



ANNEX III: Indicative Terms and Conditions of the Portfolio Risk Sharing Loan (PRSL)

Important Disclaimer

This summary term sheet is for information purposes only, terms and conditions may change significantly based on further product development by the EIF. This document is an outline of the indicative terms and conditions for the product described herein, which are subject to change and are non-exhaustive.

This document is intended to provide a basis for discussion and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the EIF and/or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

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Capitalised terms used in this Term Sheet and not otherwise defined herein shall have the meaning given to them in the Call for Expression of Interest.

Rationale

The PRSL instrument aims to support additional debt financing to SMEs, by providing funding by means of a loan to Financial Intermediaries to be complemented with their own funding. The combined pot of funds is then to be on-lent to eligible SMEs at preferential interest rates. The credit risk of each Eligible SME Transaction included in the portfolio is shared with the Financial Instrument.

The objective of the Financial Instrument is to enhance SME access to finance by primarily:

- i) providing funding and effective credit risk sharing to Financial Intermediaries to increase the availability of funding for SMEs;
- ii) incentivising Financial Intermediaries to offer better financing terms for the SMEs, in particular to reduce interest rates charged to SMEs.

Overview

The PRSL (the “**Loan**”) shall be granted by EIF acting through the Silesia EIF Fund of Funds (“**Silesia EIF FoF**”) to a financial intermediary (the “**Financial Intermediary**”). It shall partly cover the credit risk associated to underlying, newly extended debt financing (including loans and finance leases) to SMEs (“**SME Transactions**”) included in the eligible portfolio (the “**Portfolio**”).

In order to ensure an alignment of interest between the Financial Intermediary and the Silesia EIF FoF, Eligible SME Transactions shall be co-financed at a rate of up to 80% by the PRSL.

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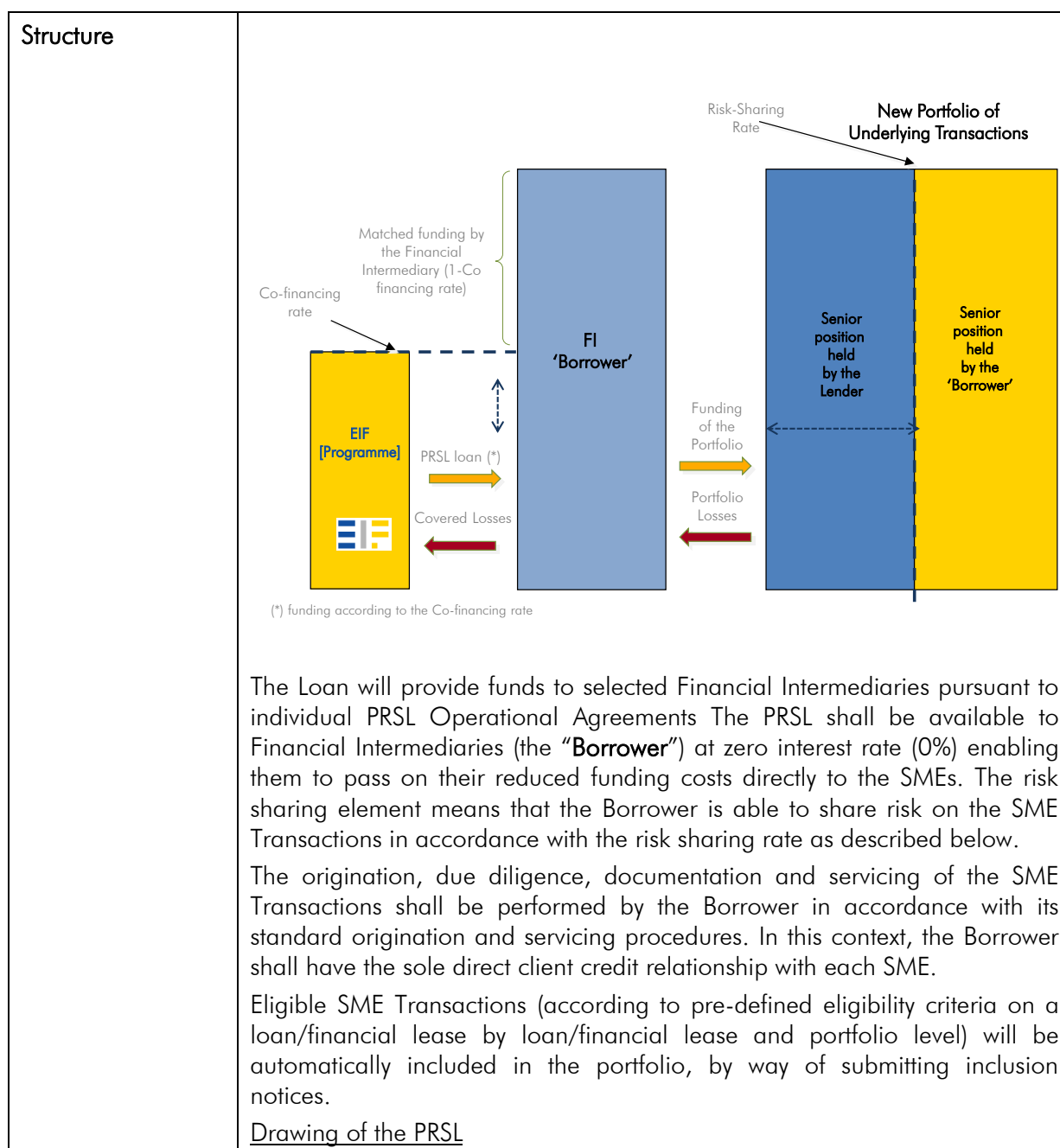
The Loan shall constitute a senior loan and shall cover losses (relating to unpaid principal only) incurred by the Financial Intermediary in respect of each defaulted SME Transaction up to 80% of the loan amount, and in no case exceeding in total the PRS Loan amount.

The origination, due diligence, documentation and servicing of the SME Transactions shall be performed by the Financial Intermediary in accordance with its standard origination and servicing procedures.

In this context, the Financial Intermediary shall retain the direct client credit relationship with each SME.

Eligible SME Transactions will be automatically covered, by way of submitting inclusion notices on a quarterly basis until the end of the relevant Inclusion Period.

Indicative Terms and Conditions of the Loan



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	<p>The PRSL is provided to the Borrower in advance and in tranches, on the basis of actual utilisation. Each tranche shall not exceed the PRSL Tranche Amount. The aggregate amount drawn by a Borrower cannot exceed the PRSL Maximum Commitment Amount.</p> <p><u>Payment of interest on the PRSL</u></p> <p>Advanced tranches not yet disbursed to SMEs shall be remunerated on the basis of a commercial treasury and deposit rate (calculated on the average PRSL Outstanding Principal Amount during the relevant PRSL Interest Period). The interest rates charged to the SMEs shall fully reflect the favourable conditions of the PRSL.</p> <p><u>Repayment of principal on the PRSL</u></p> <p>The outstanding principal of the PRSL shall be repaid on a periodical basis (typically quarterly), either:</p> <ol style="list-style-type: none"> 1) Matching the principal repayment of the underlying SME; or 2) Based on a fixed repayment schedule. <p><u>Risk Sharing Guarantee</u></p> <p>As a result of the embedded risk sharing element, the EIF will pay to the Borrower an amount equal to the Covered Losses at the Risk-sharing Rate. Any payments due by EIF under this Risk-sharing Guarantee will be set off against the obligation of the Borrower to repay the PRSL.</p> <p>The drawdown of PRSL by the Borrower and the disbursements under the SME Transactions shall occur by the end of the Inclusion Period.</p> <p>Furthermore, during the Inclusion Period, principal repayments from SME Transactions could be used by the Borrower to co-finance new Eligible SME Transactions to be included in the Portfolio, provided that the PRSL Maximum Commitment Amount was fully drawn by the Borrower.</p>
Inclusion Period	<p>The period during which Eligible SME Transactions may be disbursed by the Borrower such that they can be included in the Portfolio, provided that the Inclusion Period shall terminate no later than the Long Stop Date.</p> <p>Such period shall typically last between 30 to 42 months, or such other period as decided by EIF (unless terminated earlier because of an Event of Default or a Trigger Event).</p> <p>Inclusions occur automatically upon receipt by EIF of an inclusion notice submitted by the Borrower on a quarterly basis, and the risk sharing element is activated as of the date the SME Transactions is entered into.</p>
PRSL Tranche Amount	Such amount is defined on transaction by transaction basis, subject to availability of Silesia EIF FoF resources vis-à-vis overall volumes submitted by the Applicant with its expression of interest.
PRSL Maximum Commitment Amount	The maximum aggregate amount of principal of PRSL made available to the Borrower.
PRSL Currency	Polish Zloty (PLN).
Risk-sharing Rate	<p>Up to 80%</p> <p>For each SME Transaction included in the Portfolio, the portion of the SME</p>

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	<p>Transaction principal amount financed by the PRSL.</p> <p>The Risk-sharing Rate also determines the portion of the Loss Amounts which are absorbed by the EIF and the portion of the Recoveries payable to the EIF.</p> <p>To ensure alignment of interest, the credit risk retained by the Borrower shall at all times and in no case be less than 20% on each SME Transaction.</p>
Drawdowns	PRSL shall be available for drawdown ex-ante and in multiple tranches during the Inclusion Period. Tranches subsequent to the first tranche shall be made available to the Borrower subject to a pre-agreed portion of the previous PRSL Tranche Amount having been committed to SMEs.
Treasury and Deposit Interest	<p>The Borrower shall pay to the EIF on a quarterly basis the Treasury and Deposit Interest calculated for each interest period as the product of:</p> <p>(a) The Treasury and Deposit Interest Rate;</p> <p>(b) The ratio of the number of days in the PRSL Interest Period, divided by 360, and</p> <p>(c) The difference between:</p> <p style="padding-left: 40px;">(x) the average of the PRSL Outstanding Principal Amount on each day during the interest period, and</p> <p style="padding-left: 40px;">(y) the average of the aggregate outstanding principal of performing SME Transactions as of the last day of the preceding interest period and as of the last day of the relevant interest period, multiplied by the Risk-sharing Rate.</p>
Treasury and Deposit Interest Rate	Means the sum of a reference rate and a margin (percentage per annum), which shall be typically determined by reference to the second best long term, unsecured and unsubordinated indebtedness rating of the Borrower.
Portfolio Interest (if applicable)	<p>The Borrower shall pay to EIF on a quarterly basis the Portfolio Interest calculated for each interest period as the product of:</p> <p>(a) the Portfolio Interest rate;</p> <p>(b) the ratio of the number of days in the PRSL Interest Period, divided by 360;</p> <p>(c) the arithmetic average of the aggregate outstanding of performing SME Transactions as of the last day of the preceding interest period and the last day of the relevant interest period; and</p> <p>(d) the Risk-sharing Rate.</p> <p>In the case of Silesia EIF FoF, no Portfolio Interest will be due and payable by the Borrower, on account of the Portfolio Interest Rate being set at 0%.</p>
Portfolio Interest Rate	0%
PRSL Interest Period	Means a quarterly period corresponding to the relevant calendar quarter.
PRSL Outstanding Principal Amount	<p>Means the amount of principal outstanding under PRSL, which</p> <p style="padding-left: 40px;">1. in the case of Pass-through Repayment corresponds to cumulative amounts disbursed to the Borrower and not repaid or reduced as a result of the application of Repayments and Loss Amounts; and</p>

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	2. in the case of Fixed Repayment Schedule corresponds to the product of (i) the difference between (a) the PRSL Outstanding Principal Amount as at the beginning of the relevant PRSL Interest Period (including any reduction as a consequence of the application of the Risk-sharing Guarantee) and (ii) the applicable Repayment percentage set out in the Operational Agreement.
Repayment of the PRSL	<p>The repayment may be made in the form of either:</p> <p>(A) Pass-through Repayment, quarterly based on the repayment of the SME Transactions included in the Portfolio, i.e. as the difference between (A) the PRSL Outstanding Principal Amount and (B) the product of (i) the outstanding aggregate amount of non-defaulted SME Transactions and (ii) the Risk-sharing Rate;</p> <p>(B) Fixed Repayment Schedule, set in the PRSL Operational Agreement with a schedule of Repayments percentages of the PRSL Outstanding Principal Amount over time.</p>
Loss Amounts	<p>(a) any principal amounts (excluding interest, late payment or default interest, step-up interest, capitalised interest, fees and any other costs and expenses) due, payable and outstanding at such time under the terms of an SME Transaction following the occurrence of either an SME Transaction Default or an SME Transaction Acceleration; and</p> <p>(b) any reduction in principal amounts (excluding any interest, late payment or default interest, capitalised interest, fees and any other costs and expenses) payable as a result of an SME Transaction Restructuring.</p>
Covered Losses	<p>Means the amount payable under the Risk-sharing Guarantee at the end of a calendar quarter, which is equal to the higher of the following amounts:</p> <p>(i) zero and</p> <p>(ii) $A \times B$.</p> <p>where:</p> <p>A = an amount equal to all Losses incurred on defaulted SME Transactions;</p> <p>B = the Risk-sharing Rate.</p> <p>At any time the amount of Covered Losses cannot exceed the PRSL Outstanding Principal Amount at such time.</p>
SME Transaction Default	<p>Means, in respect of an SME Transaction and unless otherwise specified in the specific terms of the PRSL Operational Agreement that (i) the Borrower considers at any time (acting reasonably in accordance with its internal procedures) that an SME is unlikely to meet its payment obligations under such SME Transaction (without recourse by the Borrower to action such as realisation of security); or (ii) an SME has failed to meet any payment obligation under the relevant SME Transaction which has continued for at least 90 consecutive calendar days.</p>
SME Transaction Acceleration	<p>Means, in respect of an SME Transaction and unless otherwise specified in the specific terms of the PRSL Operational Agreement that the occurrence of an event of default (howsoever defined) under an SME Transaction which has entitled the Borrower to accelerate payment of any amounts owed to it and the Borrower has exercised such right of acceleration (or is prevented</p>

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	from exercising such rights of acceleration solely by application of mandatory laws and regulations preventing or staying the exercise of such right).
SME Transaction Restructuring	Means, in respect of an SME Transaction and unless otherwise specified in the specific terms of the PRSL Operational Agreement that the Borrower acting in a commercially reasonable manner and in accordance with its standard internal procedures, agrees to the restructuring of an SME Transaction such that the amount of principal scheduled to be paid, and/or any interest amount due, by the relevant SME is reduced, in order to improve the collectability of the claims arising from the relevant SME Transaction.
Servicing and Recoveries	<p>The Borrower shall perform the servicing of the Portfolio, including monitoring and recovery actions, in accordance with its internal guidelines and procedures.</p> <p>The Borrower shall take recovery actions (including the enforcement of any security) in relation to each defaulted SME Transaction in accordance with its internal guidelines and procedures.</p> <p>Recoveries means each and every amount, net of recovery and foreclosure costs (if any), recovered or received by the Borrower in respect of Loss Amounts, with the exception of any amounts received by the Borrower in accordance with the terms of a separate guarantee agreement with a guarantee institution on the portion of the SME Transaction not covered by the PRSL.</p> <p>All Recoveries shall be shared pari passu between the EIF and the Borrower, in the same proportion of the Risk-sharing Rate (i.e. up to 80%).</p>
Prepayment Option	Prepayment of the full (but not a portion) of the PRSL Outstanding Principal Amount is possible at any time with no penalties applied.
Management Fee	<p>A Management Fee may be paid to Financial Intermediaries in the form of a performance-based remuneration on SME Transaction amounts co-financed by the EIF in respect of: a) amounts disbursed to SMEs and b) principal repayments and Recoveries under the SME Transactions.</p> <p>The Management Fee may not exceed the thresholds specified in Article 13 of the Commission Delegated Regulation (EU) No 480/2014.</p>
Events of Default, Covenants and Undertakings	<p>On the basis of the EIF's assessment, the PRSL Operational Agreement will set out standard events of default (e.g. non-payment of amounts due, breach of obligation, unlawfulness and misrepresentation), appropriate financial covenants and undertakings by the Borrower.</p> <p>On and at any time after the occurrence of an event of default the EIF may, by notice to the Borrower, terminate the Inclusion Period and declare that all or part of the amounts accrued or outstanding under the PRSL shall be due and payable. The occurrence of an event of default may result in the early termination of the PRSL Operational Agreement.</p>
Trigger Event	<p>Means, inter alia, a Default Rate Trigger Event and Portfolio Trigger Event:</p> <p>a) A Default Rate Trigger Event occurs if, on specified date(s) during the Inclusion Period, the aggregate outstanding principal amount of defaulted SME Transactions included in the Portfolio exceeds a</p>

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	predetermined level(s); b) A Portfolio Trigger Event occurs if, on specified date(s) during the Inclusion Period, the aggregate committed amount of SME Transactions included in the Portfolio does not reach a predetermined level(s).
Governing Law and Language	The terms of the PRSL Operational Agreement shall be in the English language and the PRSL Operational Agreement shall be governed by the laws of England or Luxembourg.

SMEs and Eligibility Criteria

SME	Any micro, small or medium-sized enterprise that qualifies as an SME under the Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36) "concerning the definition of micro, small and medium-sized enterprises" notified under document number C(2003)1422) as amended, restated, supplemented or substituted from time to time.
SME Transaction	Loans and/or finance leases, in each case entered into by the Borrower and SMEs during the Inclusion Period.
Revolving SME Transaction	An SME Transaction in the form of a loan (which shall include an overdraft line of credit and exclude any credit or loan resulting from utilisation of credit card limits or in the form of purchase of receivables, whether on a recourse or non-recourse basis) to an SME that can use, on a revolving basis, the financing available for a specified period through one or more drawdowns and repayments up to the Credit Limit Amount, including by settling obligations arising from a letter of credit.
Credit Limit Amount	The maximum principal amount that a Borrower commits under a Revolving SME Transaction.
Eligible SME Transaction	An SME Transaction which complies with all relevant Eligibility Criteria.
Eligibility Criteria	SMEs, SME Transactions and the Portfolio, as relevant, will have to comply with a set of Eligibility Criteria set out below. A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant SME Transaction from the Portfolio, save as specified in the "Exclusion Process".
SME Eligibility Criteria	The SME shall comply with each of the following eligibility criteria: i) Qualifies as an SME under the Commission Recommendation 2003/361/EC(OJ L124, 20.05.2003, p. 36) "concerning the definition of micro, small and medium-sized enterprises" notified under document number C(2003)1422) as amended, restated, supplemented or substituted from time to time; ii) is not subject to collective insolvency proceedings nor fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors, as set out in art. 4.3 (a) of the De Minimis Regulation;

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	<p>iii) (i) is potentially economically viable (as assessed by the Borrower in accordance with its internal procedures); and</p> <p>(ii) not be an “undertaking in difficulty” within the meaning of art. 2.1 of the EU Directive On State Aid For Rescuing And Restructuring Firms In Difficulty (2004/C 244/02, JO C 244,1.10.2004, p2) as amended;</p> <p>iv) is not delinquent or in default in respect of any other loan or lease either granted by the Borrower or by another financial institution pursuant to checks made in accordance with the Borrower’s internal guidelines and standard credit policy;</p> <p>v) not have a substantial focus on one or more Restricted Sectors (which determination shall be made by the Borrower in its discretion based, without limitation, on the proportionate importance of such sector on revenues, turnover or client base of the relevant SME);</p> <p>vi) be established and/or operating in Silesia Voivodship (Poland);</p> <p>vii) not be to its knowledge in an Exclusion Situation.</p> <p>The SME Eligibility Criteria shall only be met on the signing date of the relevant SME Transaction.</p>
SME Transaction Eligibility Criteria	<p>SME Transactions shall comply with each of the following eligibility criteria:</p> <ol style="list-style-type: none"> 1) Newly originated SME Transaction(s), entered into by the Borrower during the Inclusion Period; 2) the purpose of the SME Transaction shall be: (1) investment in tangible or intangible assets, and/or (2) working capital¹; 3) The SME Transaction shall not refinance or restructure existing loans and/or leases; 4) The investments to be supported by the SME Transaction shall be expected to be financially viable (as assessed by the Borrower in accordance with its internal procedures) and shall not have been physically completed or fully implemented the date of the SME Transaction approval; 5) The amount of the SME Transaction that is dedicated to the purchase of land cannot exceed 10% of the initial principal amount of the SME Transaction; 6) The SME Transaction shall not finance pure financial activities or real estate development when undertaken as a financial investment activity and shall not finance the provision of consumer finance; 7) SME Transaction Principal Amount shall not be greater than the lower of i) the PLN equivalent of EUR 1.5m for transactions of an agreed portfolio volume of up to and inclusive the PLN equivalent of EUR 30m or 5% of the APV for transactions of an agreed portfolio volume above the PLN equivalent of EUR 30m (unless otherwise

¹ Working capital shall be financed according to the ESIF Guidance for Member States and Programme Authorities No. CPR_37_4 “Support to enterprises/working capital.”

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	<p>decided by EIF in coordination with the relevant body) and ii) amount that would not cause the GGE to exceed de minimis limits, in accordance with State Aid rules;</p> <p>8) The SME Transaction shall have a fixed repayment schedule or be a Revolving SME Transaction;</p> <p>9) The SME Transaction shall not be in the form of a mezzanine loan, a subordinated debt or a quasi-equity transaction;</p> <p>10) If the SME Transaction is a lease, it shall be in the form of financial lease;</p> <p>11) Maturity: minimum maturity of 12 months and maximum maturity of 120 months (rounded to the nearest full calendar quarter) including any relevant grace period;</p> <p>12) The SME Transaction currency shall be Polish Zloty (PLN);</p> <p>13) The customary interest rate applicable to the SME Transactions shall be replaced, for the risk-shared portion of the SME Transaction, with the Portfolio Interest Rate;</p> <p>14) The SME Transaction shall not finance activities mentioned in Article 1 (Scope) and in Article 3(2), second paragraph of the De Minimis Regulation;</p> <p>15) SME Transaction shall not be affected by an irregularity or fraud</p> <p>16) With respect to an expenditure item financed by the SME Transaction, in addition to the assistance received through the SME Transaction, SMEs may receive assistance from another ESI Funds or rural development programme or from another instrument supported by the budget of the EU provided that:</p> <p>(i) such combination of assistance is in line with applicable EU state aid rules;</p> <p>(ii) separate records are maintained for each source of assistance;</p> <p>(iii) the eligible expenditure financed by the SME Transaction is distinct from expenditure financed by other sources of assistance; and</p> <p>(iv) if the other sources of assistance cover the same eligible expenditure, the sum of all sources of support combined does not exceed the total amount of the expenditure item concerned.</p> <p>17) SME Transactions shall not be used to pre-finance grants.</p> <p>The SME Transaction Eligibility Criteria shall be met at all times, except those under 1) and 4) above, which must only be satisfied at the date of the document evidencing the relevant SME Transaction.</p>
Portfolio Criteria	<p>Portfolios shall ensure some diversification as per the specific terms of the PRSL Operational Agreement (e.g. obligor, industry, etc.) to be assessed on a case-by-case basis. Portfolio Eligibility Criteria may, inter alia, include:</p> <p>a) minimum internal rating of the SME (in accordance with the</p>

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	<p>Borrower's rating systems);</p> <p>b) maximum aggregate amount of SME Transactions: (1) internally rated below a defined rating level in accordance with the Borrower's rating systems, (2) operating in given NACE Sectors (expressed by NACE Code – Rev.2 Division Level), (3) entered into with a single SME or</p> <p>c) maximum aggregate amount of SME Transactions: (1) with balloon/bullet repayment schedule, (2) classified as Start-ups etc.</p>
Exclusion Situations	<p>The Borrower or the SME, as the case may be, is in any of the following situations:</p> <p>(a) it is as of the relevant date or being wound up, is as of the relevant date having its affairs administered by the courts, in this context, has during the last five (5) years from the relevant date entered into an arrangement with creditors, has as of the relevant date suspended business activities, is as of the relevant date the subject of proceedings concerning those matters or is as of the relevant date in any analogous situation arising from a similar procedure provided for in national legislation or regulations;</p> <p>(b) during the last five (5) years from the relevant date it or persons having powers of representation, decision-making or control over it has been convicted of an offence concerning its professional conduct by a judgment which has the force of res judicata, which would affect their ability to implement the PRSL agreement (in case of the Borrower) and the SME Transaction (in case of the SME). Alternatively, where such judgments exist they can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;</p> <p>(c) during the last five (5) years from the relevant date, it or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests. Alternatively, where such judgments exist they can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;</p> <p>(d) as of the relevant date , it is guilty of misrepresentation in supplying information required for selection as a Borrower or as an SME (as the case may be) or fails to supply this information; and</p> <p>(e) as of the relevant date, it is, to its knowledge, listed in the central exclusion database, established under Commission Regulation (EC,</p>

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	Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database.
Restricted Sectors	Available on EIF's website: http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm
Exclusion Process	<p>i) At any time, EIF may (but shall not be obliged to) verify whether an SME Transaction included in the Portfolio is an Eligible SME Transaction and whether its inclusion in the Portfolio is in compliance with the terms of the PRSL Operational Agreement. At any time upon becoming aware of the same, EIF may notify the Borrower by sending an exclusion notice identifying such non-eligible SME Transaction.</p> <p>ii) If a Borrower becomes aware of the same the Borrower shall include such information in the immediately following quarterly report delivered to EIF.</p> <p>In each of the cases (i) and (ii) the SME Transaction shall be excluded from the Portfolio (and shall not be co-financed nor covered by the PRSL) ("Excluded SME Transaction") as of the date on which it became a non-eligible SME Transaction (any such date, an "Exclusion Date").</p> <p>However if an Eligible SME Transaction becomes a non-eligible SME Transaction as a result of any event or circumstance beyond the control of the Borrower after Losses amounts relating to such non-eligible SME Transaction were reported by the Borrower, such SME Transaction shall remain included in the Portfolio and covered under the PRSL and for the purpose of repayment of the PRSL shall be deemed to be an Eligible SME Transaction.</p> <p>Similarly if an Eligible SME Transaction becomes a non-eligible SME Transaction as a result of any event or circumstance beyond the control of the Borrower prior Losses amounts relating to such non-eligible SME Transaction were reported by the Borrower, such SME Transaction shall remain included in the Portfolio and covered under the PRSL and for the purpose of repayment of the PRSL shall be deemed to be an Eligible SME Transaction if the Borrower accelerated payment of all amounts owed to it under such SME Transaction no later than on the Report Date immediately following the date on which it became aware of the same. However if the Borrower does not proceed to the acceleration of such SME Transaction within the timeframe specified above then this SME Transaction shall be excluded from the Portfolio and the Risk-Sharing Guarantee shall no longer apply in respect thereof.</p>
Long Stop Date	Means 31 December 2023

SME Transaction conditions

Credit Policy	Intermediary Transactions shall be originated and monitored and amendments and waivers shall be made, in compliance with the internal guidelines and procedures of the Borrower.
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SME Transactions Pricing and Collateral Requirements	<p>SME Transactions shall be extended to the Eligible SMEs on the basis of the pricing and collateral policy submitted by the selected Borrower under the Expression of Interest.</p> <p>Note for collateral policy: The collateral policy submitted by the Borrower under the Expression of Interest shall take into consideration the risk sharing provided by the PRSL.</p> <p>Note for pricing policy: When submitting their proposed pricing policy, the Borrower should take into consideration that the PRSL part shall be priced at 0%.</p>
Servicing and Loss Recoveries	<p>The Borrower shall perform the servicing of the Portfolio, including monitoring and recovery actions, in accordance with its internal guidelines and procedures.</p> <p>The Borrower shall take recovery actions (including the enforcement of any security) in relation to each defaulted SME Transaction in accordance with its internal guidelines and procedures.</p>

Miscellaneous

Reporting	<p>Financial Intermediaries shall provide EIF within 30 calendar days after the end of each calendar quarter (the 'Report Date') with quarterly information in a standardised form (see Annex V), including among others, information on the SMEs under the PRSL, new SME Transactions included in the Portfolio and Losses incurred by the Borrower.</p>
State Aid	<p>The Borrower shall ensure, in respect of the SME Transactions included in the Portfolio, compliance with applicable State aid rules, i.e. the De Minimis Regulation, as implemented by the local legislation in force. For such purpose and before entering into an SME Transaction, the Borrower shall calculate the relevant Gross Grant Equivalent (GGE) and ensure that the total GGE received by the SME over the relevant timeframe is not higher than the threshold set out in the De Minimis Regulation and report the GGE of individual SME Transactions to EIF.</p> <p>Furthermore, the Borrower shall ensure compliance with the Regulation regarding the electronic State Aid registry (UOKiK, www.uokik.gov.pl). In this context, it is envisaged that the Borrower will input the state aid received by each SME through the instrument in the UOKiK.</p>
De Minimis Regulation	<p>Means either Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.</p>
Monitoring and Audit	<p>Financial Intermediaries and the relevant SMEs included in the Portfolio shall agree to allow and to provide access to documents and premises related to the EU for the European Commission (including the European Anti-Fraud Office (OLAF)), the European Court of Auditors, EIF, any other European Union institution or European Union body which is entitled to verify the use of the PRSL in the context of Silesia EIF FoF and any other authorised bodies</p>

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	duly authorised under applicable law to carry out audit or control activities. To that effect, the Financial Intermediaries shall ensure the inclusion of appropriate provisions in each agreement with the SMEs.
Compliance with Laws	<p>The Borrower shall comply in all respects with all laws and regulations (whether national laws and regulations or laws and regulations of the European Union) to which it may be subject and the breach of which may (i) adversely impact the performance of the PRSL Operational Agreement or (ii) adversely prejudice the interests of EIF or the Commission under the PRSL Operational Agreement.</p> <p>The Borrower shall include in the documentation applicable to each SME Transaction included in the Portfolio, representations, warranties and undertakings for the purpose of ensuring that each such SME Transaction shall comply at any relevant time with the Eligibility Criteria in accordance with the PRSL Operational Agreement.</p>
Publicity	<p>Financial Intermediaries shall be required to ensure that the following statement (in the relevant language) is transposed in the relevant agreements with SMEs: <i>"the finance provided by the [name of Borrower] has been made possible through the support from the European Regional Development Fund within the framework of the Regional Operational Programme of the Silesia Voivodship for 2014-2020"</i>.</p> <p>Financial Intermediaries shall also be required to include in any press release and in any publication that the Borrower may choose to make with regard to the PRSL the statement referred to above, including the Union Emblem. Instead of issuing a press release, the Borrower may choose alternative ways of communication in which case the same visibility requirements shall apply, whenever possible.</p>
Additional Structural Funds Requirements	<p>The PRSL is funded by EU structural and investment funds (ESIF) and it is therefore subject to ESIF regulation and requirements, some of which have already been presented in this document. It should be noted, however, that more detailed information on actions necessary to ensure compliance of operations linked to the PRSL with all ESIF requirements (e.g. retention of documents, environmental protection, equality and non-discrimination) will be provided to, and discussed with, the selected Borrower(s) during the contractual negotiations process.</p> <p>The PRSL is further subject to additional national ESIF requirements. National ESIF requirements may apply, inter alia, to any amendment of the PRSL Operational Agreement which may in particular be necessary if the purpose, objective, eligibility conditions, timeframe of, or the budget for, the PRSL changes. Save as otherwise provided under relevant law, such changes in the PRSL would only apply as of the date of implementation in the PRSL Operational Agreement of the additional requirements.</p>