

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 11 June 2018

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BOARD OF DIRECTORS

Meeting held in Luxembourg on 11 June 2018

Agenda

- A. Quorum
- B. For decision
1. Adoption of the agenda Doc. 18/144
 2. Approval of minutes dated 14 May 2018 BD/MIN/300/2018
 3. Approval of minutes of written procedure dated 31 May 2018 BD/WP/MIN/301/2018

AGENDA A

Equity

4. INVL Baltic Sea Growth Fund Doc. 18/145
Baltic Innovation Fund, EIB-EIF SME Funds Investment Facility,
Risk Capital Resources, own resources
5. *Item withdrawn*
6. Lighthouse Seed Fund Doc. 18/147
ESIF Fund of Funds Czech Republic, Risk Capital Resources ESIF Co-investment
Window (including own resources)
7. btov Industrial Technologies Fund SCS Doc. 18/148
InnovFin Equity Facility for Early Stage, ERP-EIF Facility, LfA-EIF Facility
8. Progress Tech Transfer SLP-RAIF Doc. 18/149
ITATech (EIF – Cassa Depositi e Prestiti), InnovFin Equity Facility for Early Stage

Guarantees

9. [...]
10. abc SME Lease Germany SA Compartment 5 (Germany) Doc. 18/151
ABS direct investment (own risk) and credit enhancement (own risk)
11. [...]
12. ABANCA (Spain) Doc. 18/153
InnovFin SME Guarantee Facility
13. Bürgschaftsbank Baden-Württemberg GmbH (Germany) Doc. 18/154
COSME Loan Guarantee Facility
14. FINS I.F.N. S.A. (Romania) – *late dispatch* Doc. 18/155
Erasmus+ Student Loan Guarantee Facility

AGENDA B

Equity

15. *Item withdrawn*
16. Cathay MidCap II Fund Doc. 18/157
Risk Capital Resources, own resources

Mandates and Products

17. Additional increase of the EFSI 2 contribution to: (i) InnovFin SME Guarantee Facility, (ii) COSME Loan Guarantee Facility, (iii) EaSI Guarantee Instrument, (iv) Cultural and Creative Sectors Guarantee Facility and other product changes Doc. 18/158
18. Mandate increase - EFSI 2 SMEW Equity Product Sub-Window 1 and Sub-Window 2, including InnovFin Equity Facility for Early Stage and other product changes Doc. 18/159
19. EFSI Private Credit for SMEs Programme Doc. 18/160
20. EFSI Second Loss Combinations Product Doc. 18/161
21. Asset Management Umbrella Fund ("AMUF") Investment Policy Guidelines Doc. 18/162

C. Corporate and Institutional Matters

1. Corporate Operational Plan 2018 mid-year review Doc. 18/163

D. For information

1. Board of Directors follow-up programme Doc. 18/164
2. Deal Allocation Policy for Equity Investments: presentation Doc. 18/165
3. EIF Risk Report Q1 2018 Doc. 18/166
4. EIF Risk Appetite Framework Dashboard Q1 2018 Doc. 18/167
5. Guarantees, Securitisation and Inclusive Finance Operations Risk Report as at 31 December 2017 Doc. 18/168
6. Report on Funds-of-Funds advised by EIF as at 30 June 2017 Doc. 18/169
7. Report on Funds-of-Funds advised by EIF as at 31 December 2017 Doc. 18/170

E. Miscellaneous / Statements

- F. Date of next meeting: 16 July 2018 in Luxembourg

BOARD OF DIRECTORS

Those attending

<u>Members:</u>	D. SCANNAPIECO, Chairman A. FAYOLLE E. MASSÉ ¹ I. SCHWIMANN B ANGEL ² P. LAGARDE
<u>Alternate Members:</u>	J.C. LALOUX M. SCICLUNA BARTOLI
<u>Chief Executive:</u>	P. L. GILIBERT
<u>Deputy Chief Executive:</u>	R. HAVENITH
<u>Secretary:</u>	M. LEANDER
<u>Absent:</u>	M. DESCHEEMAECKER ¹

¹ Power of attorney issued by Mr. DESCHEEMAECKER to Mr. MASSE, present from the beginning of Agenda B.

² Present up to and including item B.20. Power of attorney issued by Mr. ANGEL to Ms. SCHWIMANN thereafter.

The meeting of the Board of Directors ("Board") opened at 10:10.

A. QUORUM

The CHAIRMAN noted that Mr. DESCHEEMAECCKER was unable to participate and had issued a power of attorney to Mr. MASSÉ.

The SECRETARY noted that there was a quorum.

B. FOR DECISION

1. Adoption of the agenda

The SECRETARY informed the Board of the withdrawal of item 5.

The Board of Directors adopted the agenda, including the withdrawal of item 5, as presented in document 18/144.

2. Approval of minutes dated 14 May 2018

The Board of Directors approved the minutes of the Board meeting dated 14 May 2018, ref. BD/MIN/300/2018 and took note of the forthcoming publication on the EIF's website.

3. Approval of minutes of written procedure dated 31 May 2018

The Board of Directors approved the minutes of the written procedure dated 31 May 2018, ref. BD/WP/MIN/301/2018 and took note of the forthcoming publication on the EIF's website.

AGENDA A

EQUITY

4. INVL Baltic Sea Growth Fund

*Baltic Innovation Fund, EIB-EIF SME Funds
Investment Facility, Risk Capital Resources, own resources*

Generalist private equity fund focusing on lower mid-market investments in the Baltic states, with a particular focus on Lithuania.

The Board of Directors approved an investment in INVL Baltic Sea Growth Fund, on the terms and conditions set out in document 18/145.

5. Item withdrawn.

6. Lighthouse Seed Fund

*ESIF Fund of Funds Czech Republic,
RCR ESIF Co-investment Window (including own resources)*

Venture capital fund focusing on acceleration and seed stage ICT investments in the Czech Republic.

The Board of Directors approved an investment in Lighthouse Seed Fund, on the terms and conditions set out in document 18/147.

7. **btov Industrial Technologies Fund SCS** *InnovFin Equity Facility for Early Stage, ERP-EIF Facility, LfA-EIF Facility*

Venture capital fund focusing on early stage ICT investments primarily in the DACH region.

The Board of Directors approved an investment in btov Industrial Technologies Fund SCS, on the terms and conditions set out in document 18/148.

8. **Progress Tech Transfer SLP-RAIF** *ITATech (EIF – Cassa Depositi e Prestiti), InnovFin Equity Facility for Early Stage*

Technology transfer fund focusing on proof-of-concept sustainability-related investments in Italy.

The Board of Directors approved an investment in Progress Tech Transfer SLP-RAIF, on the terms and conditions set out in document 18/149.

GUARANTEES

9. [...]

10. **abc SME Lease Germany SA Compartment 5 (Germany)** *ABS direct investment (own risk), credit enhancement (own risk)*

Securitisation transaction of leases to enhance access to finance for SMEs and small mid-caps in Germany.

The Board of Directors approved a direct cash investment and guarantee amounts on the terms and conditions set out in document 18/151.

11. [...]

12. **ABANCA (Spain)** *InnovFin SME Guarantee Facility*

Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps primarily in Spain.

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 18/153.

13. **Bürgschaftsbank Baden-Württemberg GmbH (Germany)** *COSME Loan Guarantee Facility*
Counter-guarantee to enhance access to finance for SMEs in Germany.

The Board of Directors approved a budgetary allocation on the terms and conditions set out in document 18/154.

14. **FINS I.F.N. S.A. (Romania)** *Erasmus+ Student Loan Guarantee Facility*

Direct guarantee to enhance access to finance initially for mobile Master students leaving Romania to study abroad in another Erasmus+ programme country.

[...]

The Board of Directors approved a budgetary allocation on the terms and conditions set out in document 18/155. [...]

AGENDA B

EQUITY

15. Item withdrawn.

The CHAIRMAN recalled the previously communicated withdrawal of item 15.

[...]

16. Cathay MidCap II Fund

Risk Capital Resources, own resources

Generalist private equity fund with a strong focus on the internationalisation of companies between Europe and China (and vice versa), focusing on mid-market investments primarily in France and China.

[...]

Mr. LAGARDE stated a conflict of interest and abstained.

The Board of Directors approved an investment in Cathay MidCap II Fund, on the terms and conditions set out in document 18/157.

MANDATES AND PRODUCTS

17. Additional increase of the EFSI 2 contribution to: (i) InnovFin SME Guarantee Facility, (ii) COSME Loan Guarantee Facility, (iii) EaSI Guarantee Instrument, (iv) Cultural and Creative Sectors Guarantee Facility and other product changes

Increase of the EFSI enhancement of the above-mentioned guarantee facilities based on the increase under EFSI 2, plus new product features under the InnovFin SME Guarantee Facility to respond to market needs.

[...]

The Board of Directors approved the following proposals, taking note of certain important elements still under discussion, and thereby authorising the EIF to finalise negotiations within the terms and conditions set out in document 18/158:

- i. the proposed additional product features, subject to an agreement between the EIB and the EIF, as well as an increase of the InnovFin SME Guarantee Facility through an EFSI 2 enhancement, matched by an additional EU contribution with resources from DG Research and Innovation;
- ii. an increase of the COSME Loan Guarantee Facility through an EFSI 2 enhancement, matched by an additional EU contribution with resources from DG Internal Market, Industry, Entrepreneurship and SMEs;
- iii. an increase of the EaSI Guarantee Instrument through an EFSI 2 enhancement, subject to an agreement between the European Commission and the EIF; and
- iv. an increase of the Cultural and Creative Sectors Guarantee Facility through an EFSI 2 enhancement.

The Board of Directors noted that, once negotiations had been concluded, the Board would be informed of the results.

18. Mandate increase - EFSI 2 SMEW Equity Product Sub-Window 1 and Sub-Window 2, including InnovFin Equity Facility for Early Stage and other product changes

Increase of the two existing EIF-managed programmes for equity investments supporting SMEs and small mid-caps in early, growth and expansion stages, based on the increase under EFSI 2 together with resources from the European Commission's Directorate-General Research & Innovation and EIF own resources, plus new product features to respond to emergent market needs and policy priorities.

The Board of Directors approved the proposed additional product features and (i) an increase, including from EIF own resources, of the EFSI 2 SMEW Equity Product Sub-Window 1 and (ii) an increase of the InnovFin Equity Facility for Early Stage, including with resources from DG Research and Innovation, EIF own resources and the EFSI 2 SMEW Equity Product Sub-Window 2, thereby authorising the EIF to finalise negotiations within the terms and conditions set out in document 18/159.

19. EFSI Private Credit for SMEs Programme

New product under EFSI SMEW enabling EIF to support the development of diversified debt funds and non-bank financing for SMEs and small mid-caps established or operating in EU Member States, with resources under EFSI, on a first loss risk-taking basis, and EIF own resources, on a second loss basis.

[...]

The Board of Directors approved the new EFSI Private Credit for SMEs Programme, subject to the relevant confirmations, with resources under the EFSI SMEW and EIF own resources for: (i) a (funded) Cash Investment Product and (ii) an (unfunded) Investor Guarantee Product.

The Board of Directors authorised the EIF to finalise negotiations within the terms and conditions set out in document 18/160 and took note that, should the conditions for a potential increase materialise, an additional request for approval would be submitted.

20. EFSI Second Loss Combinations Product

New product under EFSI SMEW enabling the combination of Member States/Regions' contributions or ESIF resources, on first loss risk-taking basis, with EIF-managed EFSI resources, on a second loss basis, to enhance SMEs' access to finance in EU Member States and to promote specific sectors and policy objectives, including an agriculture pilot.

[...]

The Board of Directors approved the new EFSI Second Loss Combinations Product, including an initial allocation to an agriculture pilot, thereby authorising the EIF to finalise negotiations within the terms and conditions set out in document 18/161.

21. Asset Management Umbrella Fund ("AMUF") Investment Policy Guidelines

Specific terms of AMUF guidelines for equity investments, defining eligible beneficiaries and geographical focus.

The Board of Directors approved the Asset Management Umbrella Fund Investment Policy Guidelines, for submission to the AMUF governing bodies, on the terms and conditions set out in document 18/162.

C. CORPORATE AND INSTITUTIONAL MATTERS

1. Corporate Operational Plan 2018 mid-year review

[...]

The Board of Directors discussed the Corporate Operational Plan 2018 mid-year review, as presented in document 18/163, and agreed on the need for a second reading at the following Board meeting.

D. FOR INFORMATION

1. Board of Directors follow-up programme

The Board of Directors took note of the Board of Directors follow-up programme, as presented in document 18/164.

2. Deal Allocation Policy for Equity Investments: presentation

The Board of Directors took note of the presentation on the Deal Allocation Policy for Equity Investments, as presented in document 18/165.

3. EIF Risk Report Q1 2018

The Board of Directors took note of the EIF Risk Report Q1 2018, as presented in document 18/166.

4. EIF Risk Appetite Framework Dashboard Q1 2018

The Board of Directors took note of the EIF Risk Appetite Framework Dashboard Q1 2018, as presented in document 18/167.

5. Guarantees, Securitisation and Inclusive Finance Operations Risk Report as at 31 December 2017

The Board of Directors took note of the Guarantees, Securitisation and Inclusive Finance Operations Risk Report as at 31 December 2017, as presented in document 18/168.

6. Report on Funds-of-Funds advised by EIF as at 30 June 2017

The Board of Directors took note of the Report on Funds-of-Funds advised by EIF as at 30 June 2017, as presented in document 18/169.

7. Report on Funds-of-Funds advised by EIF as at 31 December 2017

The Board of Directors took note of the Report on Funds-of-Funds advised by EIF as at 31 December 2017, as presented in document 18/170.

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 Luxembourg on Monday 16 July 2018 and, given the prevailing timing constraints, that the seminar foreseen to follow the current meeting, "Update on the European venture capital landscape and EIF's added value", would be postponed to the July meeting.

The meeting was closed at 12:50.

Luxembourg, 11 June 2018.

The CHAIRMAN *(signed)*

Dario SCANNAPIECO

The SECRETARY *(signed)*

Maria LEANDER