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Call for Expression of Interest to select one or more Financial Intermediaries targeting climate and innovation investments in Croatia to be funded within the scope of an investment partnership between the European Investment Fund (EIF) and the Croatian Bank for Reconstruction and Development (HBOR), with such Call for Expression of Interest managed by EIF

Reference number: Call for EoI – NPI SM-CROGIP II/2023/01

¹ Funded by the European Union – NextGenerationEU. The views and opinions expressed are solely those of the authors and do not necessarily reflect the official views of the European Union or the European Commission. Neither the European Union nor the European Commission can be held responsible for them.

Deadline for applications: 31 December 2023

The objective of this Call for Expression of Interest (the “CEoI” or “Call”), launched by EIF in collaboration with Croatian Bank for Reconstruction and Development (HBOR), is to select one or more Financial Intermediaries, with a focus on climate and innovation, to support the Croatian SMEs, small midcaps and midcaps’ access to growth and expansion equity capital in Croatia.

All applications by Financial Intermediaries for funding under this selection process should be submitted to EIF and comply with the terms of this CEoI.

Alongside resources allocated under the Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (L 57/17, 18.2.2021.) within NextGeneration EU and the Council implementing decision on the approval of the assessment of the recovery and resilience plan for Croatia (Interinstitutional File 2021/0222 (NLE), 20.7.2021.) that are to be invested directly by HBOR in accordance with the National Recovery and Resilience Plan 2021-2026 of the Government of the Republic of Croatia and HBOR’s internal acts and procedures (the “HBOR RRF Mandate”), EIF shall use funding sources under EIF management in respect of which the requirements attached to such funding will apply in addition to those reflected in the CEoI. After pre-selection of the applicants (please see section 6 below for the description of the process), EIF will inform all applicants that passed the pre-selection process of such additional funding source(s) and of the relevant requirements.

In this CEoI, capitalised terms and expressions have the respective meanings attributed to them below or defined in the relevant “Investment Guidelines and Selection Criteria” annexed hereto, as appropriate.

Applicant	means a Financial Intermediary applying for the funding in accordance with this Call.
Commission Recommendation	means the European Commission Recommendation 2003/361/EC of 6 May 2003, as amended from time to time.
Deadline	means 31 December 2023
EIB Group	means the European Investment Bank (EIB) and the European Investment Fund (EIF).
Eligible Final Beneficiary (-ies)	has the meaning set out in Appendix 3.
Expression of Interest	means a proposal sent by an Applicant in response to this Call, within the Deadline, to be drafted in accordance with the template attached hereto.

<p>Financial Intermediary or Fund Manager</p>	<p>means a financial institution, fund management company or other legal entity managing or advising a Fund responsible for providing the resources made available from the investment partnership between EIF and HBOR to Eligible Final Beneficiaries in accordance with this Call.</p>
<p>Financial Regulation</p>	<p>means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EC, Euratom) No 966/2012.</p>
<p>Fund</p>	<p>means the investment vehicle(s) (including dedicated vehicles) that are set-up and managed and/or advised by the Financial Intermediary (-ies) to provide financing to Eligible Final Beneficiaries in accordance with this Call.</p>
<p>Midcap</p>	<p>means an enterprise as defined in Article 1 of the Title I of the Annex of the Commission Recommendation which (i) has up to 3,000 employees and (ii) is not a SME, as defined in the Commission Recommendation.</p>

<p>Non-Compliant Jurisdiction or “NCJ”</p>	<p>means a jurisdiction:</p> <ul style="list-style-type: none"> (i) listed in the Annex I of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes; (ii) included in the Organisation for Economic Cooperation and Development (OECD)/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards; (iii) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies; (iv) rated as “partially compliant” or “non-compliant”, including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request; (v) included in the Financial Action Task Force statement “High risk Jurisdictions subject to a Call for Action”); and/or (vi) included in the Financial Action Task Force statement “Jurisdictions under Increased Monitoring”, <p>in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.</p>
<p>Restrictive Measures</p>	<p>includes, without limitation, the restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).</p>
<p>Small and Medium-sized Enterprise or “SME”</p>	<p>means a micro, small or medium-sized enterprise as defined in the Commission Recommendation.</p>
<p>Small Midcap</p>	<p>means an enterprise as defined in Article 1 of the Title I of the Annex of the Commission Recommendation which (i) has fewer than 500 full-time equivalent employees and (ii) is not a SME, as defined in the Commission Recommendation.</p>
<p>Targeted Activities</p>	<p>means (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e., tax fraud and tax evasion) and (ii) tax avoidance practices (i.e., wholly artificial arrangements aimed at tax avoidance.</p>
<p>EIF Transparency Policy</p>	<p>has the meaning set forth in Appendix 5.</p>

<p>EIF Terms of Confidentiality</p>	<p>has the meaning set forth in Appendix 6.</p>
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1. Croatian Growth Investment Programme II (CROGIP II)

In July 2023, an agreement was signed between EIF and HBOR (the “Promoters”) to support the Croatian SMEs, Small Midcaps and Midcaps’ access to growth and expansion equity capital in Croatia. The partnership aims to foster the establishment of a leading professional private equity team or teams active in Croatia, and with a climate and innovation angle.

As part of the activities under the CROGIP II, the current selection process is launched with the objective to select Financial Intermediaries that meet the conditions of the funding available within the scope of the CROGIP II. The total amount potentially available for the current selection process is indicatively up to EUR 26 million to be invested by HBOR out of the resources of the HBOR RRF Mandate, such amount to be complemented with equal funding to be made available from other funding sources under EIF’s management (bringing the total resources under the programme up to EUR 52m), subject to satisfying the eligibility and compliance with the terms of such funding. Applicants may express their interest for an investment of up to the referred amount. The indicative capital allocated to this selection process, as well as the amounts available for contribution to the selected Financial Intermediary, may be changed as necessary, at EIF’s sole discretion.

Any terms and conditions in the CEoI are indicative and may change subject to joint agreement by the Promoters.

2. Expression of Interest

The Expression of Interest from potential Financial Intermediaries shall include the “Applicant Declaration and Identification”, the “Project Description” and the “Know Your Customer” documents duly filled in as stipulated in the attachments to the CEoI respectively under Appendix 1, Appendix 2 and Appendix 4 including any supporting documents deemed necessary for the assessment of the proposal.

No later than 05 November 2023, the Applicants may request clarifications regarding the CEoI. Such requests shall be submitted in English via e-mail to: crogip2@eif.org

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to all requests for clarifications received within the relevant deadline will be published together in a “Clarification Document” to be posted on the dedicated webpage of the CEoI at www.eif.org by 20 November 2023.

Should EIF discover any errors, inaccuracies, omissions, or any other type of clerical defect in the text of this CEoI before the deadline, EIF will correct the text and inform accordingly.

3. Language

The Expressions of Interest, including the supporting documents, shall be in English only.

4. Financial Intermediaries

EIF intends to select one or more Financial Intermediaries. The selection of such Financial Intermediaries will be based on the “Investment Guidelines and Selection Criteria” stipulated in Appendix 3.

Applicants shall:

- (i) represent that **they are not in any of the exclusion situations**, as further described in the relevant Appendixes;
- (ii) comply with relevant international and EU standards and legislation, as applicable, on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aiming at tax avoidance and shall not perform any illegal activities;
- (iii) not be established in a Non-Compliant Jurisdiction, unless the operation is physically implemented in the relevant Non-Compliant Jurisdiction and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy²; and
- (iv) not be subject to Restrictive Measures³.

Please refer to the EIB’s website⁴ for any FAQ containing the most updated reference lists of NCJs or enquire with the EIF for confirmation of NCJ status.

The EIB Group Anti-Fraud Policy⁵, the EIB Group Policy towards Weakly Regulated, Non-transparent and Non-cooperative Jurisdictions and Tax Good Governance⁶ (EIB Group NCJ Policy), the EIB Group Anti-Money Laundering and Combating Financing of Terrorism Policy⁷ (EIB Group AML-CFT Policy), the EIF Transparency Policy⁸, the Guidelines on EIF Restricted Sectors⁹, the EIF Environmental, Social and Corporate Governance (ESG)

² Targeted Activities under the EIB Group NCJ Policy, which means (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and (ii) tax avoidance practices (i.e. wholly artificial arrangements aimed at tax avoidance).

³ As part of its due diligence process, EIF will analyse and exclude any Applicant if it or any of its ultimate beneficial owners / key persons are subject to UN/EU/OFAC/UK restrictive measures (sanctions) in relation to Russia as well as the non-government controlled territories of Ukraine.

⁴ <https://www.eib.org/en/about/compliance/tax-good-governance/faq>

⁵ <https://www.eib.org/en/publications/anti-fraud-policy>

⁶ <https://www.eib.org/en/publications/eib-policy-towards-weakly-regulated-non-transparent-and-uncooperative-jurisdictions>

⁷ <https://www.eib.org/en/publications/eib-group-anti-money-laundering-and-combatting-the-financing-of-terrorism-policy>

⁸ https://www.eif.org/news_centre/publications/EIF_Transparency_policy

⁹ http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm subject to amendment and/or replacement with additional set of restrictions, including Paris Alignment restrictions.

Principles¹⁰ and the EIB Group Whistleblowing Policy¹¹, shall apply to the investments made in the context of the CEoI to select Financial Intermediaries with a focus on climate and innovation in Croatia. The criteria set out above shall apply mutatis mutandis to the financial sub-intermediaries, if applicable.

The EIB Group is committed to continue maintaining a stringent policy against tax fraud, tax evasion, tax avoidance as well as money laundering and terrorism financing.

All EIF operations are assessed in line with the standards of the due diligence process promoted by the EIB Group AML-CFT Policy and the EIB Group NCJ Policy. Operations with NCJ links are subject to enhanced due diligence to determine whether:

- (i) the levels of transparency and integrity of the relevant operation are satisfactory to the EIB Group (in particular the contracting counterparty/ies and their beneficial owners must be clearly identified);
- (ii) the contracting counterparty/ies can provide plausible justifications for the NCJ location link; or
- (iii) there is a risk that the operation is (or may be) misused for Targeted Activities¹².

The enhanced due diligence may consider, on a risk-sensitive basis and as applicable, relevant elements of the Anti-Tax Avoidance Toolbox in Appendix 1 to the EIB Group NCJ Policy.

All Applicants are therefore hereby notified that in the course of the EIF tax integrity due diligence process, information on contracting counterparty's full ownership diagram, including all direct/indirect 10% (or more) ultimate beneficial owners (or deemed controlling) may be requested and that additional questions may arise as part of this process.

For more information, please refer to the FAQ on the EIB Group NCJ Policy at this [website](#)¹³.

5. Submission of the Expression of Interest

The Expressions of Interest shall be submitted on or before the deadline set forth in the next paragraph by e-mail.

The deadline for the submission of Expressions of Interest is 31 December 2023.

The Deadline refers to the date by which EIF must receive such e-mail at the below address.

E-mail Address:

crogip2@eif.org

¹⁰ https://www.eif.org/news_centre/publications/esg-principles.htm

¹¹ <https://www.eib.org/en/publications/eib-group-whistleblowing-policy>

¹² Ibid footnote 2

¹³ <https://www.eib.org/en/about/compliance/tax-good-governance/faq>

The Applicants may withdraw their Expressions of Interest at any time by sending an email to the address indicated above.

An acknowledgement of receipt will be sent by EIF to the relevant Applicants via e-mail, which shall confirm that the Expression of Interest was received before the Deadline.

The acknowledgement of receipt shall not be construed as a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of assessment of the same.

6. Selection process

The Financial Intermediaries shall be selected on the basis of EIF's policies, rules, procedures, and statutes and in conformity with the best practices through an open, transparent, proportionate, non-discriminatory and objective selection procedure. EIF reserves the right to begin its assessment of any received Expression of Interest immediately after its receipt, even before the Deadline.

In addition, the Expressions of Interests will be examined by EIF on the basis of the "Project Description" and the "Investment Guidelines and Selection Criteria" detailed respectively in Appendix 2 and Appendix 3.

Following the receipt of the Expression(s) of Interest, EIF shall assess the application(s) pursuant to the selection process outlined herewith and share information related to such applications with HBOR, in accordance with its internal policies, rules and procedures. The application(s) received may be reviewed by both Promoters. This process comprises:

1. Pre-selection

When assessing the Expressions of Interest, EIF will use its professional analysis and judgment. Following the receipt of an Expression of Interest and after having obtained any additional information or clarifications from the Applicant, if and as needed, the EIF will perform the quality assessment of the Expression of Interest.

2. Due diligence

Based on EIF's qualitative assessment, the Expression of Interest may be followed by a due diligence process, carried out in accordance with EIF's internal rules and procedures, where financial and operational matters relating to the financial instrument implementation shall be analysed in further detail.

3. Selection

Based on the pre-selection outcome and the outcome of the due diligence, EIF will decide:

- 1) to select the Applicant;
- 2) to put the Applicant on a reserve list; or

- 3) to reject the Expression of Interest from the Applicant.

Final selection of the Applicant will be subject to mutual agreement of the Promoters to proceed with the Applicant selected by EIF.

Further to the selection, the Promoters will proceed with the completion of (i) their respective internal approvals of their investment in the Fund, according to their own rules and procedures, and (ii) commercial and legal negotiations with the selected Financial Intermediaries.

The negotiation process shall not be considered concluded until the signature of respective subscription agreements with the Financial Intermediary by both Promoters, in accordance with their respective internal rules and procedures, and is in any case not concluded until the Promoters and the selected Applicant have agreed on all relevant terms and conditions, at the full discretion of the Promoters.

Applicants who are not initially considered for contractual negotiations may, subject to EIF's discretion, be included on a reserve list, which unless cancelled or extended in writing by EIF, shall be valid up to 31 December 2024 (the "Reserve List"). Relevant Applicants shall be notified by EIF of their inclusion in the Reserve List.

Those Applicants whose Expression of Interest is rejected shall have the right to submit a written complaint about the selection process. Any complaints shall be submitted and will be addressed within the framework of and in accordance with the EIB Group complaints policy (for further information, visit:

<https://www.eib.org/en/publications/complaints-mechanism-policy.htm>).

Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement (EIF statement on the processing operations of Applicants and Financial Intermediaries' personal data, as published on the EIF's website) and Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies offices and agencies and on the free movement of such data, as amended from time to time. For further information visit:

http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf

In any phase of the selection process, EIF and HBOR, respectively, reserve full discretion over the selection process, and no Applicant or participating entity may have any claim or other right or may expect to be ultimately selected as Financial Intermediary. The start of a due diligence process or the negotiation of terms and conditions does not entail any obligation for the Promoters to enter into an agreement with the relevant Applicant.

APPENDICES

Appendix 1 APPLICANT DECLARATION AND IDENTIFICATION

Appendix 2 PROJECT DESCRIPTION

Appendix 3 INVESTMENT GUIDELINES AND SELECTION CRITERIA

Appendix 4 KNOW YOUR CUSTOMER (“KYC”)

Appendix 5 EIF TRANSPARENCY POLICY

Appendix 6 EIF TERMS OF CONFIDENTIALITY

Appendix 1

APPLICANT DECLARATION AND IDENTIFICATION

1.1. Applicant declaration

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of [Click or tap here to enter text.]

in response to the CEoI implemented by the EIF in relation to CROGIP II. Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned CEoI.

The undersigned duly authorised to represent the [Applicant] and, by signing this form certifies/certify and declare(s):

1. That the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements.
2. The undersigned is duly authorised to represent the [Applicant] and, by signing this form certifies and declares to have read the EIB Group Anti-Fraud Policy¹⁴ and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under CROGIP II and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the CROGIP II agreement.
3. To have read the EIB Group Statement on Tax Fraud, Tax Evasion, Tax Avoidance, Aggressive Tax Planning, Money Laundering and Financing of Terrorism¹⁵.

Furthermore, the undersigned, duly authorised to represent the Applicant, by signing this form represents that, as at the date of this form:

1. The Applicant is not in any of the situations below:

- it is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- in the past five (5) years, it has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- in the past five (5) years, it or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or

¹⁴ <https://www.eib.org/en/publications/anti-fraud-policy>

¹⁵ <https://www.eib.org/en/about/compliance/tax-good-governance/index.htm#>

gross negligence, which would affect its ability to implement the agreement, and which is for one of the following reasons:

- i. negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;
 - ii. entering into agreements with other persons aimed at distorting competition;
 - iii. attempting to unduly influence the decision-making process of the contracting authority during the relevant “award procedure” as such term is defined in of the Financial Regulation¹⁶;
 - iv. attempting to obtain confidential information that may confer upon it undue advantages in the relevant “award procedure” as such term is defined in the Financial Regulation;
- in the past five (5) years, it or persons having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - v. fraud;
 - vi. corruption;
 - vii. participation in a criminal organisation;
 - viii. money laundering or terrorist financing;
 - ix. terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;
 - x. child labour and other forms of trafficking in human beings;
 - it is subject to a decision on exclusion contained in the early detection and exclusion database (the EDES database available at the official website of the EU)¹⁷ set up and operated by the European Commission;
 - it has been, in the past five years, subject to a final judgment or administrative decision by a national court or authority that it was created with the intent to illegally circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business.

2. The Applicant does not perform activities, which are illegal according to the applicable legislation in the country of the Applicant.

3. The Applicant is not subject to Restrictive Measures.

For the purpose of the EIF Transparency Policy, as further specified in Appendix 5, and subject to the approval of the relevant operation by the EIF, the [Applicant], by signing this form:¹⁸

¹⁶ EUR-Lex - 32018R1046 - EN - EUR-Lex (europa.eu)

¹⁷ <https://ec.europa.eu/edes/index#!/cases>

¹⁸ For the avoidance of doubt, this is without prejudice to any publication made by EIF in line with the EIF Terms of Confidentiality

[Please tick as appropriate]

- confirms that the Applicant agrees with the disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in accordance with the EIF Transparency Policy, listed in Appendix 5.

OR

- declares that (i) the Applicant requests the non-disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) and (ii) such disclosure would undermine the protection of commercial interests¹⁹ relevant to the operation.]

and,

- acknowledges and agrees (i) to the terms of the EIF Terms of Confidentiality as provided under Appendix 6 of this Call, and (ii) that each of the Applicant and the EIF shall process Confidential Information (as defined under the EIF Terms of Confidentiality) in accordance with the terms thereunder.

Yours sincerely,

Signature(s):

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name:

Place:

Date (day/month/year):

¹⁹ Including by reason of such information being covered by a confidentiality agreement.

1.2. Applicant identification

INFORMATION REQUIRED	
APPLICANT FULL LEGAL NAME	
CONTACT DETAILS	Address: Telephone: Fax: E-mail:
LEGAL FORM (if applicable)	
COMMERCIAL REGISTER, ETC. – REGISTRATION DETAILS (if applicable)	Denomination of register: Date of registration: Country of registration: Standard identification code / registration number, if applicable:
VAT (if applicable)	Registration number or Statement of exemption issued by the national VAT authority dated.....enclosed under reference..... Issued by.....

1.3. Person authorised to submit the Expression of Interest on behalf of the Applicant and appropriate evidence of such authorisation.

INFORMATION REQUIRED	
TITLE	Mr/Ms/Dr/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: E-mail:

1.4. Contact person (if different from 1.3)

TITLE	Mr/Ms/Dr/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: E-mail:

Appendix 2

PROJECT DESCRIPTION

Applicants are asked to provide an outline of their investment proposal (the “Project Description”) in relation to the Fund. The Project Description should provide concise information on the following items:

Market

- Detailed description of the targeted market segment(s);
- Detailed description of the competitors in targeted market segment(s), including other sources of financing;
- Differentiation vis-à-vis competitors.

Investment strategy

- Fund focus, including stage, targeted thematic and/or sector(s)
- Fund size, indicative breakdown of allocations to Eligible Final Beneficiaries (including follow-on investment rounds);
- Expected portfolio models (including number and amount of investments, timing and expected size (volume and reserve) of follow-on investments) at minimum, target and maximum fund size;²⁰
- Financial instruments which the Financial Intermediary expects to use (e.g., equity, quasi-equity, hybrid debt-equity) and expected returns; Detailed description of existing pipeline of investment opportunities;
- Identification of suitable and achievable exit routes for targeted investments;
- Deal flow generation process.

Fundraising

- Expected timing for first and final closings;
- Potential investors in the Financial Intermediary, classified by geography and investor type, e.g., pension fund, insurance company etc.;
- Description (detailed list of names, amounts if available and stage of discussion) of the types of other investors envisaged and strategy of attracting Limited Partner investors from the private sector, including potential letters of intent (even if unbinding) from such investors, if any;
- Details of any sponsor or potential investor receiving any special right with regard to the Fund or the Financial Intermediary (economic or related to governance), if any;

Management

²⁰ It is expected that the portfolio model will demonstrate a primary focus of the proposed Fund on project-type/Proof of Concept/pre-company investments.

- Fund manager team profile with indications of full/part-time dedication to the Fund, including location of each team member; EIF and HBOR encourage the participation of fund managers with a gender balanced investment team.
- Disclosure of fund manager's ultimate beneficial owners as per the European AML legal requirements;
- Relevant team members' CVs (outlining main academic, professional and other relevant experience and including experience in climate and/or innovation investments, if any);
- Relevant team members' track record in venture capital and/or private equity transactions (incl. name of investee company, type of investment/transaction, role played in the transaction (e.g., lead, co-investment, advisor etc.), country of operation, date of investment/divestment, investment size, proceeds to date, current valuation, exit multiple, gross IRR, references), highlighting experience with climate and innovation or related transactions;
- Description of the joint experience of the team members;
- Description of presence in Croatia (i.e., description of team members (investment professionals) located or to be located in Croatia, presence of registered offices in Croatia, if any, or timeline to establish such office);
- Description of existing/established networks and relationships with market players established or operating in Croatia;
- Detailed description of the legal structure/s foreseen, including an adequate justification of all cross-border elements of the structure;
- Description of the governance structure that allows for decisions concerning investments, divestments and risk diversification to be made in accordance with applicable legal documentation and in line with relevant market practice;
- Composition of the investment committee and voting mechanism;
- Information on members of the advisory and investment committees to be established (including, inter alia, involvement and decision-making process, with particular focus on the independence of the management team as regards investment decisions);
- Applicant's risk management methodology, procedures and systems;
- Details of the shareholder base/ownership of the Applicant and the envisaged shareholder base for the fund management company, if it is planned to set up a new entity as a fund manager and details of potential conflict of interests;
- Details of the planned carried interest split among the team members of the Financial Intermediary;
- Details of the history of the Applicant and its previous/existing business activities, particularly describing any activity having potential of conflicts of interest in relation to the Fund;
- Description of appropriate measures to avoid conflicts of interests and align the interests of the Financial Intermediary, its managers and its investors, such measures to be in line with market practices;
- Description of potential conflicts of interest between fund manager and any entity to which the fund manager has outsourced or will outsource any services (including, for the avoidance of doubt, evaluation of investments).

Terms and conditions

- Main economic terms, including management fee calculation, establishment costs, hurdle rate/preferred return, carried interest, catch-up, policy on any monitoring, transaction and similar fees and respective offset with the management fee;
- Operational budget of the Financial Intermediary;
- Indicative investment from the fund management company and/or the management team into the Fund;
- Indicative capital commitments from other investors at the level of the Fund.

Appendix 3

INVESTMENT GUIDELINES AND SELECTION CRITERIA

This section describes some non-exhaustive guiding principles of the activities of the Financial Intermediary and the Fund.

When selecting the prospective Financial Intermediary, EIF shall seek to establish that the Financial Intermediary and/or the Fund, as applicable, will:

- have relevant experience in the Croatian private equity industry;
- have a coherent investment strategy considering the know-how of the management team as well as the fund size and the geographic, climate and innovation focus;
- have a commercially viable fund size or appropriate financing capacity that adequately covers the need for follow-on financing needs;
- have an appropriate participation and incentive schemes for the management team;
- follow a commercial investment approach targeting financially sound and economically profitable investments in Eligible Final Beneficiaries;
- obtain at least 30% of total commitments from third-party private investors;
- offer equal conditions for all investors (*pari-passu* principle).

Such general guiding principles are further detailed in the below table:

<i>Category</i>	<i>Requirement</i>
<i>Investment strategy</i>	<p>The Fund(s) shall invest in SMEs, Small Midcaps, Midcaps (together, the “Eligible Final Beneficiaries”).</p> <p>The Portfolio Fund(s) shall have a focus on sustainability, green transformation and innovation. Investments into these priority areas will be made on a best effort basis.</p> <p>It will be required that a minimum of 25% of investments be done in alignment with Climate Action and Environmental Sustainability criteria (“CA&ES”) throughout the entire portfolio of the selected Fund(s). These investments will adhere to EIF’s criteria for CA&ES investments²¹.</p>
<i>Target investees</i>	<p>The Fund(s) will commit to invest at least 70% of the total amount drawn down for investments in Eligible Final Beneficiaries, which satisfy all the following requirements, at the time of the first investment by the Fund(s):</p> <ol style="list-style-type: none"> 1. With respect to location of the enterprise, it must be established in Croatia and: <ul style="list-style-type: none"> (i) have Croatia as country of its main operations; and/or (ii) receive an investment aimed at establishing or developing long-term operations in Republic of Croatia (e.g., indicated by a significant workforce in the Republic of Croatia or in any other way). 2. With respect to the size and stage of the enterprise, it must: <ul style="list-style-type: none"> (i) be an SME, a Small Midcap or a Midcap; and (ii) not be in the Early Stage (i.e., Seed and Start-up investment stages as defined by Invest Europe, such definition as updated from time to time) and/or Rescue/Turnaround Stage.

²¹ [Guideline on the EIF’s criteria for Climate Action and Environmental Sustainability \(CA&ES\) climate-action-sustainability-criteria.pdf \(eif.org\)](#)

	<p>3. With respect to the activities of the enterprise:</p> <p>(i) It does not operate in economic sectors referred to as the “EIF Restricted Sectors” in the Guidelines on the EIF Restricted Sectors²², as amended from time to time by EIF.</p>
Fund size and duration	<p>Both HBOR and EIF are expected to commit an approximate amount of EUR 26m each, in the Fund(s). Additionally, at least 30% of the total Fund size must consist of commitments from third-party private investors²³.</p> <p>The Fund(s) must be denominated in EUR.</p> <p>The duration of the Fund(s) shall not exceed ten (10) years from the date of the first closing, excluding any additional permitted extensions. Maximum cumulative extensions shall not exceed four (4) years. Any one-time extension should not exceed one (1) year. The investment period shall be in line with market practice, typically no longer than 5 + 1 years.</p>
Fund Manager’s commitment	<p>The Financial Intermediary shall contribute an adequate minimum percentage of the total size of the Portfolio Fund (i.e., its total commitments). The required commitment size will be assessed against and aligned with the Portfolio Fund economics and the broader financial position of the manager’s team to provide a relevant alignment of financial interest with investors.</p>
Support for the Market and presence in Croatia	<p>The management teams of Portfolio Fund Managers shall ensure presence on the Croatian market by establishing at least a branch office in the Republic of Croatia with an appropriate team, which includes higher-ranking investment experts who are able to operate in the Croatian business environment (including adequate language skills) and who are based in the Republic of Croatia, for the entire duration of the Portfolio Fund.</p>
Management fee and establishment costs cap	<p>The management fee is typically paid on the total commitments of the Portfolio Fund during the investment period and on the invested capital (acquisition cost of the active portfolio of the Portfolio Fund reduced by the acquisition costs of the Portfolio Fund’s investments that have been sold, written-off or written-down) thereafter. Alternatively, fixed fee for the post investment period could be considered.</p> <p>The management fee and establishment costs cap shall be deemed to include any fees, expenses and costs necessary to set up, manage and wind-up the Portfolio Fund including transaction costs, as applicable.</p> <p>The management fees to be paid will be negotiated with the EIF after analysis of Fund Manager’s budget and should be proportional to the operational requirements of the Portfolio Fund and the investment strategy.</p>
Structure, governance, and economic terms	<p>The Fund Manager(s) and the Fund(s) must be established in an EU Member State and authorised or registered in an EU Member State under the applicable national law.</p> <p>The Fund(s) shall be preferably managed by an independent management team²⁴ combining the appropriate mix of skills and experience to demonstrate the necessary capability and credibility to manage a fund²⁵ and which, during the due diligence process, demonstrated to the EIF, and potentially also to HBOR, that they (i) have a clear strategy to make a sufficient number of investments into the Eligible Final Beneficiaries, create adequate dealflow and</p>

²² http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm

²³ Majority privately-owned financial institutions; Funds-of-funds classified as AIFs, managed or advised by independent management teams and whose majority sponsors are not Member States, NPBs, EIF or EIB; Private endowments or foundations; Family offices and business angels; Privately-owned corporate investors; Insurance companies; Pension funds; Private individuals; Academic institutions, private research institutions and universities investing their own resources from commercial activities.

²⁴ Independent management teams include teams operating within a corporate or university structure provided that the operation of the fund management business has a high degree of independence in making investment decisions from the parent company/organisation.

²⁵ The individual members of the management teams are not required to have prior direct experience of fund management provided that they can otherwise demonstrate appropriate capabilities within the team to manage the Fund, whereby the management team as a whole will be evaluated and this criterion does not have to be fulfilled by each individual member of the management team.

	<p>establish appropriate exit strategies and (ii) will apply good market practice in areas such as legal structure, investment principles, reporting, and evaluation.</p> <p>The Fund(s) shall be managed by entities which are controlled by individuals or privately held entities. Control in this regard shall mean the power to direct the management of the entity which is controlled whether through the ownership of voting capital, by contract or otherwise, or the ability to exercise (whether directly or indirectly) more than 50% of the voting capital or similar rights of ownership in respect of such controlled entity or the contractual right to appoint or remove the management of such entity or a majority of the members of such entity’s executive bodies.</p> <p>Each Promoter shall be represented in an advisory board or similar investor representation bodies of the Fund.</p> <p>The management fee, hurdle rate/preferred return, and carried interest shall be in line with market practice.</p> <p>In the management of the Fund(s), the Financial Intermediaries shall apply best practices, inter alia considering guidelines developed by Invest Europe and ILPA, and shall perform controls as required by the public nature of the Fund’s investment.</p>
<p><i>Know your customer</i></p>	<p>The Financial Intermediary shall, prior to the signature, disclose to the Promoters information on its beneficial ownership and at any time thereafter, promptly inform the Promoters of any change in its beneficial ownership.</p>
<p><i>Monitoring and audit</i></p>	<p>The Financial Intermediary must agree (and must agree to cause the portfolio projects and companies to agree in the contractual documentation between the Financial Intermediary and the respective project/companies) to allow:</p> <ol style="list-style-type: none"> i. EIF, any person designated by EIF, the European Court of Auditors and OLAF/EPPO to have access to adequate information to enable them to discharge their duties with respect to monitoring, control and auditing of the correct use of the invested amounts, including the promotion, visibility and transparency requirements specified in this section. These controls may include on-the-spot controls of the Financial Intermediary, the Fund, and the portfolio projects and companies; and ii. HBOR, any person designated by HBOR, as well as its auditors and any other body to which HBOR is subject for supervision and control, to have similar access to adequate information to enable them to discharge their duties with respect to monitoring, control and auditing of the correct use of the invested amounts. These controls may include on-the-spot controls of the Financial Intermediary, the Fund, and the portfolio projects and companies.
<p><i>Other requirements</i></p>	<p>Financial Intermediaries and Eligible Final Beneficiaries:</p> <ul style="list-style-type: none"> • Shall not engage in activities incompatible with the Guidelines on EIF Restricted Sectors, as amended from time to time by the EIF; • Shall not be established in a NCJ²⁶ unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities; • Shall undertake to comply with all applicable laws and regulations and the relevant applicable international and European Union standards and legislation on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aimed at tax avoidance; and, therefore, not support actions that contribute to tax evasion or finance artificial arrangements aimed at tax avoidance; • Shall acknowledge the EIB Group Anti-Fraud Policy²⁷ which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing as amended from time to time, and shall

26 In the Financial Action Task Force (FATF) Plenary session of 21-23 June 2023, the FATF has decided to add Croatia, among other jurisdictions, under Increased Monitoring due to strategic deficiencies in its AML/CFT regime.

27 <https://www.eib.org/en/publications/anti-fraud-policy>

	<p>take appropriate measures (as may be further specified in the relevant agreement) to (i) facilitate implementation of such policy as well as to (ii) undertake to support investigations performed by the EIF or the European Investment Bank, the European Public Prosecutor's Office (EPPO), or the European Anti-Fraud Office (OLAF), or the European Court of Auditors (ECA) in connection with actual or suspected prohibited conduct;</p> <ul style="list-style-type: none"> • Shall ensure via contractual provisions that no funds or economic resources are made available directly or indirectly to, or for the benefit of, persons or entities designated by Restrictive Measures (sanctions).
<i>Protection of personal data</i>	<p>Financial Intermediaries shall comply with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to processing of personal data and on the free movement of such data.</p> <p>Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement as published on the EIF's website²⁸ and Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies offices and agencies and on the free movement of such data, as amended from time to time.</p> <p>EIF and HBOR shall process Applicants' personal data as independent data controllers.</p>
<i>Reporting</i>	<p>The Financial Intermediary shall provide each of EIF and HBOR with quarterly and annual reporting in English prepared in accordance with the reporting guidelines published or endorsed by Invest Europe (formerly known as European Private Equity and Venture Capital Association) from time to time. The Financial Intermediary shall also provide annual audited financial statements in accordance with applicable laws. The valuation of risk capital investments in portfolio projects and companies shall be made in accordance with the valuation principles published or endorsed by Invest Europe.</p>
<i>Record keeping</i>	<p>The Financial Intermediary shall maintain or be able to produce all the documentation related to the implementation of the Fund for a period of seven (7) years following the termination of the fund agreement. The Financial Intermediary shall require each portfolio project and company to maintain and be able to produce all documentation related to the investment for a period of seven (7) years following the termination of the investment in such portfolio project or company or the Financial Intermediary (as applicable).</p>
<i>Transfer rights</i>	<p>EIF and HBOR must have the right to transfer all or part of their investments in the Fund to their affiliates or to third parties, including to each other.</p>

Potential applicants should be aware that alongside the investment from EIF, HBOR, for its own investment anticipates using funding sources under the HBOR RRF Mandate management in respect of which the requirements applicable to such funding might apply in addition to those reflected in the CEoI. The non-exhaustive list of additional requirements under the HBOR RRF Mandate is set out below:

HBOR's Additional Requirements List

Capitalised terms used herein and not otherwise defined shall have the meanings set forth in the CEoI.

1. Additional Requirements

²⁸ http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf

The Financial Intermediary shall apply an environmental and social management system (ESMS)²⁹ to ensure that it carries out the necessary assessment when investing in Eligible Final Beneficiaries so that such an investment “does no significant harm” to the environmental objectives of the EU in the sense of the principle of not doing significant harm in accordance with Article 17 of Regulation (EU) 2020/852. In order to comply with the principle of not doing significant harm, the Financial Intermediary shall apply the following provisions:

- a) Technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation³⁰;
- b) Technical guidance of sustainability proofing for the InvestEU Fund³¹, where appropriate and applicable; and
- c) Any other implementation framework, guidelines and/or practices/standards on the principle of doing no significant harm developed by relevant EU institution, as may be communicated to the Financial Intermediary prior to the execution of HBOR’s commitment;

The Financial Intermediary shall carry out verification of the legal compliance of all of the investments of the Eligible Final Beneficiaries with the relevant EU and national environmental legislation, including the investments that are exempt from the sustainability proofing in accordance with the criteria set out in the technical guidance on sustainability proofing for the InvestEU Fund³².

The companies categorised as undertakings in difficulty according to the provisions of Article 2 Item 18 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as in force at the time HBOR has made commitment to invest in the Fund, are excluded from being Eligible Final Beneficiaries.

Any undertaking being involved in any of the following activities will be excluded from being an Eligible Final Beneficiary (the **Excluded Activities List**):

- (1) Activities that limit individual rights and freedoms or that violate human rights;
- (2) In the area of defence activities: the use, development, or production of products and technologies that are prohibited by applicable international law;
- (3) Tobacco-related products and activities (cultivation and production, distribution, processing and trade);

²⁹ Commission Notice Technical guidance on sustainability proofing for the InvestEU Fund (2021/C 280/01) [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713\(02\)&from=HR](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713(02)&from=HR)

³⁰ Commission Notice Technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation 2021/C 58/01 [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0218\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0218(01)&from=EN)

³¹ Commission Notice Technical guidance on sustainability proofing for the InvestEU Fund (2021/C 280/01) [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713\(02\)&from=HR](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713(02)&from=HR)

³² Commission Notice Technical guidance on sustainability proofing for the InvestEU Fund (2021/C 280/01) [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713\(02\)&from=HR](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021XC0713(02)&from=HR)

- (4) Activities excluded from financing pursuant to the relevant provisions of the Horizon Europe Regulation: research on human cloning for reproductive purposes; activities intended to modify the genetic heritage of human beings which could make such changes heritable; and activities to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer (SCNT);
- (5) Gambling (production, construction, distribution, processing, trade or software-related activities);
- (6) Sex trade and related infrastructure, services and media;
- (7) Activities involving live animals for experimental and scientific purposes insofar as compliance with the European Convention for the Protection of Vertebrate Animals for Experimental and other Scientific Purposes cannot be guaranteed;
- (8) Real estate development activity, such as an activity with a sole purpose of renovating and re-leasing or re-selling existing buildings, as well as constructing new buildings intended for sale (investments in energy efficiency projects or social housing are not excluded);
- (9) Financial activities (i.e., purchasing or trading in financial instruments). In particular, interventions targeting buy-out intended for asset stripping or replacement capital intended for asset stripping shall be excluded;
- (10) Activities forbidden by applicable national legislation;
- (11) Decommissioning, operation, adaptation or construction of nuclear power stations;
- (12) Activities and facilities related to fossil fuels, including further use³³ ;
- (13) Activities and facilities under the EU Emission Trading System (ETS);
- (14) Activities and facilities related to disposal of waste to landfill facilities, incinerators³⁴ and mechanical biological treatment plants³⁵ ;
- (15) Activities and facilities where the long-term disposal of waste may cause harm to the environment;

³³ Except for projects in the field of electricity and/or heat production and related transmission and distribution infrastructure, in which natural gas is used, which comply with the conditions set out in Annex III to the Technical Guidelines on the Application of “Do No Significant Harm” Principle (2021/C58/01).

³⁴ This exclusion does not apply to investments in plants exclusively dedicated to treating non-recyclable hazardous waste and existing plants, where the investment is for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided that such activities do not result in an increase in the capacity of waste treatment plant or prolongation of the lifetime of the plant; for which there is evidence at the plant level.

³⁵ This exclusion does not apply to investments in existing plants for mechanical biological treatment, where the investment is for the purpose of increasing energy efficiency or subsequent incorporation of separate waste into recycling processes for the purpose of composting biowaste and anaerobic digestion of biowaste, provided that such activities do not result in an increase in the capacity of waste treatment plant or prolongation of the lifetime of the plant; for which there is evidence at the plant level.

(16) All activities that are not allowed to be financed by aid from the relevant state aid regulations such as GBER, ABER, de minimis and other regulations applicable to a particular financial instrument;

(17) All prohibitions and restrictions in accordance with the General Eligibility Criteria for Equity and Quasi-Equity Financing Instruments³⁶ of HBOR.

Eligible Final Beneficiaries, that have in the previous financial year generated more than 10% of their income from activities or assets described in items 12., 13., 14. and 15. above, will be contractually obliged to undertake to publish plans for green transition.

Financial Intermediary will obtain at least 30% of total commitments from third-party private investors which do not receive any public incentive for the purpose of investing in the Fund.

2. HBOR's Terms of Confidentiality

This clause 2. Terms of Confidentiality (the "HBOR Terms of Confidentiality") sets out how Confidential Information provided under the CEoI will be dealt with by each of HBOR and the Financial Intermediaries applying to EIF under and in accordance with the terms of this CEoI, respectively and as applicable.

2.1. Confidentiality undertaking – each of the Financial Intermediary and HBOR will:

- a) keep the Confidential Information confidential and not disclose it to anyone except as provided for by paragraph 2.2. below and ensure that such Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information;
- b) use the Confidential Information only for the Permitted Purpose; and
- c) use all reasonable endeavours to ensure that any person to whom they pass any Confidential Information (unless disclosed under paragraph 2(b) or (c) below) acknowledges and complies with the provisions of the HBOR Terms of Confidentiality as if that person was subject to the HBOR Terms of Confidentiality.

2.2. Permitted disclosure – each party may, however, disclose Confidential Information:

- a) to EIF;
- b) to its managing and supervisory bodies, affiliates, officers, directors, employees, representatives, professional advisers, and (with respect to disclosure by HBOR) service providers, to the extent necessary for or in connection with, the Permitted Purpose and to its auditors;

³⁶ To be published on HBOR's web site.

- c) with respect to disclosure by HBOR, to HBOR's mandators (including the Ministry of Economy and Sustainable Development of the Republic of Croatia and the Ministry of Finance of the Republic of Croatia), authorised auditors of the Ministry of Economy and Sustainable Development of the Republic of Croatia, audit bodies of the Republic of Croatia, auditors of the European Commission and the European Court of Auditors, the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO) and all other bodies that have the authority to audit the implementation of the HBOR RRF Mandate and to their respective affiliates, officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to their respective auditors;
- d) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body or administrative order, (ii) where required by its statutory documents, internal policies and procedures or in accordance with the relevant treaties or (iii) where required by the laws or regulations of any country with jurisdiction over its affairs; (iv) where required in connection with and for the purposes of any litigation, arbitration, administrative or other investigations, proceedings or disputes or in order to protect its interests in the course of any legal or arbitration proceedings;
Or
- e) with the other party's prior written consent, not to be unreasonably withheld.

The party disclosing any information shall have the onus to prove that the disclosure of such information is permitted under the HBOR Terms of Confidentiality.

2.3. Notification of Required or Unauthorised Disclosure – the disclosing party will (to the extent permitted by law and by its statutory documents) inform the other party of the full circumstances of any disclosure under paragraph 2(c) or upon becoming aware that Confidential Information has been disclosed in breach of the HBOR Terms of Confidentiality.

2.4. Termination – The HBOR Terms of Confidentiality will cease to apply to Confidential Information on the earlier of (a) the date of the signature of the Proposed Transaction containing a confidentiality undertaking in the same or similar terms as the HBOR Terms of Confidentiality, and (b) two years following the date on which such Confidential Information was provided.

2.5. Definitions – In this HBOR's Additional Requirements List:

“Confidential Information” means any information marked as confidential relating to HBOR, the financial intermediary and the Proposed Transaction, provided to a party by the other party or any of its affiliates or advisers, in whatever form, and includes any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public knowledge (other than as a result of any breach of the provisions of

this Clause 2. HBOR Terms of Confidentiality, or

(b) in relation to information regarding the financial intermediary only, is not marked as confidential by such financial intermediary at the time of delivery, or

(c) in relation to information regarding the financial intermediary only, is known by HBOR before the date the information is disclosed to HBOR by such financial intermediary or any of its affiliates or advisers, or

(d) in relation to information regarding the financial intermediary only, is lawfully obtained by HBOR, other than from a source which is connected with such financial intermediary and which, in either case, as far as HBOR is aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“Permitted Purpose” means (a) (with respect to disclosure by HBOR) considering and assessing whether or not to enter into the Proposed Transaction or another transaction with the same financial intermediary, and/or (b) (with respect to disclosure by HBOR) any internal procedure of HBOR, including but not limited to, any current or future know-your-customer controls, verifications or activities (regardless of whether or not such procedures are related to the Proposed Transaction); and

“Proposed Transaction” means an agreement between HBOR and the financial intermediary and, for the avoidance of doubt, includes any information received from Applicants in connection with the selection process under the CEoI.

2.6. Governing law and jurisdiction – The HBOR Terms of Confidentiality, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, Croatian law. Any disputes arising out of or in connection with the HBOR Terms of Confidentiality will be subject to the jurisdiction of the courts of Zagreb.

Appendix 4

KNOW YOUR CUSTOMER (“KYC”)

The EIB Group has in place a counterparty due diligence process³⁷ which takes into account, among others, factors including the type of counterparty (including sector), business relationship, product, service or transaction and country(ies) of operation. Through the EIB Group NCJ Policy³⁸ and its implementing procedures, the EIB Group takes into consideration jurisdictions classified by one or more lead organisations for not having made sufficient progress towards satisfactory implementation of EU and/or internationally agreed standards in connection with AML-CFT and/or tax transparency/tax good governance standards. The EIB Group entities apply the counterparty due diligence measures to an extent determined on a risk-sensitive basis.

Please attach as part of the initial counterparty due diligence (or “KYC”) measures (to be completed later during the application process) the following documents with your application:

1. An excel and pdf-copy of the signed and dated Integrity Questionnaire (including ownership structure) in the below form.



Ownership and
control structure char



EIF Integrity and
Tax Questionnaire -

2. Copy of extract of commercial register or equivalent
3. Copy of extract of beneficial ownership (“UBO”) register or equivalent

³⁷ Please refer to the EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy (<https://www.eib.org/en/publications/eib-group-anti-money-laundering-and-combatting-the-financing-of-terrorism-policy>)

³⁸ Please refer to the EIB Group Policy towards weekly regulated, non-transparent and non-cooperative jurisdictions and tax good governance

Appendix 5

EIF TRANSPARENCY POLICY

Within the framework of the EIF's Transparency Policy³⁹ (the "EIF Transparency Policy"), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.

Pursuant to this guiding principle, and in accordance with the EIB Group approach and undertakings to promote transparency and good administrative practice, EIF has adopted the practice of publishing the minutes of the Board of Directors ("Board minutes") on its website, following their approval and signature.

The published Board minutes only indicate those operations presented for decision which have been approved and, as a general rule, contain a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources.

The EIF Transparency Policy also recognises the need for EIF to balance transparency with confidentiality undertakings and the protection of commercially sensitive or personal data, with a view to EIF satisfying its legal obligations to, and maintaining the confidence and trust of, its business partners, investors and third parties.

Consequently, should an application receive the relevant EIF internal authorisation for submission to EIF's Board of Directors and be approved by the Board thereafter, and should an Applicant deem that the publication of such a summary would expose sensitive or confidential information, for which there would be a compelling reason not to disclose, the Applicant shall make a declaration to that effect in the submission of the Expression of Interest resulting in the information in question being edited out of the published Board minutes and, subject to any applicable confidentiality undertakings, only being made public in connection with the signature of the operation in question.

If the EIF has not received such declaration confirming that an Applicant does not agree to the publication of the aforementioned operational overview, EIF will consider that publication is acceptable to the Applicant, if applicable, and will proceed with publication.

³⁹ https://www.eif.org/news_centre/publications/EIF_Transparency_policy

Appendix 6

EIF TERMS OF CONFIDENTIALITY

In the context of the Fund, certain Financial Intermediaries applying for the CEoI and the EIF will make available certain information of a non-public, confidential and proprietary nature to one another. This document (the “EIF Terms of Confidentiality”) sets out how Confidential Information provided in this context will be dealt with by each of the EIF and the Financial Intermediaries applying for the CEoI (as applicable).

1. Confidentiality undertaking – each of the Financial Intermediary and the EIF will:

- d) keep the Confidential Information confidential and not disclose it to anyone except as provided for by paragraph 2 below and ensure that such Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information;
- e) use the Confidential Information only for the Permitted Purpose; and
- f) use all reasonable endeavours to ensure that any person to whom they pass any Confidential Information (unless disclosed under paragraph 2(b), (c), (d) or (f) below) acknowledges and complies with the provisions of the EIF Terms of Confidentiality as if that person was subject to the EIF Terms of Confidentiality.

2. Permitted disclosure – each party may, however, disclose Confidential Information:

- f) to its managing bodies, affiliates, officers, directors, employees, representatives, professional advisers, and (with respect to disclosure by the EIF) service providers and the investment committees, to the extent necessary for, or in connection with, the Permitted Purpose and to its auditors;
- g) with respect to disclosure by the EIF, to HBOR, the European Commission, the European Investment Bank, the European Court of Auditors, and/or the European Anti-Fraud Office (OLAF) and to their respective affiliates, officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to their respective auditors;
- h) with respect to disclosure by the EIF, to the European Investment Bank and to its respective affiliates, officers, directors, employees and professional advisers, to the extent that any such Confidential Information is relevant in the context of any current or future know-your-customer controls, verifications or activities under the EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy (the “EIB Group AML-CFT Policy”)⁴⁰, whether or not related to the Proposed Transaction;
- i) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body or administrative order, (ii) where required by its statutory documents, internal policies and procedures or in accordance with the relevant treaties or (iii) where required by the laws or regulations of any country with jurisdiction over its affairs; (iv) where required in connection with and for the purposes of any

⁴⁰ Please refer to the EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy (<https://www.eib.org/en/publications/eib-group-anti-money-laundering-and-combatting-the-financing-of-terrorism-policy>)

litigation, arbitration, administrative or other investigations, proceedings or disputes or in order to protect its interests in the course of any legal or arbitration proceedings;

- j) with the other party's prior written consent, not to be unreasonably withheld;
or
- k) with respect to disclosure by the EIF, within the framework of the EIF's Transparency Policy⁴¹ pursuant to which EIF may publish on its website the minutes of its Board of Directors (including a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources of the Proposed Transaction), unless the Financial Intermediary has specifically objected to such disclosure as set out in the Call.

The party disclosing any information shall have the onus to prove that the disclosure of such information is permitted under the EIF Terms of Confidentiality.

3. Notification of Required or Unauthorised Disclosure – the disclosing party will (to the extent permitted by law and by its statutory documents) inform the other party of the full circumstances of any disclosure under paragraph 2(d) or upon becoming aware that Confidential Information has been disclosed in breach of the EIF Terms of Confidentiality.

4. Termination – The EIF Terms of Confidentiality will cease to apply to Confidential Information on the earlier of (a) the date of the signature of the Proposed Transaction containing a confidentiality undertaking in the same or similar terms as the EIF Terms of Confidentiality, and (b) two years following the date on which such Confidential Information was provided.

5. Definitions – In the EIF Terms of Confidentiality:

“Confidential Information” means any information marked as confidential relating to the EIF, the financial intermediary and the Proposed Transaction, provided to a party by the other party or any of its affiliates or advisers, in whatever form, and includes any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

(a) is or becomes public knowledge (other than as a result of any breach by a party of the EIF Terms of Confidentiality), or

(b) in relation to information regarding the financial intermediary only, is not marked as confidential by such financial intermediary at the time of delivery, or

(c) in relation to information regarding the financial intermediary only, is known by the EIF before the date the information is disclosed to EIF by such financial intermediary or any of its affiliates or advisers, or

(d) in relation to information regarding the financial intermediary only, is lawfully obtained by EIF, other than from a source which is connected with such financial intermediary and which, in either case, as far as EIF is aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

“Permitted Purpose” means (a) (with respect to disclosure by the EIF) considering and assessing whether or not to enter into the Proposed Transaction or another transaction with the same financial intermediary, (b) any related legal or regulatory or (with respect to disclosure by the EIF) rating review and/or related reporting obligations, and/or (c) (with respect to disclosure by the EIF) any internal

⁴¹ https://www.eif.org/news_centre/publications/EIF_Transparency_policy

procedure of EIF or the European Investment Bank, including but not limited to, any current or future know-your-customer controls, verifications or activities under the EIB Group AML-CFT Policy (regardless of whether or not such procedures are related to the Proposed Transaction); and

“Proposed Transaction” means an agreement between the EIF and the financial intermediary and, for the avoidance of doubt, includes any information received from Applicants in connection with the selection process under the CEoI.

6. Governing law and jurisdiction- The EF Terms of Confidentiality, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, Luxembourg law. Any disputes arising out of or in connection with the EIF Terms of Confidentiality will be subject to the jurisdiction of the courts of Luxembourg-City.