, except to the extent that it has been paid in accordance with the allocation rules and orders of priority of the Fund.

V. Illegality

The Lender may notify the Borrower if it believes it is or will be acting illegally in relation to these Terms and Conditions. The illegality may relate to the performance of the Lender's obligations or the maintenance of these Terms and Conditions, the Facility and, or any or all of the Advances.

If the Lender delivers such notice of illegality, the Facility will be cancelled three (3) Business Days following the date of delivery of the notice to the Borrower. If the Lender certifies that, because of a legal requirement, a change of the applicable laws or regulations, or the interpretation of these rules or because of a new decision made by any relevant authority, applicable to the Lender, any Advance must be repaid before the relevant Advance Repayment Date, the Borrower agrees to repay it on the date specified by the Lender, which shall not be earlier than fifteen (15) Business Days from the date of such notice, together with the accrued interest and fees due hereunder until the actual repayment date.

VI. Reporting

The Lender shall provide quarterly statements of the outstanding balance and accrued interest under the Facility and the final maturity dates, within fifteen (15) Business Days after the end of each quarter.

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Ippubblikat mid-Dipartiment tal-Informazzjoni (doi.gov.mt) — Valletta — ***Published by the Department of Information (doi.gov.mt) — Valletta***
Mitbugħ fl-Istamperija tal-Gvern fuq karta FSC — ***Printed at the Government Printing Press on FSC certified paper***

Prezz/*Price*
€5.40