

## Appendix 1 to Call for Expression of Interest

### Glossary of terms

<p><b>Actual Guarantee Volume</b></p>	<p>Means the aggregate of Final Recipient Transaction Guaranteed Principal Amount in relation to the Final Recipient Transactions entered into and included in the Portfolio, provided that, for the avoidance of doubt:</p> <p>(i) if amounts committed under a Final Recipient Transaction are reduced (including, for the avoidance of doubt, as a consequence of such Final Recipient Transaction having expired or matured), then this shall reduce the Actual Guarantee Volume;</p> <p>(ii) if a Final Recipient Transaction becomes a non-performing Final Recipient Transaction, or a trade receivables sub-transaction becomes a non-performing trade receivables sub-transaction, any covered amounts (net of any recoveries) shall be taken into account in the calculation of the Actual Guarantee Volume;</p> <p>(iii) any covered dilution amounts shall be taken into account in the calculation of the Actual Guarantee Volume;</p> <p>(iv) if a Final Recipient Transaction is excluded from the portfolio as a part of the exclusion process, then such Final Recipient Transaction shall not be taken into account in the calculation of the Actual Guarantee Volume.]</p> <p>No replenishment of the Portfolio is envisaged after the end of the Inclusion Period.</p>
<p><b>Actual Guarantee Exposure Volume</b></p>	<p>Means the sum of:</p> <p>(a) for all Final Recipient Transactions that have expired or matured or are non-performing Final Recipient Transactions as of that date, an amount equal to the total maximum guaranteed principal amount of exposure (i.e. maximum guaranteed amounts actually disbursed under debt financing transactions and maximum guaranteed amounts actually issued under bank guarantees and letters of credit) achieved under such Final Recipient Transactions, and</p> <p>(b) for all Final Recipient Transactions that have neither expired nor matured nor are non-performing Final Recipient Transactions as of such date, an amount equal to the total maximum guaranteed amount of principal committed under such Final Recipient Transactions and, for avoidance of doubt, including any covered dilution amounts as well as any Defaulted Amounts in relation to non-performing trade receivables sub-transactions, provided that, for the avoidance of doubt, any guaranteed amounts in respect of Final Recipient Transactions that were excluded from the Portfolio shall not be taken into account for the purpose of calculating the Actual Guarantee Exposure Volume.</p>

<b>Applicant</b>	Means, other than for the purposes of Annex I - <i>Expression of Interest</i> , an entity that applies to qualify as a Financial Intermediary on its behalf and/or, acting as a coordinating entity, on behalf of one or more Participating Entities.
<b>Base Currency</b>	Means the reference currency of the Guarantee Agreement.
<b>Cap Amount</b>	Means, the maximum obligation of EIB to pay for guarantee calls under the Guarantee, in relation to a Portfolio, expressed in the Base Currency, as specified in the Guarantee Agreement.
<b>Guarantee</b>	Means a first-loss portfolio guarantee whereby EIB covers a percentage of Defaulted Amounts on a Portfolio up to the Cap Amount.
<b>Committed Guarantee Volume</b>	<p>Means the maximum guaranteed principal amount, in the form of Final Recipient Transactions, that a Financial Intermediary is permitted to include in the Portfolio, so that the Actual Guarantee Volume does not exceed the Committed Guarantee Volume.</p> <p>The Committed Guarantee Volume may be (i) decreased by an agreement between the EIF and the Financial Intermediary or (ii) increased by the EIF pursuant to a Committed Guarantee Volume increase notice depending on successful ramp-up of the Portfolio by the Financial Intermediary.</p> <p>The Committed Guarantee Volume is typically made available to the Financial Intermediary in two or more tranches at EIF's discretion, monitoring the inclusions of the Final Recipient Transactions, up to the Maximum Guarantee Volume.</p>
<b>Commission SME Recommendation</b>	Means the Commission Recommendation 2003/361/EC concerning the definition of "micro, small and medium-sized enterprises" (OJ L124, 20.05.2003, p.36) notified under document number C(2003/1422), as amended, restated, supplemented and/or substituted from time to time.
<b>Guarantee Agreement</b>	Means the legal agreement signed between the EIF as transaction agent, the EIB as guarantor and a Financial Intermediary as intermediary, outlining the terms and conditions applicable to the Guarantee.
<b>Guarantee Cap Rate</b>	Means a percentage, which shall not exceed 25%. It may be reduced and set at a lower level following contractual negotiations. The Guarantee Cap Rate for each Portfolio shall be set in the Guarantee Agreement.
<b>Guarantee Fee</b>	Means a percentage per annum to be paid by the Financial Intermediary to the EIB for the Guarantee.
<b>Guarantee Rate</b>	Means a percentage of a Final Recipient Transaction, that is covered by the Guarantee, as further set out in the Guarantee Agreement.
<b>Credit Events</b>	Means a Final Recipient Transaction Default, a Final Recipient Transaction Acceleration or a Final Recipient Transaction Restructuring.
<b>Credit Limit Amount</b>	Means the maximum principal amount that a Financial Intermediary commits under a Revolving Final Recipient Transaction.
<b>Deadline</b>	Means 5 April 2024, or such different date as may be announced officially on the EIF's website. EIF may determine that the Deadline will end on a

	different date depending, inter alia, on the availability of the budgetary resources for the Guarantee Facility.
<b>Debt Financing</b>	Means any type of debt financing, including revolving facilities, subordinated loans, participating loans, convertible loans, bonds, trade receivables transactions (including (reverse-)factoring), letters of credit, leasing or bank guarantees.
<b>Exclusion Situation</b>	<p>Means that a Financial Intermediary or a Final Recipient, as the case may be, is in any of the following situations:</p> <ol style="list-style-type: none"> <li>1. bankrupt, is subject to insolvency, is being wound up, is having their affairs administered by a liquidator or by the courts, in this context are in an arrangement with creditors, is having their 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 in any analogous situation arising from a similar procedure provided for in national legislation or regulations;</li> <li>2. in the past five years, they have been the subject of a final judgment or final administrative decision for being in breach of their 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;</li> <li>3. in the past five years, they or persons having powers of representation, decision-making or control over them have been convicted by a final judgement or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect their ability to implement the Guarantee Agreement or Final Recipient Transaction, as applicable, and which is for one of the following reasons: <ol style="list-style-type: none"> <li>a) 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;</li> <li>b) entering into agreements with other persons aimed at distorting competition;</li> <li>c) attempting to unduly influence the decision-making process of the contracting authority during the relevant award procedure (as this term is defined in the Financial Regulation);</li> <li>d) attempting to obtain confidential information that may confer upon it undue advantages in the relevant award procedure (as this term is defined in the Financial Regulation);</li> </ol> </li> </ol>

	<p>4. in the past five years, they or persons having powers of representation, decision-making or control over them have been the subject of a final judgment for:</p> <ul style="list-style-type: none"> <li>(i) fraud;</li> <li>(ii) corruption;</li> <li>(iii) participation in a criminal organisation;</li> <li>(iv) money laundering or terrorist financing;</li> <li>(v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences;</li> <li>(vi) child labour and other forms of trafficking in human beings;</li> </ul> <p>5. they are subject to a decision on exclusion contained in the published early detection and exclusion system database (set up and operated by the European Commission);</p> <p>provided that the EIF may decide not to exclude a Financial Intermediary if the Financial Intermediary can provide evidence that remedial measures have been adopted to demonstrate its reliability despite the existence of a ground for exclusion, or where it is indispensable to ensure the continuity of the service, for a limited duration and pending the adoption of remedial measures, or where an exclusion would be disproportionate taking into account the circumstances.</p>
<b>Expression of Interest</b>	Means the application sent by an Applicant in the form of Annex I of this Call.
<b>Financial Intermediary</b>	<p>Means an entity that has entered with EIF and EIB into a Guarantee Agreement, and that is duly authorised to carry out financing to Final Recipients (either directly or indirectly) according to the applicable legislation and operating in one or more of the Target Region.</p> <p>In this Call, the term Financial Intermediary shall be construed to include any Participating Entity/ies or relevant Fund(s) managed by the Financial Intermediary, where the context so requires.</p>
<b>Final Recipient Transaction</b>	Means any form of Debt Financing provided by a Financial Intermediary to or for the benefit of a Final Recipient.
<b>Final Recipient Transaction Acceleration</b>	<p>Means, in respect of a Final Recipient Transaction, the occurrence of an event of default (howsoever defined) under such Final Recipient Transaction which has entitled the Financial Intermediary to accelerate payment of any amounts owed to it and the Financial Intermediary has exercised such right of acceleration (or is prevented from exercising such rights of acceleration solely by application of mandatory laws and regulations preventing or staying the exercise of such right).</p> <p>The Guarantee Agreement may specify further the deviations from the above definition of Final Recipient Transaction Acceleration, taking into</p>

	account the specificities of certain types of Debt Financing and Subordinated Debt Transactions.
<b>Final Recipient Transaction Default</b>	<p>Means, in respect of a Final Recipient Transaction, the earlier of the moment when:</p> <ul style="list-style-type: none"> <li>a) the Financial Intermediary considers (acting reasonably in accordance with its credit and collection policy) that a Final Recipient is unlikely to meet its payment obligations under such Final Recipient Transaction (without recourse by the Financial Intermediary to action such as realisation of security); or</li> <li>b) a Final Recipient fails to meet any payment obligation under the relevant Final Recipient Transaction (in accordance with the Financial Intermediary's credit and collection policies) and such failure has continued for at least 90 consecutive calendar days;</li> <li>c) with respect to non-recourse trade receivables transactions, factoring transactions, letters of credit, and/or bank guarantees, where the Intermediary paid, under the relevant Final Recipient Transaction, to the Final Recipient (as the beneficiary of such Final Recipient Transaction) and the Intermediary should have received, as a result, a payment from a third party, such third party has failed to meet said payment obligation and such failure has continued for at least ninety (90) consecutive calendar days.</li> </ul> <p>The Guarantee Agreement may specify further the deviations from the above definition of Final Recipient Transaction Default, taking into account the specificities of certain types of Debt Financing and Subordinated Debt Transactions.</p>
<b>Final Recipient Transaction Restructuring</b>	<p>Means, in respect of a Final Recipient Transaction, that the Financial Intermediary acting in a commercially reasonable manner and in accordance with its credit and collection policies, agrees to the restructuring of such Final Recipient Transaction such that the amount of principal scheduled to be paid, and/or any interest amount due, by the relevant Final Recipient are partially or totally written-off in order to improve the collectability of the claims arising from the relevant Final Recipient Transaction.</p> <p>The Guarantee Agreement may specify further the deviations from the above definition of Final Recipient Transaction Restructuring, taking into account specificities of certain types of Debt Financing and Subordinated Debt Transactions.</p>
<b>FX Rate</b>	<p>Means for the purpose of each and any conversion in the meaning of calculating the currency equivalent of an amount denominated in another currency:</p> <ul style="list-style-type: none"> <li>(i) the currency exchange rate or reference rate specified in the relevant Guarantee Agreement;</li> <li>(ii) the relevant foreign exchange reference rate displayed by the European Central Bank from time to time on its website and which is based on the daily consultation procedure between central banks within and outside the</li> </ul>

	<p>European System of Central Banks or, if such rate is not or no longer available at the relevant time;</p> <p>(iii) the relevant foreign exchange reference rate displayed by the relevant national central bank or, if such rate is not or no longer available at the relevant time, or economically unreasonable at the relevant time as solely determined by the EIB.</p> <p>(iv) any replacement to such rate such as determined in a commercially reasonable manner by the EIB, or the relevant third party (as solely determined by the EIB), such as Financial Intermediary or Final Recipient.</p>
<b>Guarantee</b>	Means a direct guarantee where credit protection is offered to Financial Intermediaries in order to originate Final Recipient Transactions.
<b>Final Recipient Transaction Guaranteed Principal Amount<sup>1</sup></b>	Means the product of the principal amount of a Final Recipient Transaction and the applicable Guarantee Rate.
<b>Inclusion Period</b>	Means the period during which a Final Recipient Transaction can be signed <sup>2</sup> in order to benefit from the Guarantee, as set out in the Guarantee Agreement.
<b>Excluded and Restricted Sectors and Activities</b>	<p>Means: (1) restricted sectors set out in EIF’s guidelines published on EIF’s website, as at the date of the Guarantee Agreement and (2) Paris Alignment Restrictions.</p> <p>The above restricted sectors and activities may be updated from time to time. The binding list of Restricted Sectors and activities shall be set out in the relevant Guarantee Agreement.</p>
<b>Maximum Guarantee Volume</b>	Means the maximum amount that the Committed Guarantee Volume can reach, as set out in the Guarantee Agreement.
<b>Non Compliant Jurisdiction (“NCJ”)</b>	<p>Means a jurisdiction:</p> <ul style="list-style-type: none"> <li>a) listed in the Annex I of the Council of the European Union conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;</li> <li>b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards;</li> <li>c) 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;</li> <li>d) 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</li> </ul>

<sup>1</sup> The principal amount shall be detailed in the Guarantee Agreement depending on the type of Debt Financing.

<sup>2</sup> For avoidance of doubt, given the reporting lag, transactions may be reported after the Inclusion Period end date while still qualifying as included during the Inclusion Period, provided that all eligibility criteria are complied with.



	<p>against the international standard on exchange of information on request;</p> <p>e) included in the Financial Action Task Force statement “High risk Jurisdictions subject to a Call for Action”; or</p> <p>f) included in the Financial Action Task Force statement “Jurisdictions under Increased Monitoring”;</p> <p>in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.</p> <p>The Financial Intermediary shall not (other than as a result only of events or circumstances beyond the control of the Financial Intermediary) be established in a NCJ, unless in the case of NCJ Implementation.</p>
<b>NCJ Implementation</b>	<p>Means that the Final Recipient is established and operating in the country of establishment of the Financial Intermediary and that there is no indication that the relevant Final Recipient Transaction supports actions that contribute to (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and (ii) wholly artificial arrangements aimed at tax avoidance.</p>
<b>Participating Entity</b>	<p>Means an entity on behalf of whom an application is submitted as part of a joint Expression of Interest.</p>
<b>Payment Demand</b>	<p>Means the document sent by a Financial Intermediary to EIF for the purpose of requesting payment under the Guarantee as further detailed in the Guarantee Agreement.</p>
<b>Performing Final Recipient Transaction</b>	<p>Means at any date during a calendar quarter a Final Recipient Transaction in respect of which no (i) Final Recipient Transaction Default, (ii) Final Recipient Transaction Acceleration or (iii) Final Recipient Transaction Restructuring has occurred and has been reported to the EIF, provided that:</p> <p>a) A Final Recipient Transaction in respect of which a Final Recipient Transaction Default has been reported on the relevant Report Date shall be treated as a Performing Final Recipient Transaction if such Final Recipient Transaction Default has been cured in accordance with the credit and collection policies before the Financial Intermediary submits a Payment Demand in respect of such Final Recipient Transaction;</p> <p>b) A Final Recipient Transaction in respect of which a Final Recipient Transaction Restructuring has occurred and which subsequently, in accordance with the credit and collection policies, the Financial Intermediary classifies as a good debt and continues to service in accordance with the credit and collection policies, shall be treated as a Performing Final Recipient Transaction.</p>
<b>Portfolio</b>	<p>Means each portfolio of Final Recipient Transactions, originated in line with the Guarantee Agreement.</p>
<b>Quasi-Equity</b>	<p>Means any of the following financing agreements:</p>

	<ul style="list-style-type: none"> <li>a) a debt agreement which provides that any amount of debt may be converted into equity at a pre-determined price either at the option of the borrower or lessee or by operation of law; or</li> <li>b) a profit and loss participation instrument or other agreement that exposes the investor to the profit and loss of the counterparty; or</li> <li>c) a debt agreement in which the rights of the investor are subordinate (rank junior) to the rights of any holder of subordinated debt of the borrower or lessee. (For the avoidance of doubt, a holder of debt shall not be considered subordinated solely because its rights rank junior to the rights of creditors, such as tax authorities, that are given statutory priority over ordinary senior debt).</li> </ul>
<b>Recovery</b>	<p>Means each and every amount, net of recovery and foreclosure costs (if any), recovered or received by or on behalf of the Financial Intermediary, including by way of set-off, in respect of a Final Recipient Transaction that has resulted in a Defaulted Amount, provided that:</p> <ul style="list-style-type: none"> <li>a) a payment in respect of such Defaulted Amount made to the Financial Intermediary under a guarantee given by a guarantee institution (other than EIF) shall not be treated as a "Recovery", and</li> <li>b) in respect of a Final Recipient Transaction which was subject to a Final Recipient Transaction Restructuring, only amounts received, net of recovery and foreclosure costs (if any), in relation to the Defaulted Amounts shall be treated as a "Recovery".</li> </ul>
<b>Report</b>	<p>Means a standardized document prepared by a Financial Intermediary for EIF including (but not limited to) information on Final Recipients and on the Final Recipient Transactions included in the relevant Portfolio(s). An indicative reporting template is attached to this Call.</p>
<b>Report Date</b>	<p>30 calendar days after the end of each calendar quarter.</p>
<b>Restricted Final Recipient</b>	<p>Means, based on the assessment of the Financial Intermediary during the origination process, an entity or a natural person:</p> <ul style="list-style-type: none"> <li>a) that cannot benefit directly or indirectly from financing supported by the EIF as a result of the application of the EIF guidelines on the Restricted Sectors and activities; and/or</li> <li>b) falling under any of the Exclusion Situations as at the date of the signature of the relevant Final Recipient Transaction.</li> </ul>
<b>Revolving Final Recipient Transaction</b>	<p>Means a Final Recipient Transaction pursuant to which a Final Recipient is entitled to use, on a revolving basis, the commitment made available to it by the Financial Intermediary for a specified period up to the Credit Limit Amount. For the avoidance of doubt, Revolving Final Recipient Transactions shall include revolving working capital facilities, including those embedded in or linked to a current account and exclude any credit or loan resulting from utilisation of credit card limits.</p>



<b>Restrictive Measures</b>	Means, without limitation, restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).
<b>SMEs</b>	Means a micro, small or medium-sized enterprise as defined in the Commission SME Recommendation.
<b>Subordinated Debt Transaction</b>	<p>Means a Debt Financing, in which the rights of the Financial Intermediary:</p> <ul style="list-style-type: none"> <li>a) rank junior (are subordinated) to the rights of senior secured or unsecured creditors of the Final Recipient; and</li> <li>b) rank: <ul style="list-style-type: none"> <li>(i) at least pari passu with the rights of other holders of subordinated debt of the Final Recipient and</li> <li>(ii) senior to the rights of any holder of equity in the Final Recipient.</li> </ul> </li> </ul> <p>For the avoidance of doubt, a holder of debt shall not be considered subordinated solely because its rights rank junior to the rights of creditors, such as tax authorities, that are given statutory priority over ordinary senior debt.</p>
<b>Target Region</b>	Means each of Armenia, Azerbaijan, Georgia, Moldova, and Ukraine.