



Clarification to the Call for Expression of Interest (CEoI) to select Financial Intermediaries that will receive resources from the Greek ESIF FoF and EIF co-investment to implement the following Financial Instruments: Technology Transfer Fund(s) and Acceleration Fund(s) – both under the Innovation Window of this CEoI, Early Stage Funds – under the Early Stage Window of this CEoI and Growth Funds – under the Growth Window of this CEoI.

Reference number: Call for EoI - Greek ESIF FoF 2016/01

The aforementioned Call stipulated that: “Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to relevant requests for clarifications received within the relevant deadline will be published together in a Clarification Document to be posted on the website www.eif.org, at latest on **13 February 2017**”.

In accordance with this provision, we hereby present such a clarification document. Capitalised expressions utilised below shall have the meaning attributed to them in the above mentioned Call for Expression of Interest, unless otherwise defined below or the context requires otherwise.

Questions may appear as they have been received without any editing from EIF; they also appear in a random order.

Q1	How does the EIF view a Business Plan or proposal including participation in more than one window as defined by the call? Would this disqualify a submission? For example, can a single fund participate in the Innovation window and the Growth window respectively?
	An Applicant is not prevented from applying for each window separately. The Applicants wishing to do so are encouraged to submit separate proposals for each window applied for (innovation, early stage, growth). Separate proposals can be submitted together within the same overall Expression of Interest so as to avoid duplication of information which is applicable to more than one (this must be clearly referenced when doing so).
Q2	What is the EIF’s position should the fund that is being proposed extend its activities to include Investees outside of Greece to partially include other European investees, for example a mix of Greek and European investees.
	At a fund level, a fund can pursue an investment strategy with a geographical scope beyond Greece. At an ESIF level, it is a requirement that the ESIF component plus appropriate leveraged funds are invested into enterprises that have an establishment or branch in Greece for the ultimate benefit of the programme area which is Greece.
Q3	Given a fund proposal to Window 1 (Innovation Window) – can a fund distribute funds across the two instruments within the Innovation window, i.e. Technology

	and Acceleration or is the fund required to focus on either Technology Transfer or Acceleration?
	<p>The purpose of the Innovation Window is to promote technology transfer (i.e. the commercialisation of research being undertaken within universities or other centres of research) and acceleration (i.e. the rapid ramp-up of a business idea at a very early phase that is supported by mentorship and funding within a specific period of time). An application for either technology transfer or acceleration is perfectly eligible – even if the same Applicant applies for both instruments separately. An application by one Applicant for both technology transfer and acceleration is also eligible.</p> <p>It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice and prove that its proposal is attainable and will best serve the objectives of the window vis-à-vis other applications.</p>
Q4	What is EIF’s position on the proposed fund investing in investees that do not originate in Greece but that setup operations as an extension to other European operations?
	Investees that have an establishment or branch in Greece at the time of the investment are considered eligible.
Q5	Will EIF positively accept a fund proposal, assuming a fund intends to make investments exclusively in Window 1, non pari-passu distribution and exclusively in pre-seed investees? For example, given a fund focus on pre-seed investees, will EIF view a fund proposal with only a 10% private investment, negatively?
	What is proposed in the question does not seem to be in breach of the terms of the Call. A thorough analysis of all elements of each application will be undertaken taking into consideration all the criteria of the Call.
Q6	At the time of application, is it required to commit to a pari passu or a non pari passu distribution for the whole fund? Is there an option to have both at pre-decided or committed contribution percentage of the proposed Fund business plan?
	The Applicant is required to submit a concrete proposal that will be assessed and evaluated in line with the procedure and criteria presented in the Call.
Q7	In the call for proposal documents, there is reference to private investors and public investors. Does does ESIF/EIF consider its contribution private or public funds?
	There are two elements: the ESIF and the EIF co-investment. The ESIF component is considered public whereas the EIF component is to be considered private.
Q8	In the distribution cascade in window 1, is the EIF co-investment limited by the 6% per annum net return incentive or is this incentive only relevant to the portion of ESIF funding contributed by other Greek government aid/funding?
	As per the term sheets attached to the Call, the EIF co-investment will not (i) be subordinate to any private investors; (ii) contribute to providing any preferential treatment to private investors or (iii) receive any extra return from the ESIF FoF investment. The return on EIF’s co-investment would remain neutral to this arrangement.
Q9	In the above case is the EIF co-investment treated equally to private investment monies on the net returns?
	The return on EIF’s co-investment would remain neutral to such an arrangement.
Q10	Does the fund managers fee definition and limit include: net returns due to the fund manager based on fund manager’s commitments?
	It is typical that the management fee is not related to net returns due to the fund manager based on fund manager’s commitments.

Q11	Applicant means a Financial Intermediary as such term is defined in your materials; is it correct that such Financial Intermediary refers to the entity designated to act as manager of the Fund?
	In principle, this is correct.
Q12	Assuming answer to question 1 is yes, does the Applicant need to be the Fund Manager operating entity or the entity owning the operating entity?
	The Call is designed in such a way so as to not only present the application and selection procedure but also set the general framework that can accommodate typical structures from various jurisdictions. It is to the discretion of the Applicant to select the way to present that its application includes appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant.
Q13	In the context of a typical GP/LP Fund structure where the GP delegates the management of the fund to an affiliated Fund Manager, is there any preference if the Applicant is the GP or the Fund Manager?
	In principle, there is no preference – it is to the discretion of the Applicant to select the way to present that its application includes appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant. It will be assessed on a case-by-case basis.
Q14	In terms of jurisdictions of the Applicant, can you confirm that Guernsey, Jersey, and United States of America are all acceptable jurisdictions for Eligible Financial Intermediaries?
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q15	What is the calculation basis for weighted-average investments in the Early Stage Window - an example would be helpful to clarify.
	The weighted average is a function of the private investor participation to the investees and the size of the investments to the investees. No numerical example can be provided.
Q16	What is the maximum percentage an investor may hold in the manager before it is considered captive e.g. 33% or 50%?
	For information on the required level of independence, please see section "Fund Manager" of the term sheet. In this respect, it is of particular importance that the Fund Manager be able to take management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.
Q17	Does the EIF have a preference towards funds domiciled in Luxembourg versus other applicable territories e.g. Cyprus.
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q18	Do the entities need to be setup before the approval by the EIF is granted.
	The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary.
Q19	What is the final date for EIF receiving the physical copy of the proposal - or is the submission date the day the courier picks up the package?
	Please refer to section 6 in the Call for Expression of Interest document.

	<p>Please note that the Expressions of Interest shall be submitted on or before the Deadline both by (i) e-mail and (ii) registered mail or professional courier service. The Deadline applies (i) in case of e-mails, to the reception by EIF and (ii) in case of registered mail or professional courier service, to the date of dispatch proven by the post office stamp or a dispatch receipt.</p>
Q20	<p>Please confirm if the EIF portion of Equifund is regarded as Private or Public funds.</p>
	<p>See answer to Q7.</p>
Q21	<p>Private investor contribution – non pari passu contribution Can you please provide numerical examples for each 2a 2b 2c For instance 2b- A company is raising 1m euro in funding. 60% is public sector. Assume that a portion of the raise would be contributed by a VC fund of a 70/30 non pari passu setup of 14,3m size in total. Public sector would be 600K. The max that the said fund could give would be $600/0.7=857K$. The private part of the fund would be 257K (857-600) or 26% of the raise. The balance of 143K would need to be sourced by third party, independent investors to get 40% private participation. Is this correct? Another company is raising 1m euro and its in a more mature stage. 40% is public sector so 400K public , 170K private fund portion, 429K from third party investors?</p>
	<p>No numerical example can be provided. On the eligibility of public bodies as investees, please consult Commission Recommendation 2003/361/EC of 6 May 2003.</p>
Q22	<p>Management fee Pari passu – the fee would be 2.5% for 5 years on committed capital and 1.5% for the next five years on invested capital for a total of 20%? What would be the fees in the extension period of 1+1 up to 2029? Non pari passu - Base remuneration of 2.5% for 2 years and 1% thereafter - does this apply only to the public portion of the fund or the entire structure? So if there is a 70/30 fund with 10m provided by the govt and the EIF investing on a 13/5 ratio, is the fee structure would be applicable to the 10m or the 14.3m size of the fund? Could the fee structure for the private portion of the investment differ from the above and be along the lines of the non pari passu setup? Non pari passu – performance of 2.5% per annum – does that apply to the entire fund economics or the Greek govt portion? If the Greek govt money is not returned till year 10, does that mean that the carry could be 25% on their commitment? Eg does if there are no distributions but in year 10, would the manager only get 2.5% for the year 10 distributions or accrete the previous years?</p>
	<p>1. In the case that the fund follows a pari-passu distribution cascade and, as a minimum requirement, the private investor contribution at the fund level (with investments on the same terms and conditions for all investors) equals or excess 50%, the limits do not hold. 2. The aforementioned percentages are absolute caps. The caps stem from ESIF regulations but they should apply for all investors. 3. The aforementioned percentages are absolute caps. The caps stem from ESIF regulations but they should apply for all investors. The distribution cascade is expected to be typical with investors having priority over any repayments (for capital repayments and preferred return) before carry is distributed.</p>
Q23	<p>Distribution cascade</p>

	<p>Example of 10m public funds invested in a 14.3m 70/30 fund with 3.84m EIF contribution and .44K private investor contribution. Assume that the fund returns 3x profit by year 10, all in the last year or 12% IRR. Assume no preferred return for private investors so no catchup for performance fee either.</p> <p>The govt hurdle is 1.06^{10} or 1.79. Is it senior to the private participation? Eg does it get paid out first and then privates get their portion? Is there a performance fee paid on this 6% cap?</p> <p>Of the total 37m that is returned, the state get 17.9m (due to the cap) and other investors get 19.8m. How is the EIF neutral to the extra return generated from the capping of the public sector? Does it only get 12% which is the fund IRR ? Given that its contribution is 3.85m , 12% would be 11.9m and private investors out of which fees would get paid, and private investors get 7.9m out of which fees would be paid? Is performance payment charged on the same terms as to the govt or through a separate agreement?</p>
	<p>It is to the discretion of the Applicant to submit a proposed distribution cascade. In principle, under the non-pari-passu cascade, the mechanism proposed by the ESIF regulation consists of incentives for private investors in the form of capping the net return on ESIF FoF investment.</p>
Q24	<p>Are risk capital investments provided for the rescue and restructuring of SMEs operating more than 7 years eligible for Non pari-passu distribution schemes? According to par.43 of EC no651/2014, such exemptions apply when SMEs face limited access to capital (incl. debt finance), which is clearly the case of overleveraged SMEs in need of restructuring and non-only for SMEs in early stage of development.</p>
	<p>Please note that investments in undertakings in difficulty are included in the prohibited types of investees and activities.</p>
Q25	<p>Is reference to “market” and “competitors” in the Business Plan made with respect to the target markets and target companies that the fund plans to invest?</p>
	<p>The description of market and competitors is meant to show the Applicant’s understanding of the competitive landscape for the Fund in targeted market (i.e., which are the other Funds deemed to be competitors and which are the other competing sources of financing, e.g. banks etc.)..</p>
Q26	<p>What should the section “track record” of team members cover in case of non-fund management applicants? In case of team members of applicants with corporate M&A or advisory track record disclosing actual names and deals is restricted. Will a descriptive presentation of the applicants investment experience and execution track-record be accepted for the initial pre-selection stage?</p>
	<p>EIF will consider new and emerging teams with no or limited experience in venture capital, but with other relevant experience, including corporate M&A or advisory experience, and investment track-record gained by start-up and angel investing experience. Nevertheless, some professional investment experience, present in the team, would be an advantage.</p> <p>In case names and deals cannot be disclosed, it would be appropriate to provide blind profiles of the transactions, including the main relevant characteristic (sector, country, deal size, role, buy/sell/other, partner involved, size of the company, etc.).</p> <p>EIF adheres to strict professional standards. Applicants undertake to designate information contained in any submitted document or file as Confidential Information only if, and to the extent that, they believe in good faith that such information is in fact confidential.</p>

	<p>To the extent that the received information is marked as “Confidential Information”, EIF will not disclose any of that information, other than to its mandators, shareholders, governing bodies, partners, directors, officers, employees, agents or advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors), or unless required by a treaty, law, Court order or by any rules or regulations which may be applicable to EIF.</p> <p>Should EIF disclose any of that information to the above-mentioned parties, EIF will make these parties aware of the confidential nature of such information. However, EIF is not in the position to assume responsibility for any action of any of those parties which could result in Confidential Information becoming public or otherwise being abused.</p>
Q27	<p>P1: "accelerator programmes": Is there a definition of "accelerator programmes" that the EIF is using to evaluate proposals for this call?</p>
	<p>There is no definition that serves as a benchmark. A thorough analysis of all elements of each application will be undertaken taking into consideration all criteria of the Call.</p>
Q28	<p>P4: "are economically and structurally independent from the eligible beneficiaries where an Investment is made, and from any entities and/or individuals connected thereto": Does this mean that a candidate beneficiary company that has received pre-seed angel investment from a Private Investor in the Fund (LP status) is not eligible to receive investment from the Fund?</p>
	<p>Not necessarily, but the level of conflict of interests will be assessed The reported case would in any case need to be considered as Conflict of Interest and as such consent from the Advisory Board will be required.</p>
Q29	<p>P4: "Upon the creation of a new company, private investors, including the founders, are considered to be independent from that company.": Does the "new company" in this context include an linked/affiliate/subsidiary/parent company of the Investee?</p>
	<p>It should be assessed on a case-by-case basis.</p>
Q30	<p>P5: "Equity and / or quasi-equity.": Does this include convertible debt?</p>
	<p>Yes, it may include convertible debt. It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice. Please note that the modalities of deployment and mix of instruments to be deployed should be substantiated in the framework of achieving the objectives of the instrument in the best possible way.</p>
Q31	<p>P8: "Fund shall only invest into Eligible investees that have an establishment or branch in Greece.": Is "establishment" equivalent to "permanent establishment" (as defined by OECD, for instance) in this context? If not, does it imply incorporation / place of business / place of management? Does it imply a requirement with regard to linked businesses (subsidiaries, wholly owned or not)?</p>
	<p>The Eligible Investees shall not be required to have their registered seat in Greece, as it is considered sufficient that such enterprises have a permanent establishment or branch in Greece.</p>
Q32	<p>Document: "Call for Expression of Interest"</p> <p>P13: "Main economic terms, including management costs and fees (base remuneration - operational budget of the fund; fee offset policy) and incentive</p>

	<p>structure (performance based remuneration) proposed;” What is the suggested/preferred format for the Fund’s economics? Does it imply a requirement of a full P&L sheet?</p>
	<p>There are no standard requirements. The Applicant is invited to submit all information that to its view will substantiate the viability of its application including the submission of a full P&L should it deem this as a useful element.</p>
Q33	<p>Regarding "Management fee basis" in the non-pari passu case, please elaborate on the mechanism of "Performance-based remuneration" and more specifically: (i) in which cases/ under what metrics achieved will this be paid out (ii) how does it relate, if at all, with any carried interest to the Fund Managers and ideally please provide an example to demonstrate.</p>
	<p>The “Performance-based remuneration” applies to the case of: i) non-pari-passu distribution cascade or ii) private investor contribution at the fund level (with investments on the same terms and conditions for all investors) that is below 50% which should be regarded as a minimum requirement. The distribution cascade proposed by the Applicant will be assessed in accordance with best market practice – notwithstanding this, the Call permits non-pari-passu incentives. No numerical example can be provided.</p>
Q34	<p>Will there be a hurdle rate after which the carried interest is activated? If yes, what will this rate be? (e.g. 6% as in the 2011 Jeremie call)</p>
	<p>The distribution cascade proposed by the Applicant will be assessed in accordance with best market practice – notwithstanding this, the Call permits non-pari-passu incentives.</p>
Q35	<p>In case the Fund Manager/Applicant has not yet been founded as a legal entity by the time of submitting the Expression of Interest, can you please confirm: (i) How is the “List of documents attached” affected? Would any additional documents be desirable (e.g. draft Shareholders’ Agreement)? (ii) What would be considered "Appropriate evidence of the representative’s authorisation to act for and on behalf of the Applicant (signatory powers)"</p>
	<p>The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary. In such a case the team members should sign the Expression of Interest and relevant appendices personally. No further documents except those listed in the CEoI are required.</p>
Q36	<p>Please confirm that the carried interest is calculated after both invested capital and the management fees are returned to the investors (i.e. the manager must return the entire capital invested, including management fees, plus any hurdle rate on these, before starting to receive carried interest).</p>
	<p>What is being described is indeed an example of a distribution cascade.</p>
Q37	<p>Please confirm our understanding of distribution cascade in the non-pari passu case: (ii) Greek ESIF FoF will receive up to 6% p.a. (il) the EIF co-investment will receive the exact rate of return achieved by the Fund (minus potential carried interest to the Fund Managers) (iii) Private Investors will receive the remainder (minus potential carried interest to the Fund Managers) i.e. potentially higher than the rate of return achieved by the Fund</p>
	<p>The exact structure of the distribution cascade will be the subject of negotiations with the successful Applicants – always in compliance and within the framework</p>

	set out in the Call and relevant term sheets.
Q38	<p>Finally, for the Innovation Window Financial Instrument, is the Expression of Interest expected to comprise:</p> <p>(i) a Technology Transfer Fund AND an Acceleration Fund (ii) a Technology Transfer Fund OR an Acceleration Fund, or (ii) a Technology Transfer Fund AND/OR an Acceleration Fund?</p>
	See answer to Q3.
Q39	<p>A. General Questions - Call for Expression main document</p> <p>Eligible Financial Intermediaries (page 3):</p> <p>Please clarify if a Financial Intermediary currently under formation and expecting its authorization to operate after the deadline of the call can apply as an Applicant. In such a case, please advise if the details of the Applicant will concern the founders of the Financial Intermediary under establishment.</p>
	<p>The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary.</p> <p>In such a case the relevant team members should sign the Expression of Interest and relevant appendices personally.</p>
Q40	<p>Please indicate which of the following operations (Risk Assessment, Custody, Internal Control, Compliance, ...) need to be internal to the Financial Intermediary and thus cannot be outsourced.</p>
	It is to the discretion of the Applicant to submit a proposal for assessment in accordance with best market practice.
Q41	<p>Financial Instruments (page 4):</p> <p>We assume that the Financial Instrument can be established at a later stage. Please confirm and advise on the information and documentation that is required for the application.</p>
	Please see answer to Q35.
Q42	<p>Please advise if a Financial Instrument can change its initial type e.g. from RAIF to SICAR. In the case it is possible are there any rules and restrictions that apply ?</p>
	It is up to the Fund Manager to propose appropriate legal structure and to fulfil any regulatory requirements. Special modifications can be allowed when duly justified.
Q43	<p>Can a Financial Instrument be an AIF which is non-regulated and target only Qualified Investors.</p>
	It is up to the Fund Manager to propose appropriate legal structure and to fulfil any regulatory requirements.
Q44	<p>B. Questions related to the document Annex 2 Financial Instrument: Description and Selection Criteria. Part I.2.c</p> <p>Private investor contribution:</p> <p>What is the time limit to raise the funds from private contributions and is there a requirement for a date of closing private subscriptions?</p>
	The funds are expected to have a typical VC/PE structure. The first closing should be envisaged before 31.12.2017. A subsequent closing, if any, should be within a predetermined time period after the first closing – typically one year.

Q45	<p>Type of financing:</p> <p>Is it acceptable to use different types of financing (e.g. equity or quasi-equity) for the different eligible investees under consideration?</p>
	<p>In principle both are allowed. It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice. The modalities of deployment and mix of instruments to be deployed should be substantiated in the framework of achieving the objectives of the instrument in the best possible way.</p>
Q46	<p>Fund manager's commitment:</p> <p>What is the time limit for the fund managers to provide their contributions to the fund?</p>
	<p>The fund manager should be aligned with its investors.</p>
Q47	<p>Management fee basis:</p> <ul style="list-style-type: none"> • What is the definition of the "Eligible period"?
	<p>The term eligibility period refers to the ESIF regulations. It coincides with the investment period of the underlying fund, when initial investments into investees are possible. This period lasts until 31.12.2023.</p>
Q48	<ul style="list-style-type: none"> • Case II/Base Remuneration: Please clarify if the 2,5% per annum for the first 24 months and 1% per annum thereafter, apply only to the contribution of the ESIF or the total amount of the fund (including the private contributions). • Case II/Performance-based Remuneration: Same question as above.
	<p>The aforementioned percentages are absolute caps and they apply in the case: i) non-pari-passu distribution cascade or ii) private investor contribution at the fund level (with investments on the same terms and conditions for all investors) that is below 50%, which should be regarded as a minimum requirement. The caps stem from ESIF regulations but they should apply for all investors.</p>
Q49	<p>Management fee and cost cap:</p> <p>We assume that this section applies equally to Pari-passu and Non-pari-passu distribution cascade. Please clarify that the limitation to the management fees at maximum 20% of ESIF capital commitments apply only to the management fee corresponding to the funds provided from the ESIF and exclude private contributions.</p>
	<p>Correct, the section applies to all cases. The caps stem from ESIF regulations but they should apply for all investors.</p>
Q50	<p>Fund Managers commitment: Can the fund manager's' commitment be offset by gross management fees within funds life?</p>
	<p>In principle it may be permitted but it will be assessed on a case-by-case basis. Please note that the Call sets as a criterion that the Applicant has adequate economic and financial viability.</p>
Q51	<p>Management fee basis. Could you please clarify further how the performance-based remuneration works and how does it add up to the Base remuneration? Could you please provide an arithmetic example.</p>
	<p>The Performance-based remuneration is in addition to the Base Remuneration. No numerical example can be provided.</p>
Q52	<p>Carried Interest Beneficiaries: How will distributable cash be distributed between</p>

	Private Investors and Carried interest Beneficiaries and what would be the priority schedule of distribution .
	This is to the discretion of the Applicant. Please note that any divergence from a typical distribution cascade should be thoroughly justified
Q53	<p>TT Transaction costs: For the time being TT Offices are not operational in Greece. This leads to a higher due diligence costs for TT funds. How could that be addressed?</p> <p>A. Increased management fees for the first years until TT offices become operational?</p> <p>B. Part of transaction costs incurred by the investees?</p> <p>C. Part of transaction costs to be incurred by the fund in case of non materialized investments?</p>
	It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice and thoroughly justify any divergence from best market practice.
Q54	How does the EIF decide to select an Applicant versus putting the Applicant into a reserve list? Is it purely done through a ranking system in an ascending order where there is a cutoff point between selecting and putting an applicant in a reserve list?
	The assessment of Expressions of Interest is conducted under competitive terms and Applicants are indeed ranked after each selection phase.
Q55	It is mentioned that "Applicants who are not initially considered for contractual negotiations may, subject to the 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 2022". Is the applicant obligated to provide updated data in the case EIF decides to activate an applicant in the future or does its initial application documentation count?
	In such an event and depending on the time elapsed, the request for updated information or confirmation of the elements of the original application should be regarded as normal.
Q56	Is it possible for a submission of an expression of interest to be made for more than one financial instrument? In such a case, do different applications need to be made or can the expression for more than one financial instrument be in one expression of interest?
	See answer to Q1.
Q57	Is it possible for an entity to be part of more than one joint expression of interest?
	It is possible but it may not be optimal.
Q58	How many parts can be involved in a joint expression of interest?
	This is to the discretion of the Applicant.
Q59	Can joint expressions of interest that have not yet been incorporated submit an expression of interest and become legal entities upon the appointment as financial intermediaries?
	See answer to Q18.
Q60	Please clarify the grounds upon which "EIF decide to increase / decrease its commitment or consider any financial intermediary or consider any financial

	intermediary”
	With a view to maximising the efficient use of the resources of the FoF, EIF may decide to <u>propose</u> actions that are in line and full compliance with the terms of the Call and any operational agreement signed.
Q61	If an entity is on a reserve list, and EIF decides to proceed to it being a financial intermediary, what is the timeframe given to the entity until it is required to begin operations as a financial intermediary?
	This is subject to mutual agreement between EIF and the Applicant.
Q62	Do all supportive documents (e.g. recommendation letters, financial statements) have to be translated officially in English?
	The application should be in English. Copies of original documents as well as uncertified translations in English would be sufficient.
Q63	How can the manager’s commitment alignment tool be proven?
	The Applicant is invited to provide any information or supporting documentation that will substantiate its claims.
Q64	Is it possible for the applicant to be a listed entity?
	It is possible but it may not be optimal.
Q65	What is the difference between “private financing” and “private investor contribution” considered to be?
	There is no difference in the context of the Call.
Q66	In the financial instruments “Growth Fund” and “Early Stage Venture Capital” it is mentioned that suitably justified cases of non-SMEs are eligible. Please define “justified cases of non –SMEs”.
	This holds for all three Windows. It should be assessed on a case-by-case basis always in view of the objectives of each Window and only in the case that the fund follows a pari-passu distribution cascade and, as a minimum requirement, the private investor contribution at the fund level (with investments on the same terms and conditions for all investors) equals or excess 50%.
Q67	Please define “later stages of seed and start up” as noted in the early stage instrument
	Stages are defined as per Invest Europe (formerly known as EVCA).
Q68	Is there a provision for an escrow account?
	There is no provision for an escrow account that would create implications at the normal operation of a fund.
Q69	It is in our understanding that the fund size includes private investor contribution. Please confirm.
	The Applicant should indicate the fund size and projected participation of ESIF/EIF and private investors to it.
Q70	In our understanding “replacement capital” is considered to be a buy and build strategy. Please confirm.
	Not necessarily. A Replacement Capital transaction (as defined by Invest Europe) could also not include a buy and build strategy.
Q71	What is the maximum percentage in the pari passu contribution scheme?
	All thresholds and limits are specified in the Call in the relevant sections.
Q72	Is the financial intermediary considered to be the fund manager, the fund, or

	both?
	In principle, it is considered to be the fund manager.
Q73	Please define “Programme contributions”.
	The term is solely used in the management fee basis section of the term sheets. It relates to the ESIF capital commitments. Note, however, that the terms and conditions should be identical for all investors.
Q74	In the case of a joint expression of interest which has not yet been incorporated, what documentation is required in order to fulfill parts 1.1., 1.2 and 1.3? (e.g. notary deed, a letter of intent etc.)
	In such a case the team members should sign the Expression of Interest and relevant appendices personally.
Q75	What is considered as appropriate evidence of authorization? (e.g. board decision)
	See answer to Q13.
Q76	In regards to the description of competitors and in the case there is more than one financial intermediary for each financial instrument, are these financial intermediaries considered as competitors?
	Yes.
Q77	When describing “co-operation with main participants”, is it required to provide the names of the proposed institutions and the proposed co-operation? Are there any further documents required to fulfil this requirement? (e.g. expression of interest and collaboration)
	Yes, it is required to identify them and indicate the envisaged co-operation and stage of discussions with them. The Applicant is requested to provide any supporting documentation deemed necessary to substantiate its claims.
Q78	Is it required to provide personal details for all relevant team members? Is there a minimum required number of people that can cover this prerequisite?
	The core members of fund management team are expected to be identified at the time of application and will be assessed as part of the Applicant’s proposal. The number is to the discretion of the Applicant.
Q79	Do the team members have to be employed by the applicant at the time of submission of the expression of interest?
	Not necessarily but evidence of their intent to participate and its timing should be provided.
Q80	Please further elaborate on what is expected by the “joiners and leavers of the team”.
	For existing teams, it is the information about people that have left or joined those teams since inception. Not applicable for new teams.
Q81	Please define “fund Management Company”.
	Although the term may not be defined, it may be identified as per on the requirements of the Call: “Detail the shareholder base/ownership of the Applicant and the envisaged shareholder base for the fund management company, if it’s planned to set up a new entity as a fund manager”.
Q82	What is the expected role of the investment and advisory committee?
	The funds are expected to have a typical VC/PE structure and comply with best

	market practice – the term sheet provides the general framework in which the successful Applicant will be requested to operate and is not intended to be a descriptive template of how a VC/PE fund is structured. No guidance can be provided in this respect.
Q83	Please elaborate on what is expected in the “details of the carry allocation”.
	Full and extensive presentation and breakdown of the recipients of the carry.
Q84	What are some examples of activities that could be considered as potential conflicts of interest with the planned fund?
	The funds are expected to have a typical VC/PE structure and comply with best market practice – the term sheet provides the general framework in which the successful Applicant will be requested to operate and is not intended to be a descriptive template of how a VC/PE fund is structured. No guidance can be provided in this respect.
Q85	Please provide examples of what is considered as “linkages restricting full independence of the management team and fund manager”.
	For information on the required level of independence, please see section “Fund Manager” of the term sheet. In this respect, it is of particular importance that the Fund Manager be able take management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.
Q86	Please provide examples of what is considered as “potential conflict of interest”.
	This point is meant to allow the Applicant and the team members to openly disclose any past or current activities that may be reasonably deemed to have potential conflicts of interest with the planned fund and time dedication. Applicants are expected to list such activities or declare absence of such and provide an explanation of their (i) potential conflict of interest and (ii) future time dedication.
Q87	Is it possible for a team manager to be occupied in another business activity that may be considered as “potential of conflict of interest” but conclude that collaboration only in the case of being chosen as a financial intermediary?
	In principle no, but it should be assessed on a case-by-case basis.
Q88	Please define “including where possible related to a transactions relevant to the proposed strategy”.
	Transactions that bear some relevance in terms of stage, sector, instrument etc to the Applicant’s investment strategy.
Q89	Can other references be included that verify experience in other fields (e.g. financial instruments, management of EU funds etc). Do the references requested for each team member need to be in English?
	Yes. Copies of original documents as well as uncertified translations in English would be sufficient.
Q90	In regards to track record, it is mentioned “as of 31/12/2016”. Back to what date may a track record be provided? (e.g. from 2007 onwards).
	All relevant information should be provided comprehensively.
Q91	Please define “individual transaction information”.
	Detailed information on each and every transaction.
Q92	Please define “indicative investment from fund Management Company and the

	management team into the fund”.
	Please see Fund manager’s commitment section of the term sheets.
Q93	Are there any supportive documents required for the private investor commitment details (envisaged commitment and stage of discussion)?
	The Applicant is invited to provide any information or supporting documentation that will substantiate its claims.
Q94	Please define the “fee offset policy”.
	The funds are expected to have a typical VC/PE structure and comply with best market practice – the term sheet provides the general framework in which the successful Applicant will be requested to operate and is not intended to be a descriptive template of how a VC/PE fund is structured and of industry’s standard terminology. No guidance can be provided in this respect.
Q95	Please define “indicative investment”.
	The Call asks for “indicative investment requested under this call” which refers to the contribution requested by the ESIF and EIF.
Q96	Please define “winding up provisions”.
	This is industry’s standard terminology. No guidance can be provided in this respect.
Q97	What is considered as a registration Certificate? e.g. a Certificate from the chamber of commerce?
	The Applicant is invited to select the documentation deemed necessary.
Q98	In the case of a joint venture, what is considered as appropriate evidence of the representative’s authorization?
	The Applicant is invited to select the documentation deemed necessary. See also answer to Q13.
Q99	In cases of a joint expression of interest that has not been incorporated at the time of submission, how are the points 1.6 and 1.9 to 1.11 verified?
	Eligibility Criteria 1.9 and 1.11 come from EU rules and are not crafted specifically for risk capital, but are generic for any EU supported financial instruments, including banks. EIF will apply them to the team, the proposed structure and the Expression of Interest as a whole. It is, thus, imperative that the application is detailed and complete. Please note that in the case of an entity not yet incorporated the team members should sign the Expression of Interest and relevant appendices personally.
Q100	How are the individual sub sections of the quality assessment criteria weighted in each category?
	Whilst the criteria are assessed individually, for the purposes of scoring they are seen in conjunction with other criteria that belong to the same category “Project Relevance, Quality and Coherence”, “Project Maturity” and “Institutional Capacity & Sustainability”.
Q101	How can the ability to raise private financing be demonstrated?
	It is to the discretion of the Applicant to submit any supporting documentation deemed necessary to substantiate its claims.
Q102	Is the declaration of honor submitted (as per appendix 4) even if it is a joint expression of interest which has not been incorporated at the time of submission?
	In such a case the team members should sign the Expression of Interest and relevant appendices personally.
Q103	Please clarify the format that the soft commitments need to be submitted on.

	The Applicant is requested to provide any supporting documentation deemed necessary to substantiate its claims.
Q104	Should the soft commitments at the time of proposal cover the total private investor contribution?
	The Applicant is requested to provide any supporting documentation deemed necessary to substantiate its claims.
Q105	Beyond the full time GP partners, is there any restriction for a part time management team GP partner to participate in the investment committee?
	This is to the discretion of the Applicant and will be assessed on a case-by-case basis.
Q106	At the submission of the proposal is it obligatory to include a named deal flow list or not due to potential confidentiality reasons?
	<p>The information provided should be as complete as possible. Elements in the deal flow list should be fully described and identified if not named.</p> <p>EIF adheres to strict professional standards. Applicants undertake to designate information contained in any submitted document or file as Confidential Information only if, and to the extent that, they believe in good faith that such information is in fact confidential.</p> <p>To the extent that the received information is marked as “Confidential Information”, EIF will not disclose any of that information, other than to its mandators, shareholders, governing bodies, partners, directors, officers, employees, agents or advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors), or unless required by a treaty, law, Court order or by any rules or regulations which may be applicable to EIF.</p> <p>Should EIF disclose any of that information to the above-mentioned parties, EIF will make these parties aware of the confidential nature of such information. However, EIF is not in the position to assume responsibility for any action of any of those parties which could result in Confidential Information becoming public or otherwise being abused.</p>
Q107	Should there be an initial draw down and if so, does this have to be depicted as a percentage of the total funds?
	This is to the Applicant to propose. The Applicant is invited to submit all information that to its view will substantiate the viability of the proposed structure.
Q108	Please specify whether the “Applicant” should be incorporated in Greece.
	<p>It is the decision of the fund manager to choose and propose most appropriate jurisdiction within constraints outlined in the CEol.</p> <p>Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.</p>
Q109	Please provide a ‘best practice’ example of private participation/weighted average monitoring in Non-pari-passu cascade.
	<p>· Example portfolio including ‘prior to first commercial sale’, ‘less than 7 years’ and ‘7 years or more’ companies, in Early stage window.</p> <p>This requirement stem from the participation of ESIF under the new programming period. No “best practice” example can thus be provided.</p>

Q110	Please specify what kind of commitment is required from the Private Investors, in order to prove their intention to contribute to the Fund’s capital?
	The Applicant is requested to provide any supporting documentation deemed necessary to substantiate its claims.
Q111	Please specify whether it is possible for the eligible investees to benefit from other National/ European grants/ subsidies?
	In principle yes – please note, however, that the cumulation of such aid should be under close monitoring.
Q112	Please specify what is the expected Return on FoF Investment? <ul style="list-style-type: none"> · Does the expected Return on the FoF Investment depend on the distribution cascade selected by the Applicant?
	The expected return should be commensurate to the risk undertaken but it will also take into account the distribution cascade as well as the achievement of the objectives of each Window.
Q113	Under “Private investor Contribution”, Non-pari-passu cascade, it is mentioned that for particular investments on eligible investees the Fund needs to syndicate with private investors on enterprise level. <ul style="list-style-type: none"> · Please specify whether the ‘syndicate’ funds can be drawn (directly on enterprise level) from the Private Investors of the Fund?
	The private investor contribution should stem from independent private investors.
Q114	Please let us know what happens to non-invested funds after the closing of the fund.
	EIF reserves the right to decide on reallocations.
Q115	Please refine definitions “coming out from” and “linked to” in the following sentences (Innovation Window, under “Investment Focus”): <ul style="list-style-type: none"> · “Projects and/or companies (SMEs) coming out from research centers, clusters, and/or any research linked organization”. · “Projects/start-ups linked to incubator spaces, co-working spaces, accelerators, universities”.
	The purpose of the investment focus section is to provide guidance on the targeted investees and in the case of the Innovation Window to identify a pool of potential investees in the research and/or entrepreneurship ecosystem of the country.
Q116	In case the proposed investment strategy falls into more than one window, say innovation and early-stage, or even all three of them, should the applicant proceed with three different applications or could it be a single application with the proposed unified investment strategy?
	See answer to Q1.
Q117	In case an applicant manages to get commitments from private investors at a higher level than the minimum stated on the Call for EoI, will that play a role in the evaluation process?
	One of the Quality Assessment Criteria of the Applicants is the demonstration of ability to raise the private financing. The private financing that is needed to reach the fund size that the Applicant is targeting as per its application.
Q118	Should a team put together an investment strategy which is primarily focused on Greece but also explores opportunities in a regional level, say Balkans, Turkey, Cyprus, Israel, a.s.o., would that be welcome in the EIF? Is there a minimum percentage of funds that <i>have to</i> be invested in Greece, or <i>consumed in Greece</i>?

	Will the investees from these regions have to set up a Greek legal entity in order to receive the investment?
	See answer to Q2.
Q119	Can the Fund Manager be domiciled in Cyprus? Which locations are acceptable?
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q120	It is highly probable that by the time the proposal is submitted, the new Company to act as Fund Manager will have not been formally created, as this requires that [the collaborating bodies] will need to have made decisions (which is optimistic but possible) and then run all the administrative tasks for the company formation (which is far too optimistic). Since the timeframe is tight, the question we have is: Would it be OK if the application form (for the proposal submission) is signed by a legal representative [authorized by the collaborating bodies to do so]? The authorization documents and the decisions[of the collaborating bodies] for the company formation would then be attached as supporting documentation in the Appendix of the Application
	The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary. Please note that in case the Applicant is not an established legal entity, the Expression of Interest documents should be signed by the team members who are expected to have ownership in the planned fund management company and carry rights in the planned fund. Please see also answer to Q13.
Q121	Apart from involving Private Investors, the [collaborating bodies] plan to contribute to the Fund by their private funds demonstrating their commitment. The questions we have in respect to this are: a) Is this allowed and, if yes, can it account for the Applicant's own investment in the fund?; b) Would the involvement of other private investors be necessary or optional in this case? c) What documents are required to demonstrate the Applicant's own investment in the fund (especially if the company to manage the Fund has not been formally created yet at the time of the application)? Would a decision by the respective [collaborating] bodies suffice?
	a. It is allowed but it has to be examined whether this could be regarded as private investors contribution as per the "Private Investors" section of the term sheet. Similarly, the Applicant should be in a position to make its own financial contribution to the fund as per the "Fund manager's commitment" section of the term sheet. Please note that the Call sets as a criterion that the Applicant has adequate economic and financial viability. b. The involvement of private investors should be viewed in relation to the answer above and also in relation to the thresholds stipulated in the term sheet. c. The Applicant is requested to provide any supporting documentation deemed necessary to substantiate its claims.
Q122	As we are already active in offering acceleration to selected startups and research teams, one more question we have is: Can the investment focus include both Technology Transfer and Acceleration or do we have to select one of the two? We have seen that combining them both, e.g. a startup is formulated and then this

	signs a license agreement with a research team, is a successful practice and we would like to further encourage this practice.
	See answer to Q3.
Q123	Regarding the involvement of the management team, the questions we have are: a) What documents are required to demonstrate the contribution of the management team to the Fund? and b) Is it necessary that the management team members have previously invested in companies and can demonstrate results (referring to the Track record section of the business plan)?
	a. The Applicant should provide all documentary evidence that it deems that it can substantiate its financial ability to fulfil its obligations in respect to its commitment to the fund. b. The FoF will consider new and emerging teams with no or limited experience in venture capital, but with other relevant experience, including investment track-record gained by start-up and angel investing experience. Nevertheless, some professional investment experience, present in the team, will be an advantage.
Q124	Following up the call for expression of interest for financial intermediaries for the Greek ESIF FoF and EIF, I would like to ask you if you can give us an example on the calculation on the management fees.
	The relevant sections ("management fee basis" and "management fee and cost cap") provide all relevant information. No numerical example can be provided.
Q125	7.2 Due Diligence (p. 7). "The due diligence normally comprises an on-site visit , which shall be at the discretion of the EIF. The due diligence process does not comprise legal negotiations." (our emphasis) Does that mean that the entity at that time (essentially, after being short-listed) must have secured offices and be organized as an entity?
	Establishment will be needed at the time of engagement of the Financial Intermediary. The on-site visit as part of the due diligence may be carried out at any suitable venue.
Q126	ANNEX 1 Expression of Interest Are we required to specify only one Financial Instrument (e.g. Technology Transfer; or Early Stage)? Or can we ask to be considered either for one or another, with the same business plan?
	See answer to Q1.
Q127	Appendix 2, "Expression of Interest Business Plan" (p. 12) "(minority/majority equity, mezzanine, hybrid, etc.), stage and sector, geographical focus (with % outside Greece, if any)" Is it then allowed to invest outside Greece under some circumstances? There is no reference to this in the main documents.
	See answer to Q2.
Q128	Questions referring to the "Windows" Term Sheets (12A, 12B) Private Investor Contribution We do not understand how the "Minimum private financing at the fund level" of 10% or 30% is compatible with the statement that, in the case of a Pari-Passu Distribution cascade, there will be "50% private investor contribution at the fund level on pari passu basis." Which of the two is correct?
	The absolute minimum requested is the one stated at the beginning of the "private investor contribution" section.

	<p>In the case the minimum requested private investor contribution is reached then there is the choice of opting for non-pari-passu distribution cascade or for pari-passu distribution cascade.</p> <p>In case that the pari-passu distribution cascade is selected and furthermore, as a minimum requirement, the private investor contribution at the fund level reaches 50% (and investments are on the same terms and conditions for all investors) then there certain provisions to be met in the sections “eligible investees”, “management fee basis”, “management fee and cost cap” and “prohibited types of investees and activities” that follow the title Pari-passu Distribution cascade.</p> <p>In all other cases, the provisions to be met in the sections “eligible investees”, “management fee basis”, “management fee and cost cap” and “prohibited types of investees and activities” follow the title Non-pari-passu Distribution cascade.</p>
Q129	<p>Private Investor Contribution</p> <p>We do not understand the statement:</p> <p>“Additionally, the fund manager will be contractually required to constantly monitor the portfolio to ensure that the combined private participation at the fund and the portfolio companies level at all times represent at least the weighted average based on the volume of the individual investments in the underlying portfolio and resulting from the application of the minimum participation rates to such investments, as given in the next points:”</p> <p>It asks for the manager to “ensure that the combined private participation represents at least the weighted average.” The sentence does not result into any particular numeric result. It is also not clear what how the weighted average is to be computed. A specific example would help.</p>
	<p>The weighted average is a function of the private investor participation to the investees and the size of the investments to the investees.</p> <p>No numerical example can be provided.</p>
Q130	<p>Management fee basis</p> <p>Case I (pari-passu): There is no specified percentage number. Does this mean that the percentage will be proposed by us?</p>
	<p>This is correct. Please note the following: i) EIF promotes best market practice, ii) the management fees are taken into consideration for the feasibility and viability of the proposal and investment strategy and iii) this is a competitive call.</p>
Q131	<p>Case II (non pari passu): Performance based remuneration (2.5% of contributions based to final recipients): is this in addition to the base remuneration? Which means that at certain periods the fees will include both 2.5% on committed capital and 2.5% on invested capital?</p>
	<p>The aforementioned percentages represent upper limits.</p> <p>The Performance-based remuneration is in addition to the Base Remuneration. The upper limit will indeed be 2.5% for both fees for the first 24 months after the signature of the funding agreement.</p>
Q132	<p>With respect to the distribution cascade and the non-pari-passu incentive offered “in the form of capping the net return on ESIF FoF investment at 6% p.a.”,</p> <p>a. Is this 6% p.a. calculated a) on a transaction basis depending on the entry and exit from a relevant investment or b) in aggregate on the full Financial Instrument basis when the wind-down of the Fund is completed?</p> <p>b. How is the term “net return” defined (i.e. on a pure cash-on-cash basis)?</p>
	<p>The term is defined on a cash-on-cash basis and it is calculated on the fund basis.</p>
Q133	<p>How is “eligibility period” defined in the term sheet?</p>
	<p>The term eligibility period refers to the ESIF regulations. It coincides with the investment period of the underlying fund, when initial investments into investees</p>

	are possible. This period lasts until 31.12.2023.
Q134	Is there a cap on follow-on investment prior to 31-Dec-2023?
	There is no cap. It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice.
Q135	Is Financial Instrument allowed to re-invest funds (eg during the first 3 years of the life of the Financial Instrument)? Or in case of a disposal of an investment should the full disposal proceeds (or the disposal proceeds corresponding to the capital invested) be mandatorily returned to the Financial Instrument?
	FoF will not invest in ever-green funds. FoF may allow the Fund Manager to re-use and re-invest proceeds, but using net invested capital [i.e. total acquisition cost of the underlying investments (including the realized investments) minus the total acquisition cost of realisations] not exceeding 100% of such Fund size at any time within the investment period. It is to be regulated in the Operational Agreement with each selected Fund Manager.
Q136	When do the management fees become payable (monthly, quarterly, annually)? Is this left to the discretion of each Applicant?
	It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice.
Q137	Are the management fee figures (e.g. 2.5% for first 24 months) absolute caps or guidelines? Are the level of management fees proposed by each Applicant a factor which will be evaluated in the context of each proposal and if so what is the corresponding weighting factor?
	They are absolute caps in the case of: i) non-pari-passu distribution cascade or ii) private investor contribution at the fund level (with investments on the same terms and conditions for all investors) that is below 50%, which should be regarded as a minimum requirement. Please note the following: i) EIF promotes best market practice, ii) the management fees are taken into consideration for the feasibility and viability of the proposal and investment strategy and iii) this is a competitive call. Management costs and fees are included in the terms and conditions that are evaluated within the framework of the Quality Assessment Criteria as presented in the body of the Call.
Q138	If the manager of the Financial Instrument (the "Manager") is a direct/indirect subsidiary of an existing Company that manages other existing regulated Funds unrelated to the Financial Instrument (the "Parent"), what is the maximum economic interest (if any) that the Parent may hold in the Manager? Is the Manager restricted from providing management services to other regulated Funds or investment companies (notwithstanding the full disclosure of such management services and potential conflicts)?
	For information on the required level of independence, please see section "Fund Manager" of the term sheet. In this respect, it is of particular importance that the Fund Manager be able to take management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure. Please also note that the ability to demonstrate additional activity in comparison to present activity is also a specific element of the Quality Assessment Criteria of the Call.
Q139	Can the majority shareholders of the Manager be different to the day to day management team as long as the management team has a significant share in

	the carry of the Financial Instrument?
	Although possible, such envisaged structure should be extensively presented and will be thoroughly scrutinised on issues including independence of management team, conflicts of interest and alignment of interests.
Q140	Please confirm that the “Performance –based remuneration” applies to both the pari-passu and the non-pari-passu options.
	The “Performance-based remuneration” applies to the case of: i) non-pari-passu distribution cascade or ii) private investor contribution at the fund level (with investments on the same terms and conditions for all investors) that is below 50%, which should be regarded as a minimum requirement.
Q141	Is the Manager required to be established in Greece as an Alternative Investment Fund Manager pursuant to art. 2 of . 4141/2013 and be subject to the supervision of the Hellenic Capital Markets Committee (“HSCMC”)? To the extent that this is a requirement, at which stage should this requirement need to be fulfilled?
	Establishment will be needed at the time of engagement of the Financial Intermediary. It is up to the Fund Manager to propose appropriate legal structure and to fulfil any regulatory requirements.
Q142	Are transaction costs, e.g. due diligence costs, considered to be included in the cost of investment?
	It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice and thoroughly justify any divergence from best market practice.
Q143	Please confirm that the Fund Manager’s commitment in the Fund can exceed the minimum 1%
	Yes, 1% is a minimum and therefore Fund Manager’s commitment can exceed it.
Q144	Which entity should appear as “Applicant” - “Financial Intermediary” in the EoI? The legal entity leading the effort may not be identical or take its final form as the FI before it is preselected. How should an “entity in formation” be represented vis-à-vis this call?
	See answer to Q39.
Q145	Are investments aimed at recapitalizing and growing mature companies with high leverage, considered as eligible investments under the Growth Fund window? (recapitalization is meant as both debt and equity capital)
	It should be examined on a case-by-case basis and always in compliance with the terms of the Call.
Q146	Is “replacement capital” always understood as a minority stake? Would majority replacement investments be accepted provided that they represent less than 50% of total investments (incl. new capital) made by the fund in each transaction?
	Replacement Capital is defined in the ESIF regulation as the purchase of a minority stake of existing shares.
Q147	When (at which stage) do teams have to provide soft capital commitments from private investors? What about hard commitments?
	The Call stipulates that one of the requirements is the envisaged commitment and stage of discussion. The Applicant is invited to provide any information or supporting documentation that will substantiate its claims on both soft and hard commitments.

Q148	Should the parameters included in the indicative term sheet provided be considered mandatory or can applicants deviate from specific figures within the provided term sheet framework? (the question refers to items such as management fees, private investment participations and non-pari-passu terms) – Which parameters (if any) should be considered mandatory i.e. fixed and not open to discussion?
	The term sheet sets the general framework with limits and thresholds thus allowing the Applicant to assess each parameter and make a proposal within the limits set.
Q149	Are UK Fund Managers accepted to the Greek ESIF FoF?
	It is the decision of the fund manager to choose and propose most appropriate jurisdiction within constraints outlined in the CEoI. Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q150	Are UK Funds accepted to the Greek ESIF FoF?
	It is the decision of the fund manager to choose and propose most appropriate jurisdiction within constraints outlined in the CEoI. Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q151	In what format has the EoI to be submitted? (doc, ppt, pdf)
	PDF (it is suggested that tables are also submitted in excel).
Q152	As to the <u>references</u> requirements for each team member, and at the track record section what exactly is needed. Can you please clarify?
	Contact details of executives that may be contacted. For the track record, comprehensive data should be provided. Track Record section shall include all information that the Applicant believe necessary to demonstrate the capability of the team to deploy the fund successfully based on its past experience.
Q153	In order to set up the fund, the founding GP will incur certain fees and expenses. Does the Call cover <u>set up fees</u> for the fund (usually 1.25%), over and above the management fees? Can you please clarify?
	Set up fees should be included in the management fee thresholds stipulated in the term sheet. This is a deviation from market practice stemming from ESIF regulation requirements.
Q154	During the presentations in Athens, EIF appears to be willing to participate in the Fund as a Private investor. Is this the case? Is there a <u>min participation of EIF</u> for an early stage fund that we should be factoring in?
	This is correct but there is no minimum participation envisaged. It should be noted that the Call indicates that the co-investment ratio for both the Early Stage and Growth Windows on cumulative terms shall be indicatively set at 13 (ESIF FoF): 5 (EIF).
Q155	For an early stage fund, what is the <u>min participation for private investors, excluding EIF</u>?
	As the term sheet stipulates, it should be 30% at the fund level. This includes EIF participation.
Q156	As part of the Business Plan, what is the form and substance of the <u>projections</u>. Can you please provide a template?

	There is no standard template or form. The Applicant is invited to submit all information that to its view will support its application.
Q157	In what form EIF would like to see the <u>private investors' equity commitments</u> . Can you please provide a sample?
	There is no standard template or form. The Applicant is invited to submit all information that to its view will substantiate statements in its application.
Q158	In the <u>track record section</u> , you ask for net fund returns to be included. This requirement refers to applications of formal funds with track record, OR it applies also to individuals that were part in the past of funds with track record?
	It is stated that net fund level returns should be included where the track record involves formal funds. But clear and explicit information on individual transaction information is also required even in case that the track record involves formal funds.
Q159	In the Business Plan section and specifically in the "Terms and conditions" part, you require that we provide you with <u>main economic terms of fund</u> including base remuneration, operational budget etc. Can you please clarify? Do you need remuneration for each member of the GP base salary, split of carried interest? Operating costs of the GP such as rent, utilities and such projections?
	All of the above are indeed required. The Applicant is expected to provide a full and complete breakdown of projections.
Q160	Private Investors, are defined as those that (i) are economically and structurally independent from the fund manager, and from any entities and/or individuals connected thereto." In view of this please define if (a) the fund manager (b) the shareholders of the fund manager, (c) the management team and (d) the investors already participating in funds that are managed by the fund manager and/or the management team, are considered as Private Investors and consequently if they could (i) count against the private contribution at the fund level, (ii) syndicate with the fund at the enterprise level (iii) benefit from the Staid aid - non pari passu incentives for private investors.
	Private investors that have previously invested in companies owned by the Applicant/Fund Manager may also invest in the new Fund. Their commitments will count toward the private financing threshold. However, the Fund Manager must be independent and must be in a position to take the management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.
Q161	Please define if EIF is considered as Private Investor? If yes please define if EIF's contribution will be considered against the minimum percentage of private financing at the fund level.
	It will indeed be considered part of the private financing at the fund level.
Q162	Please define if the "Replacement Capital" definition includes the repayment of a loan instrument of an eligible enterprise.
	It can only include the purchase of existing shares.
Q163	Please define if the private participation in an investee entity can be accomplished through the funding of this entity by bank debt and/or by its existing shareholders.
	The private participation should be by means of equity participation from private investors.
Q164	At the "Quality Assessment Criteria" please explain through an example what is meant by point 2.3.3 "Assessment of the investees' advisers/pool of experts

	structure to be put in place".
	The objective of the Window may require the provision of mentoring or other services to investees. The profiles of individuals that the Applicant will engage for such services will be assessed.
Q165	Please define what is meant by the term eligibility period at the "Management fees basis". Does it refer to the period through which management fee is paid thus six years after 31/12/2023 therefore until 31/12/2029?
	The term eligibility period refers to the ESIF regulations. It coincides with the investment period of the underlying fund, when initial investments into investees are possible. This period lasts until 31.12.2023.
Q166	At the "Management fees basis" in Case II there is reference to "programme contributions". Please explain what is meant by the term "programme contributions". Does this refer only to the ESIF FoF contribution?
	The term is solely used in the management fee basis section of the term sheets. It relates to the ESIF capital commitments. Note, however, that the terms and conditions should be identical for all investors.
Q167	At the Early and Growth Funds' Term Sheets at the section "Management fee and cost cap" in the third bullet it is stated that "the aggregate management fee and costs paid to the Fund Manager throughout the Fund duration cannot exceed 20% of the ESIF capital commitment. On the other hand, at the Technology Transfer/Accelerator Funds' Term Sheet the above cap of 20% is set on the "capital commitments" and not the ESIF capital commitment. From the above we understand that the aggregate fees cap paid to the Fund Manager (by all Fund's Investors) as a percentage of total Fund commitments, throughout the Fund's duration, would be different among the 3 financial instruments, affected also by the choice made between pari-passu and non pari-passu distribution cascades. Specifically: i. 20% of total capital commitments for the Transfer/Accelerator Fund for both the pari-passu and non pari-passu distribution cascade ii. 14% [(20% x (1-30%)] of total capital commitments for the Early stage funds, provided that private financing is set at the minimum of 30%. This 14% is further reduced to 10% [(20% x (1-50%)] under the pari-passu distribution cascade since private participation rate increases to 50%. iii. 12% [(20% x (1-40%)] of total commitments for the Growth stage funds, provided that private financing is set at the minimum of 40%. This 12% is reduced to 10% [(20% x (1-50%)] under the pari-passu distribution cascade since private participation rate increases to 50%. Please confirm if our above understanding is correct.
	The terms and conditions should be identical for all investors.
Q168	Please advise whether a fund manager can apply for the set-up of one Fund based on the proposed investment strategy targeting SMEs in both early and growth stages. If selected, would the fund manager receive allocation from both windows, early and growth? Does the fund manager need to file two separate applications?
	The purpose of the two Windows is to promote investments in different stages. An application for either Early Stage or Growth Window is perfectly eligible – even if the same Applicant applies for both instruments separately. An application by one Applicant for both Early Stage and Growth Window is also eligible. It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice and prove that its proposal is attainable and will best serve the objectives of the windows vis-à-vis other

	applications.
Q169	Regarding requirement of item (1) Appendix 3 (Copy of Applicant's registration certificate if applicable), please confirm that the following document fulfills said requirement. For a societe anonyme established in Greece and regulated by the laws of Greece: The General Certificate (ye:vU<6 mITT01lOlfItK6) issued by the Genera l Electronic Commercial Registry in Greece which certifies the company tradename, company registered seat, registration number, mentions dates in case of amendments and certifies that the company has not been dissolved or is in any kind of state of liquidation of assets.
	At the application stage that will be sufficient. Do note that further checks out and supporting documentation may be required at a subsequent stage.
Q170	It was mentioned the Funds to be created may be <u>regional funds</u> . Is that correct, and if so what does that mean?
	Funds with a broader geographical focus than Greece. Please see also answer to Question 2.
Q171	Will the Funds to be created be allowed to invest in companies incorporated and/or having operations outside of Greece?
	See answer to Q2.
Q172	Can the Funds be domiciled outside of Greece, i.e. in Cyprus or Luxembourg?
	It is the decision of the fund manager to choose and propose most appropriate jurisdiction within constraints outlined in the CEol. Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q173	Is the following calculation correct? For a €26M Early Stage fund choosing the pari-passu distribution cascade, the capital commitments will consist of [€13M ESIF-FOF] + [€5M EIF] + [€7.48M Private Investors] + [€.52M General Partner]
	The calculation takes into account the minimum percentage set for the GP contribution and it achieves 50% of private financing. Note that the ratios of co-investment by EIF (vis-à-vis the ESIF contribution) are clearly presented as "indicative".
Q174	There was mention of other IFI's participating in the Greek ESIF FoF. When will you be able to provide a definitive response about their participation and how that changes the committed capital ratios?
	The Call and all related to the Call procedures will continue irrespective of the participation of any IFIs to the level of the Greek ESIF FoF which currently features two cornerstone investors. The additional contribution of the IFIs should alleviate the fundraising process of the successful Applicants and will accelerate the establishment of the funds.
Q175	In Part I.2.b document (Financial Instrument - Early Stage window), in the subsection "Management fee and cost cap", you mention that: "The aggregate management fee and costs paid to the Fund Manager throughout the Fund duration cannot exceed 20% of ESIF commitments" Could you confirm on what base is this 20% calculated? Is it 20% of total fund commitments (private plus ESIF/EIF)? Is it 20% of the ESIF/EIF part (e.g., 70% of total)? Or is it 20% of EISF-part only (i.e also excluding EIF contribution)?
	The aforementioned percentage is an absolute cap. The cap stems from ESIF regulations but they should apply for all investors.
Q176	Is Greek AKES a legitimate vehicle for the fund's legal entity?
	Any justification of a structural element would need to be assessed on a case by

	case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q177	<p>Our Fund (Financial Instrument) as well the management company (Financial Intermediary) have not been formally established yet. We intend to proceed with these prerequisites, upon the successful finalization of our candidacy. The key members of the management team as well as the shareholders of the management company are defined but there is no legal documentation (signature powers, corporation register etc). Consequently please clarify the following:</p> <ol style="list-style-type: none"> 1. May the requested documents (i.e expression of interest declaration of honour etc) be signed by the person who is assigned as CEO of our future endeavour?
	They should be signed by the team members who are expected to have ownership in the planned fund management company and carry rights in the planned fund.
Q178	In your call, you often use the terms "applicant", "fund manager" and "fund management company". Do these terms have the same meaning and if not what is the meaning of each one?
	The Applicant is defined as "a Financial Intermediary applying to this Call for Expression of Interest"
Q179	Is it correct to use the name of our management company that will be established, as "applicant" in all the submitted documents?
	We can provide no guidance in this respect. The Applicant is defined as "a Financial Intermediary applying to this Call for Expression of Interest"
Q180	<p>Is there any other specific document that you may need in this case (a declaration or a memorandum)?</p> <ul style="list-style-type: none"> • In your call you refer that you need "Information on members of the investment and advisory committees". What is the role and the duties of each committee? Our understanding is that we would only need to include in our structure an investment committee that would be advising the management team as well. Is it a formal prerequisite to include an advisory committee and if yes can you please describe its role?
	No guidance can be provided in this respect. Such decisions lie solely and exclusively to the Applicant.
Q181	We intend to include a representative of the Greek ESIF FoF as member of the investment committee. Is this practice correct or shall we consider another option?
	No guidance can be provided in this respect. Such decisions lie solely and exclusively to the Applicant. Such practice is not typical but it will be assessed on a case-by-case basis.
Q182	There is a requirement for Fund's manager's commitment of 1%-2% of Fund size? Will you need a proof of funds for that at this stage i.e banking statements, tax returns, etc?
	<p>It is explicit in the Innovation Window term sheet: At least 1% of fund size, to be decided as an alignment tool between investors and the manager, to be assessed against fund operational economics and broader financial position of the manager's team.</p> <p>Similar provisions for at least 2% exist in the other windows too.</p> <p>The Applicant should provide all documentary evidence that it deems that it can substantiate its financial ability to fulfil its obligations in respect to its commitment to the fund.</p>
Q183	<p>Innovation Window Termsheet</p> <p>Section Private Investors</p> <ol style="list-style-type: none"> 1. What is the definition of the term economically and structurally independent

	<p>from the fund manager?</p> <p>1.1. By fund manager do you refer to the shareholders of the fund managers, and/or the employees of the fund managers?</p> <p>1.2. Relatives of 1st, 2nd, 3rd degree of the fund manager's shareholders and/or employees are considered independent investors?</p>
	<p>Although an entity would be designated by its shareholders, the term sheet specifically makes reference to "any entities and/or individuals connected thereto".</p> <p>The implication of the above would also include relatives.</p>
Q184	<p>You state "Upon the creation of a new company, private investors, including the founders, are considered to be independent from that company." With the term, new company do you mean investee company, private investor company or fund manager company?</p>
	<p>In this specific section, the reference is made to any company.</p>
Q185	<p>Section Fund Manager's Commitment</p> <p>There is no upper limit for the fund manager's commitment suggesting they could finance the whole private investor commitment of the fund. If not, please clarify what is the optimal percentage of the fund manager's commitment on the fund size.</p>
	<p>As the scope of the Call refers to typical VC/PE structures, fundraising from private investors will be required. The participation of the fund manager beyond the minimum required in the term sheet will be examined on a case-by-case basis.</p>
Q186	<p>Section Private Investor Contribution</p> <p>Please confirm that the only way to have a 10% private investor contribution on fund level, will be for the fund managers to opt for the non-pari-passu distribution cascade and invest only in enterprises that have no prior commercial sales.</p>
	<p>An Applicant can select to establish a pari-passu distribution cascade regardless of the level of the private investor contribution.</p> <p>Regarding the level of private participation at investee level, please note that in case that an existing investee has moved to another category at the time of a follow-on investment, the private participation should be the one specified for the new category.</p>
Q187	<p>Please clarify what the sentence "unless the weighted average participation rate in already existing portfolio, as mentioned above, doesn't already cover the shortfall" means.</p>
	<p>The level of the private participation at investee level can be lower than the one required, if it can be exhibited that the private participation in other investees was higher than the one required and thus compensates when the weighted average for the whole portfolio is calculated.</p>
Q188	<p>Section Management Fee Basis Case II</p> <p>Base remuneration: Does the term "programme contributions committed" concern total called contributions? (drawn and/or not drawn down)</p>
	<p>The term is solely used in the management fee basis section of the term sheets. It relates to the ESIF capital commitments – within the section there is a difference between programme contributions committed and programme contributions paid. Note that the terms and conditions should be identical for all investors.</p>
Q189	<p>In the Appendix 2: Business Plan, a dot under «Management» is referred to: «Information on members of the investment and advisory committees to be established (including, inter alia, involvement and decision making procedure)». However, despite an advisory committee is addressed in the «Additional features</p>

	of the Financial Intermediary» section of the term-sheet, under «Investor’s representatives shall be appointed in appropriate advisory committee structures to review inter alia fund corporate governance», an Investment committee structure is not explicitly addressed. Does this mean that the creation of an Investment committee structure and function, to be also involved in the decision-making process, is optional?
	The funds are expected to have a typical VC/PE structure and comply with best market practice – the term sheet provides the general framework in which the successful Applicant will be requested to operate and is not intended to be a descriptive template of how a VC/PE fund is structured.
Q190	Is the fund’s governance (Advisor Committee, Investor Committee) decided by the fund manager or is there a specific/proposed structure that should be followed?
	It is to the discretion of the Applicant to submit a viable and feasible proposal for assessment in accordance with best market practice.
Q191	Must the names of investors, experts, peers and the relevant MOUs be submitted attached to the Funding Proposal, or will they be required after a fund manager is initially selected?
	The Applicant should aim to submit a full application and provide supporting documentation to the extent possible.
Q192	On <u>the investment period and the follow-on investments</u> : Is it possible that a fund raises money throughout the whole period up to 2023, from private sources, on the assumption that more money are needed for follow-ons? Example given: we raised 5mio and FoF adds another 15mio but after two years it proves that we need another 5mio.
	FoF will not invest in ever-green funds. The funds are expected to have a typical VC/PE structure and be closed-ended and therefore, if a final closing is envisaged, it should be within a predetermined time period after the first closing.
Q193	On <u>the type of financing</u> : It is acceptable for a fund strategy, to deploy different types of financing (always equity or quasi-equity) in different investment cases? Example given: In company A we decide that it is more appropriate to use equity financing but in company B a mezzanine tool.
	See answer to Q45.
Q194	On <u>Risk management and protective clauses</u> (as described in the EIF presentation pg. 10): Who is considered to be the General partner in ESIF case? Is it the financial intermediary or the anchor investor? What does the word “commitment” imply?
	The question makes reference to a document other than the ones of the Call.
Q195	In relation to the Call for EoI - Greek ESIF FoF 2016/01, and particularly to the Growth Window, we would like to request for a clarification on the section discussing the <u>Management fee and cost cap</u> . Could you kindly quantify or clarify further the cap set by the following statement: "The aggregate management fee and costs paid to the Fund Manager throughout the Fund duration cannot exceed 20% of ESIF capital commitments"? How is this cap linked to the total fund size?
	The aforementioned percentage is an absolute cap. The cap stems from ESIF regulations but they should apply for all investors.
Q196	We would like to explore whether real estate investment funds could be considered as applicants for financing under the Growth Window. Our rationale is that investments to real estate with high repositioning and development needs would result to job creation both in the development phase as well as the operation.

	As the FoF is funded by the European Regional Development Fund, it is bound by strict regulations that inter alia stipulate that financial instruments financed by the ERDF may support investments that include the purchase of land not built on and land built on for an amount not exceeding 10 % of the programme contribution paid to the final recipient.
Q197	I would like to ask you a few questions regarding the "Early Stage Venture Capital Fund": Could you please give me a practical example of an investment strategy of 300.000 euro fund?
	No guidance can be provided in this respect.
Q198	What could be the appropriate range of a project time, using the abovementioned instrument?
	No guidance can be provided in this respect. Such decisions lie solely and exclusively to the Applicant.
Q199	Project maturity: Is it necessary for the applicant to make a specific investment at the same time with the participation in the "Early Stage Venture Capital Fund"? What percentage of the fund this investment should be?
	The fund manager's commitment is clearly specified in the Call in the relevant section. Investments into investees are carried out on a pro rata basis. The Call also includes also a reference to a typical cap of fund size per investee.
Q200	Pari-passu distribution cascade vs non pari-passu distribution cascade: Which one should a candidate use? Financial criteria? Could you please apply it on the abovementioned practical example?
	The decision lies solely and exclusively to the Applicant. Please refer to the distribution cascade section of the term sheets of the Call.
Q201	Management fee basis and cost cap as well as commitments of investees every month.
	No guidance can be provided on the basis of the statement above.
Q202	More specifically, I would like to ask if there are specific provisions for the Financial Intermediary to apply and, if yes, what are they? From the call, I understand that there are no restrictions other than the ones given in the definition of FIs: <i>means an entity undertaking risk capital investments by providing long-term equity and/or quasi-equity (including investment funds, private equity funds and special purpose vehicles established or in formation) to be selected by EIF for the implementation of (a) Financial Instrument(s);</i> So, except from the above and the required incorporation of the entity, with the corresponding activity codes, are there other requirements?
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q203	Do I go for a pari-passu distribution cascade or a non-pari-passu?
	It is to the discretion of the Applicant. In the case the minimum requested private investor contribution is reached then there is the choice of opting for non-pari-passu distribution cascade or for pari-passu distribution cascade. In case that the pari-passu distribution cascade is selected and furthermore, as a minimum requirement, the private investor contribution at the fund level reaches 50% (and investments are on the same terms and conditions for all investors) then there certain provisions to be met in the sections "eligible investees", "management fee basis", "management fee and cost cap" and "prohibited types

	<p>of investees and activities” that follow the title Pari-passu Distribution cascade. In all other cases, the provisions to be met in the sections “eligible investees”, “management fee basis”, “management fee and cost cap” and “prohibited types of investees and activities” follow the title Non-pari-passu Distribution cascade.</p>
Q204	<p>Will FoF be able to invest in Funds with geographical limitations, e.g. a Fund focusing on the southern part of Greek only?</p>
	<p>Yes, Funds with imposed geographical limitations within Greece are eligible to apply to FoF. At a fund level, a fund can pursue an investment strategy with a geographical scope beyond Greece. At an ESIF level, it is a requirement that the ESIF component plus appropriate leveraged funds are invested into enterprises that have an establishment or branch in Greece for the ultimate benefit of the programme area which is Greece. Commercial feasibility of any imposed limitations will be assessed on case- by-case basis.</p>
Q205	<p>Will only Funds with a 100% focus on Greek companies be eligible for the Fund or can the Fund also include some investments outside Greece – if so are there specific limitations/guidelines to take into account?</p>
	<p>At a fund level, a fund can pursue an investment strategy with a geographical scope beyond Greece. At an ESIF level, it is a requirement that the ESIF component plus appropriate leveraged funds are invested into enterprises that have an establishment or branch in Greece for the ultimate benefit of the programme area which is Greece.</p>