

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 17 July 2017

Parts of this document that, at the time of the meeting, fall under the exceptions for disclosure defined by the EIF Transparency Policy, notably under articles 5.4, 5.5 and 5.6, have been redacted*

* http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en

BOARD OF DIRECTORS

Meeting held in Luxembourg on 17 July 2017

11:00 – 12:00

Tax seminar

- Tax risk assessment procedure for venture capital / private equity
 - Comparison of tax challenges for private equity structures
 - Updated compliance opinion template

Agenda

A. Quorum

B. For decision

- | | | |
|----|---|--------------------|
| 1. | Adoption of the agenda | Doc. 17/176 |
| 2. | Approval of minutes dated 14 June 2017 – <i>late dispatch</i> | BD/MIN/281/2017 |
| 3. | Approval of minutes of written procedure dated 3 July 2017 | BD/WP/MIN/282/2017 |

AGENDA A

Equity

- | | | |
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| 4. | Steadfast Capital Fund IV
Risk Capital Resources, EIB-EIF SME Funds Investment Facility, own resources | Doc. 17/177 |
| 5. | Med II – <i>late dispatch</i>
EFSI - SME Equity Product Sub-window 1, own resources | Doc. 17/178 |
| 6. | Innova/6
Polish Growth Fund of Funds, Risk Capital Resources,
EIB-EIF SME Funds Investment Facility, own resources | Doc. 17/179 |
| 7. | MarketOne Capital
InnovFin Equity Facility for Early Stage | Doc. 17/180 |
| 8. | Kjeller Innovation Fund
InnovFin Equity Facility for Early Stage | Doc. 17/181 |

Guarantees

- | | | |
|-----|--|-------------|
| 9. | Banca Intesa AD Beograd (Serbia)
InnovFin SME Guarantee Facility | Doc. 17/182 |
| 10. | Bpifrance Financement 3 (France)
InnovFin SME Guarantee Facility | Doc. 17/183 |
| 11. | HSBC France, S.A. (France)
InnovFin SME Guarantee Facility | Doc. 17/184 |
| 12. | Millennium BCP 2 (Portugal)
InnovFin SME Guarantee Facility | Doc. 17/185 |
| 13. | Instituto de Crédito Oficial (Spain) - extension of period for the validity of approval
COSME Loan Guarantee Facility | Doc. 17/186 |
| 14. | Bank Gospodarstwa Krajowego (Poland) - extension and increase
COSME Loan Guarantee Facility | Doc. 17/187 |
| 15. | National Bank of Greece S.A. (Greece) – Increase
COSME Loan Guarantee Facility | Doc. 17/188 |

16. Participatiemaatschappij Vlaanderen Group and ST'ART S.A. Umbrella (Belgium) Doc. 17/189
Cultural and Creative Sectors Guarantee Facility
Loan funds
17. Antares AZ 1 Doc. 17/190
Selective Loan Fund - EIB Group Risk Enhancement Mandate, own resources
AGENDA B
Equity
18. HV Holtzbrinck Ventures Fund VII GmbH & Co. geschlossene Investment KG Doc. 17/191
ERP-EIF Facility, LfA-EIF Facility, Risk Capital Resources, own resources
19. [...]
20. [...]
21. [...]
22. [...]
23. Helenos Doc. 17/196
EaSI Capacity Building Investments Window
Guarantees
24. BNP Synthetic 2017 (France) Doc. 17/197
Credit enhancement (EIF fronted transaction)
(EFSI Infrastructure Investment Window)
- C. Mandates and Products**
1. Increase of the Risk Capital Resources ("RCR") mandate Doc. 17/198
2. EIB-EIF Co-Investment Facility Doc. 17/199
3. European Angels Fund - Germany II Doc. 17/200
4. European Angels Fund - Spain II Doc. 17/201
- D. For information**
1. Quarterly Report – Q2 2017 – *late dispatch* Doc. 17/202
2. EIF Corporate Operational Plan 2017: mid-year review Doc. 17/203
3. InnovFin SME Guarantee Facility implementation update Doc. 17/204
4. European Angels Fund status update Doc. 17/205
- E. Miscellaneous / Statements**
- F. Date of next meeting: 18 September 2017 in Sofia, Bulgaria**

BOARD OF DIRECTORS

Those attending

<u>Members:</u>	D. SCANNAPIECO, Chairman A. FAYOLLE M. DESCHEEMAECCKER E. MASSÉ B. ANGEL P. DELSAUX F. CARTAXO, alternate to H. WIRTH
<u>Alternate Members:</u>	J.C. LALOUX J.D. MALO ¹
<u>Chief Executive:</u>	P. L. GILIBERT
<u>Deputy Chief Executive:</u>	R. HAVENITH
<u>Secretary:</u>	M. LEANDER
<u>Absent:</u>	H. WIRTH

¹ The proposal for the appointment of Mr. MALO as alternate member of the Board of Directors was submitted to the General Meeting on 13 July 2017 for decision by written procedure closing on 2 August 2017.

The meeting of the Board of Directors ("Board") opened at 12:30, having been preceded by a tax seminar.¹

A. QUORUM

The CHAIRMAN noted that Ms. WIRTH was unable to attend the meeting and that Mr. CARTAXO was acting as full member in her absence. He welcomed Mr. MALO, who had been designated by the European Commission as alternate Board member to succeed Mr. SMITS and whose appointment had been submitted to the General Meeting for decision by written procedure.

The SECRETARY noted that there was a quorum.

B. FOR DECISION

1. Adoption of the agenda

The Board of Directors adopted the agenda as presented in document 17/176.

2. Approval of minutes dated 14 June 2017

The Board of Directors approved the minutes of the Board meeting dated 14 June 2017, ref. BD/MIN/281/2017. The Board took note of the forthcoming publication on EIF's website.

3. Approval of minutes of written procedure dated 3 July 2017

The Board of Directors approved the minutes of the written procedure dated 3 July 2017, ref. BD/WP/MIN/282/2017.

Following the CHAIRMAN's request at the previous Board meeting, the SECRETARY presented an overview of independence, confidentiality and accountability aspects of relevance to the functioning of the Board of Directors.²

AGENDA A

EQUITY

4. Steadfast Capital Fund IV

Risk Capital Resources, EIB-EIF SME Funds Investment Facility, own resources

Generalist private equity fund focusing on lower mid-market investments in Germany.

The Board of Directors approved an investment in Steadfast Capital Fund IV, on the terms and conditions set out in document 17/177.

5. Med II

EFSI - SMEW Equity Product Sub-window 1, own resources

Private equity fund focusing on growth stage investments in the healthcare sector in Western Europe.

The Board of Directors approved an investment in Med II, on the terms and conditions set out in document 17/178.

¹ See EIF Compliance Tax Risk Assessment – Methodology (doc. 17/206), Private equity fund structures - comparative analysis (doc. 17/207), and New Compliance Opinion templates (doc. 17/208) made available at the meeting.

² See note for information "Board of Directors: independence, confidentiality and accountability" (doc. 17/209).

6. **Innova/6** *Polish Growth Fund of Funds, Risk Capital Resources, EIB-EIF SME Funds Investment Facility, own resources*
Private equity fund focusing on lower mid-market investments primarily in Central and Eastern Europe, with a primary focus on Poland.

The Board of Directors approved an investment in Innova/6, on the terms and conditions set out in document 17/179.

7. **MarketOne Capital** *InnovFin Equity Facility for Early Stage*
Venture capital fund focusing on early stage ICT investments primarily in Poland and Central and Eastern Europe.

The Board of Directors approved an investment in MarketOne Capital, on the terms and conditions set out in document 17/180.

8. **Kjeller Innovation Fund** *InnovFin Equity Facility for Early Stage*
Generalist technology transfer fund focusing on proof of concept, stage and/or (pre-) seed stage, start-up and other early stage investments primarily in Norway.

The Board of Directors approved an investment in Kjeller Innovation Fund, on the terms and conditions set out in document 17/181.

GUARANTEES

9. **Banca Intesa AD Beograd (Serbia)** *InnovFin SME Guarantee Facility*
Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in Serbia.

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 17/182.

10. **Bpifrance Financement 3 (France)** *InnovFin SME Guarantee Facility*
Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in France.

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 17/183.

11. **HSBC France, S.A. (France)** *InnovFin SME Guarantee Facility*
Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in France.

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 17/184.

12. **Millennium BCP 2 (Portugal)** *InnovFin SME Guarantee Facility*
Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in Portugal.

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 17/185.

13. Instituto de Crédito Oficial (Spain) - extension of period for the validity of approval

COSME Loan Guarantee Facility

Direct guarantee to enhance access to finance for SMEs in Spain.

The Board of Directors approved, starting with immediate effect, an extension of the period for the validity of the Board's original approval, as presented in document 17/186.

14. Bank Gospodarstwa Krajowego (Poland) - extension and increase

COSME Loan Guarantee Facility

Counter-guarantee to enhance access to finance for SMEs in Poland.

The Board of Directors approved (i) an increase in the budgetary allocation and (ii) an extension of the original availability period under the existing COSME Loan Guarantee Facility agreement, on the terms and conditions set out in document 17/187.

15. National Bank of Greece S.A. (Greece) - increase

COSME Loan Guarantee Facility

Direct guarantee to enhance access to finance for SMEs in Greece.

The Board of Directors approved an increase in the budgetary allocation under the existing COSME Loan Guarantee Facility agreement, on the terms and conditions set out in document 17/188.

16. Participatiemaatschappij Vlaanderen Group and START S.A. Umbrella (Belgium)

Cultural and Creative Sectors Guarantee Facility

Direct guarantee to enhance access to finance for SMEs in the cultural and creative sectors in Belgium.

The Board of Directors approved a budgetary allocation, on the terms and conditions set out in document 17/189.

LOAN FUNDS

17. Antares AZ 1

EIB Group Risk Enhancement Mandate, own resources

Generalist selective loan fund focusing on lower mid-market investments in Italy.

The Board of Directors approved an investment, on the terms and conditions set out in document 17/190.

AGENDA B

EQUITY

18. HV Holtzbrinck Ventures Fund VII GmbH & Co. geschlossene Investment KG

ERP-EIF Facility, LfA-EIF Facility, Risk Capital Resources, own resources

Venture capital fund focusing on early stage ICT investments primarily in Germany.

In reply to a question from the CHAIRMAN, explanations were given for the level of existing investments under the predecessor fund and the timing of the fundraising for Fund VII. It was highlighted Fund VII would not invest in the same target companies as the predecessor fund and that the team was considered to have sufficient management resources to manage the new fund.

The Board of Directors approved an investment in HV Holtzbrinck Ventures Fund VII GmbH & Co. geschlossene Investment KG, on the terms and conditions set out in document 17/191.

19. [...]

20. [...]

21. [...]

22. [...]

23. **Helenos** *EaSI Capacity Building Investments Window
Investment fund focusing on developing microfinance institutions primarily in Eastern Europe.*

The Board noted positively that a first transaction was proposed under the EaSI Capacity Building Investments Window and discussed the challenge of finding good quality counterparts in the capacity building microfinance sector.

The Board of Directors approved an investment in Helenos, on the terms and conditions set out in document 17/196.

GUARANTEES

24. **BNP Synthetic 2017 (France)** *Credit enhancement (EIF fronted transaction) (EFSI Infrastructure Investment Window)
Risk transfer transaction covering a mezzanine tranche of a portfolio of loans to SMEs, small mid-caps and mid-caps in France.*

The Board took note that the choice of governing law remained subject to the outcome of final legal negotiations.

The Board of Directors approved a guarantee amount, on the terms and conditions set out in document 17/197.

C. MANDATES AND PRODUCTS

1. **Increase of the Risk Capital Resources ("RCR") mandate** *Increase of the existing RCR mandate and certain technical and strategic amendments to the RCR Mandate Agreement.*

An amended version of page 2 of the proposal was made available at the meeting, in which the request for an expanded geographic scope had been deleted.

In reply to questions from the Board, the proposed widening of the applicable SME definition was explained as seeking coherence through the use of a unique definition under EIB-mandated resources, thereby harmonising the RCR definition with that applicable under EREM, and as a reaction to market demand.

The Board discussed the EU SME definition and concluded that it should continue to apply under the proposed RCR increase, subject to the EIB Board of Directors' approval of the equivalent proposal the following day.

The Board of Directors approved the proposed increase and certain technical and strategic amendments to the RCR Mandate Agreement as proposed in document 17/198, with the exception of the proposed widening of the applicable SME definition.

2. EIB-EIF Co-Investment Facility

New equity co-investment facility to support investee companies alongside financial intermediaries providing equity type co-investment to SMEs, small mid-caps and mid-caps in EU Member States, with resources from the EIB's EFSI Innovation and Infrastructure Equity Window.

The Board of Directors approved the new mandate from the EIB's EFSI Infrastructure and Innovation Window, as proposed in document 17/199.

3. European Angels Fund - Germany II

New facility co-investing with business angels in innovative early stage SMEs in Germany, from ERP-EIF Facility, RCR and own resources.

The CHAIRMAN requested that the Board be provided with information on the final beneficiaries in which EIF's business angel partners had been investing across the EAF schemes.

The Board of Directors approved (i) the incorporation of EAF Germany as a compartment under the EAF umbrella; (ii) an investment from RCR and OR in EAF Germany II, to be matched by an equivalent investment by LfA Förderbank Bayern; and (iii) the opening of the compartment for additional investments from private sector investors, as proposed in document 17/200.

4. European Angels Fund - Spain II

New facility co-investing with business angels in innovative early stage SMEs in Spain, from RCR and own resources.

The Board of Directors approved the establishment of EAF Spain II and a participation from RCR and OR, to be matched by an equivalent investment from the Spanish mandator through FOND-ICOpyme FCR de Régimen Simplificado, as proposed in document 17/201.

D. FOR INFORMATION

1. Quarterly Report – Q2 2017

The Board of Directors took note of the Quarterly Report – Q2 2017, as presented in document 17/202.

2. EIF Corporate Operational Plan 2017: mid-year review

The CHIEF EXECUTIVE advised the Board of an ongoing internal assessment on EIF's capital consumption and future capital requirements. He stated that the Board would be consulted after the internal assessment had been completed.

The Board of Directors took note of the EIF Corporate Operational Plan 2017: mid-year review, as presented in document 17/203.

3. InnovFin SME Guarantee Facility implementation update

The Board of Directors took note of the InnovFin SME Guarantee Facility implementation update, as presented in document 17/204.

4. European Angels Fund status update

The Board of Directors took note of the European Angels Fund status update, as presented in document 17/205.

E. MISCELLANEOUS / STATEMENTS

The Board of Directors was briefed on a number of relevant issues.

F. DATE OF NEXT MEETING

The Board of Directors agreed that the next meeting would take place in Sofia, Bulgaria on 18 September 2017 and took note of the programme and organisational considerations associated with that meeting.

The meeting was closed at 14:35.

Luxembourg, 17 July 2017.

The CHAIRMAN (signed)

Dario SCANNAPIECO

The SECRETARY (signed)

Maria LEANDER