

Annex II: Guarantee Term Sheet

Indicative Terms and Conditions of the Guarantee

Important disclaimer:

This summary term sheet is for information purposes only. This document is an outline of the principal terms and conditions for the product described herein, which are subject to change and non-exhaustive.

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

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1 | Overview

The Guarantee shall be issued by EIF for the benefit of the Financial Intermediary. The Guarantee Facility's objective is to provide better access to finance for enterprises through capital relief and loss protection via the provision of a capped guarantee for portfolios of newly originated Final Recipient Transactions.

The Financial Intermediaries will benefit from a guarantee provided by EIF, on a transaction-by-transaction basis, covering Credit Events, at the Guarantee Rate, in respect of Final Recipient Transactions included in a Portfolio. The recoveries on the underlying debt instruments will be shared *pari passu* by the Financial Intermediary and the EIF in the same proportion as the default cover.

The Financial Intermediaries shall pass on the benefit of the guarantee to the underlying enterprises, in particular by improving collateral requirements and/or reducing, on the guaranteed portion of each Final Recipient Transaction, the standard credit risk premium normally charged.

The Financial Intermediaries will manage and service the Portfolio in accordance with their standard credit and collection policy applicable to their transaction book.

2 | Indicative Terms and Conditions of the Guarantee

Type of Guarantee	The Guarantee provided by EIF shall be a capped Guarantee.
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Structure	The Guarantee shall cover Defaulted Amounts incurred by the Financial Intermediary at a Guarantee Rate subject to the Guarantee Cap Rate. The Defaulted Amounts, net of any Recoveries, covered by the Guarantee shall in aggregate not exceed the Guarantee Cap Amount stipulated in the Guarantee Agreement between the EIF and the relevant Financial Intermediary.
Guarantee Fee	No Guarantee Fee shall be applicable.
Guarantee Rate Level	Such Guarantee Rate should be minimum 30% and maximum 80%, to be selected for each Final Recipient Transaction.
Financial Intermediary Risk Retention	The Financial Intermediaries shall undertake to maintain a minimum 20% risk retention on each Final Recipient Transaction at all times. For this 20% portion, the Financial Intermediary shall not enter into any credit support, guarantee or other transfer of risk arrangement, provided that any collateral, security or guarantee payable to the Financial Intermediary that qualify as “recoveries” under the relevant Guarantee Agreement shall not be taken into account for this purpose.
Defaulted Amount	<p>means:</p> <ol style="list-style-type: none"> 1. any principal (corresponding, in the case of (i) Letters of Credit, to any Letter of Credit Amount, ii) in the case of Bank Guarantees, to any Bank Guarantee Amount, and iii) in case of recourse Trade Receivables Transactions, to any Trade Receivables Transaction Amount paid by the Financial Intermediary to the relevant beneficiary or Final Recipient, as applicable) and/or interest amounts due, payable and outstanding (or, in the case of a Final Recipient Transaction subject to a Final Recipient Transaction Default, which would be due if that Final Recipient Transaction was accelerated at such time on the assumption that an event of default had occurred at such time) under the terms of a Final Recipient Transaction following the occurrence of either a Final Recipient Transaction Default or a Final Recipient Transaction Acceleration, or, in the case of recourse Trade Receivables Transactions, written off in accordance with the credit policy of the Financial Intermediary, excluding: <ol style="list-style-type: none"> a) Late payment or default interest, capitalised interest, fees and any other costs and expenses; b) In the case of Revolving Final Recipient Transactions, principal amounts exceeding the relevant Credit Limit Amount and any interest amounts which accrued thereon; and c) any interest amounts which accrued after the earlier of (i) a period of ninety (90) calendar days from the first missed payment, (ii) the date of the Final Recipient Transaction Default, and (iii) the Final Recipient Transaction Acceleration (as applicable); and d) notwithstanding paragraph (c) above, any interest accrued and unpaid for a period exceeding twelve (12) months; 2. In the case of non-recourse Trade Receivables Transactions, amounts of trade receivables due, payable by the third party (i.e. a debtor to the Final Recipient or the Financial Intermediary) and outstanding or written off in accordance with the credit policy of the Financial Intermediary following the occurrence of a trade receivables sub-transaction default;

	<p>3. Any reduction in principal and/or interest amounts written off as a result of a Final Recipient Transaction Restructuring, excluding:</p> <ul style="list-style-type: none"> a) Late payment or default interest, capitalised interest, fees and any other costs and expenses; b) any interest amount accrued and unpaid for a period exceeding twelve (12) months; and c) Any interest amounts that accrued after the date of the Final Recipient Transaction Restructuring. <p>The Guarantee Agreement may specify deviations from the above definition of Defaulted Amount taking into account the specificities of certain types of Debt Financing.</p> <p>The Guarantee does not cover Defaulted Amounts in excess of the Guarantee Cap Amount.</p>
Determination of the Guarantee Cap Amount	<p>The Guarantee Cap Amount corresponds to the level at which the obligation of the EIF to pay under the Guarantee is capped, which is EIF's maximum liability under the Guarantee and is calculated at Financial Intermediary level as the product of the:</p> <ul style="list-style-type: none"> a) the lowest of the following two amounts: (a) the Committed Guarantee Volume, and (b) the Actual Guarantee Exposure Volume; and b) the Guarantee Cap Rate.
Payment Demands	<p>The Guarantor shall pay any amounts claimed by the Financial Intermediary within 60 calendar days of the relevant Payment Demand date.</p> <p>Payment Demands shall be:</p> <ul style="list-style-type: none"> a) in respect of Defaulted Amounts relating to Final Recipient Transactions included in the Portfolio, such Defaulted Amounts having been reported to the Guarantor by not later than the third Report Date following the calendar quarter in which the relevant credit event relating to such Defaulted Amount occurred; b) sent during a specific period as further specified in the Guarantee Agreement.
Recoveries	<p>Recoveries shall be shared between the EIF and the Financial Intermediary in accordance with the Guarantee Rate (e.g. if the Guarantee Rate is 80%, the Financial Intermediary keeps 20% of the Recoveries and shall pass on 80% of the Recoveries to EIF). However, if the amount of the losses exceeds the Guarantee Cap Amount, a corresponding amount of recoveries may first be allocated to the Financial Intermediary as further specified in the Guarantee Agreement.</p> <p>The Financial Intermediary shall send to the Guarantor at any relevant time, but not later than 30 days after the end of each calendar quarter a recovery notice with accompanying recoveries schedule and shall pay to the Guarantor any relevant amount, within three months of the end of each calendar quarter in which Recoveries are recovered or received by the Financial Intermediary.</p>
Currency of The Final Recipient Transactions	<p>All amounts referred to and payments made under the Guarantee Agreement by and to the EIF shall be in Euro or in Romanian Leu.</p> <p>The Financial Intermediary may include in the Portfolio Final Recipient Transactions denominated either in Euro or Romanian Leu. With respect to the currencies that are not the Base Currency of the Guarantee (i.e. Euro in case the Base Currency is Romanian Leu or Romanian Leu in case the Base Currency is Euro), the following currency conversion mechanism, as may be further detailed in the Guarantee Agreement, shall apply:</p>

	<p>(i) Inclusions: for the purposes of including Final Recipient Transactions in the Portfolio, the principal amount of Final Recipient Transactions denominated in a currency other than the Base Currency shall be converted into the Base Currency using the relevant FX Rate on or around the date of signature or effectiveness of the relevant Guarantee Agreement.</p> <p>(ii) Defaulted Amounts: payments made by the EIF to the Financial Intermediary in respect of a Defaulted Amount shall be calculated by converting the Defaulted Amounts to the Base Currency for Final Recipient Transactions denominated in a currency other than the Base Currency using the relevant FX Rate on the last day of the calendar quarter in which the relevant credit event relating to such Defaulted Amount occurred.</p> <p>(iii) Recoveries: Recoveries paid by the Financial Intermediary to the EIF shall be calculated by converting the Recoveries in the Base Currency for Final Recipient Transactions denominated in a currency other than the Base Currency using the relevant FX Rate on the last day of the calendar quarter for which the Recoveries were reported.</p>
State aid	<p>The Financial Intermediary shall ensure, in respect of The Final Recipient Transactions included in the Portfolio, compliance with applicable State aid rules which is envisaged to be based on the De Minimis Regulation. For such purpose and before entering into a Final Recipient Transaction, the Financial Intermediary shall (i) calculate the Final Recipient Transaction's gross grant equivalent (GGE) in accordance with art. 4, par. 6(b) or 6(c) of the De Minimis Regulation, and (ii) ensure that, including the GGE of the Final Recipient Transaction, the total GGE received by the Final Recipient, including its linked enterprises, over the relevant timeframe is not higher than the relevant threshold set out in Article 3 para 2 of the De Minimis Regulation. The Financial Intermediary will report the GGE of individual Final Recipient Transactions to the EIF via the quarterly reporting.</p> <p>The rules for cumulating of the aid shall apply in accordance with Article 5 of the De Minimis Regulation.</p>
Guarantee Termination Events	<p>The Guarantee Agreement will set out standard events of default, including non-payment of amounts due under the Guarantee Agreement, breach of obligation, insolvency, unlawfulness and misrepresentation.</p> <p>The occurrence of an event of default, if not remedied within the relevant grace period (if any) may result in the termination of the Guarantee Agreement (such event, an "Early Termination"). Upon Early Termination all amounts due by the EIF and/or the Financial Intermediary would be calculated in accordance with the terms of the Guarantee Agreement.</p>
Guarantee Termination Date	<p>The Guarantee Agreement shall terminate on the earlier of:</p> <p>(a) six (6) months following the latest Final Recipient Transaction maturity date;</p> <p>(b) the Early Termination date;</p> <p>(c) the date (if any) on which the Guarantor is no longer liable to effect further payments to the Financial Intermediary and the Guarantor has no further claims against the Financial Intermediary under the Guarantee Agreement.</p> <p>(d) 30 June 2039</p>

3 | Portfolio

Inclusion Process	<p>In order for Final Recipient Transactions to be covered by the Guarantee, they must be signed during the Inclusion Period (or as otherwise agreed in the Guarantee Agreement) and reported to EIF by way of inclusion notices sent by the Financial Intermediary on a quarterly basis. The Final Recipient Transactions are deemed to be covered from their respective effective date.</p> <p>The Inclusion Period typically starts on the date of the signature of a Guarantee Agreement with a Financial Intermediary.</p> <p>The Inclusion Period will be set out in the Guarantee Agreement and shall typically last from 2 to 5 years (and may be extended from time to time) (unless terminated earlier because of a Trigger Event).</p>
Replenishment	<p>During the Inclusion Period and if so regulated in the Guarantee Agreement at the discretion of EIF, the Financial Intermediary may include further new Final Recipient Transactions in the Portfolio to replenish the amortised principal amount of Final Recipient Transactions.</p> <p>The terms and conditions of the Guarantee Agreement, including inter alia the definition of Committed Guarantee Volume, Actual Guarantee Volume, Actual Guarantee Exposure Volume and the Guarantee Cap Amount, shall reflect provisions on Replenishment, if applicable.</p>
Right of clawback by the EIF	<p>EIF will be entitled to be repaid by the Financial Intermediary certain amounts in specified circumstances, including any amounts paid under the Guarantee by EIF in excess of the Defaulted Amounts, in excess of the Guarantee Cap Amount, and any excess amount paid by EIF as a result of an exclusion of a Final Recipient Transaction from the Portfolio.</p>
Eligibility Criteria	<p>Final Recipients, Final Recipient Transactions and the Portfolio, as relevant, will have to comply with a set of Eligibility Criteria set out in the Appendix A below. Additional criteria may be set out in the Guarantee Agreement, on a case-by-case basis.</p> <p>A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant Final Recipient Transaction from the Portfolio, save as specified in the “Exclusion Process”.</p>
Exclusion Process	<p>If a Final Recipient Transaction which has been included in the Portfolio does not comply with relevant Eligibility Criteria, it shall be excluded from the Portfolio (and shall not be covered by the Guarantee).</p> <p>However, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Financial Intermediary and 2) after a Payment Demand relating to such Final Recipient Transaction was served by the Financial Intermediary to the Guarantor such Final Recipient Transaction shall remain covered by the Guarantee.</p> <p>Similarly, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Financial Intermediary but 2) before a Payment Demand relating to such Final Recipient Transaction was served by the Financial Intermediary to the Guarantor, then such Final Recipient Transaction shall remain covered by the Guarantee if the Financial Intermediary accelerated payment of all amounts owed to it under such Final Recipient Transaction no later than on the Report Date immediately following the date on which it became aware of the same. However, if the Financial Intermediary does</p>

	<p>not accelerate such Final Recipient Transaction within the timeframe specified above then the relevant Final Recipient Transaction shall be excluded from the Portfolio and shall be deemed never to have been covered by the Guarantee.</p> <p>The Actual Guarantee Volume shall be adjusted following an exclusion from the Portfolio by deducting the aggregate committed principal amount of the Final Recipient Transactions excluded.</p> <p>If the Actual Guarantee Volume is adjusted pursuant to this section, the Financial Intermediary may include one or more further Final Recipient Transactions in the Portfolio to the extent that the Actual Guarantee Volume does not exceed the Committed Guarantee Volume and provided that such inclusions are made until the end of the Inclusion Period.</p>
Enhanced Access to Finance Measures Implementation	<p>The Guarantee Agreement will contain specific obligations for the Financial Intermediary to ensure that the benefit of the guarantee is passed on to the Final Recipients. The Financial Intermediary shall propose and implement financing features (such as reducing collateral requirements or the interest rate or fees normally charged to the Final Recipients) and/or focus on one or more categories of SMEs/Small Mid-Caps, which are not provided for at all by the Financial Intermediary or improve the requirements applied under the Financial Intermediary's current credit policy and/or financing practice.</p> <p>The enhanced access to finance measures shall be documented accordingly in the Guarantee Agreement.</p> <p>EIF shall analyse the enhanced access to finance measures proposed by the Financial Intermediaries and may, where appropriate, propose adjustment to them during the due diligence phase.</p> <p>The Financial Intermediary shall undertake that amendments or changes to its credit policy from time to time shall in no circumstances adversely affect the enhanced access to finance measures under the relevant Final Recipient Transaction.</p>
Servicing and Recoveries	<p>The Financial Intermediary shall perform the servicing of the Portfolio, including monitoring and recovery actions, in accordance with its credit and collection policy.</p> <p>The Financial Intermediary shall take recovery actions (including the enforcement of any security) in relation to each defaulted Final Recipient Transaction in accordance with its credit and collection policy.</p>

4 | Miscellaneous

Reporting	<p>The Financial Intermediary shall provide the Guarantor within [30] calendar days after the end of each calendar quarter (the “Report Date”) with quarterly information in a standardised form, including among others, information on the Final Recipient covered by the Guarantee, Final Recipient Transaction entered into and relevant amounts outstanding.</p> <p>Other reporting may be required from the Financial Intermediary as specified in the Guarantee Agreement.</p>
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Monitoring and Audits	Financial Intermediaries and the relevant Final Recipients covered by the Guarantee shall agree to allow and to provide access to documents and premises related to the relevant Guarantee for the representatives of the European Commission (including the European Anti-Fraud Office (OLAF)), the Romanian/European Court of Auditors, the European Public Prosecutor's Office (EPPO), the EIF, agents of the EIF, the Ministry of Investments and European Projects of Romania, and any other national/European Union institution or national/European Union body which is entitled to verify the use of the Guarantee and any other duly authorized bodies under applicable law to carry out audit or control activities. To that effect, the Financial Intermediaries shall also include appropriate provisions in each agreement with the Final Recipients.
Know your Customer	The Financial Intermediary shall, prior to the signature of the Guarantee Agreement, disclose to the EIF information on its beneficial owners and at any time thereafter, promptly inform the EIF of any change in its beneficial owners.
Record keeping	<p>The Financial Intermediary shall maintain or be able to produce all the documentation related to the implementation of the Guarantee Agreement for a period of five (5) years following the Guarantee Termination Date.</p> <p>The Final Recipient shall maintain or be able to produce all the documentation related to the implementation of the Final Recipient Transaction for a period of five (5) years following the date of termination of the Final Recipient Transaction.</p> <p>Such period could be further refined in the Guarantee Agreement.</p>
Compliance with Laws	<p>Financial Intermediaries shall comply in all respects with all laws and regulations (whether national laws and regulations or laws and regulations of the European Union) to which it may be subject, the breach of which may (i) adversely impact the performance of the Guarantee Agreement or (ii) adversely prejudice the interests of the Government of Romania and EIF under the Guarantee Agreement.</p> <p>The Financial Intermediary shall include in the documentation evidencing the Final Recipient Transaction:</p> <p>(x) undertakings from the Final Recipients equivalent to those contained above and (y) any representations, warranties and undertakings from the Final Recipients for the purpose of ensuring that each Final Recipient Transaction included in the Portfolio shall comply at any relevant time with the Eligibility Criteria.</p> <p>The Financial Intermediary shall undertake, and shall procure that each Final Recipient undertakes, to (i) at all times comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud and (ii) not (other than as a result only of events or circumstances beyond the control of the Financial Intermediary or the Final Recipient, as applicable) be established in a Non-Compliant Jurisdiction, unless in case of NCJ Implementation.</p>
EIBG Anti-Fraud Policy	The Financial Intermediary acknowledges the Anti-Fraud Policy which sets out the policy of the EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing and undertakes to take appropriate measures to (i) facilitate the implementation of such policy and (ii) support investigations performed by the EIF or the EIB, acting on behalf of the EIF, the OLAF, the European Public Prosecutor's Office (EPPO), the ECA, or any other relevant EU institution or body in connection with actual or suspected prohibited conduct. The Financial Intermediary further acknowledges that the Guarantor may notify it of any amendments thereof and in such case(s), following

	such notification(s), the parties will consult with each other in order to investigate whether the Financial Intermediary is in the position to undertake the same obligation as above in respect of the amended Anti-Fraud Policy.
Visibility and promotion	<p>Financial Intermediaries shall carry out adequate information, marketing and publicity campaigns, including through their website or alternative ways of communication to achieve equivalent visibility, aimed at making the Guarantee known to enterprises in Romania.</p> <p>Financial Intermediaries shall ensure that The Final Recipient Transaction agreements, promotional material, press releases and any publication on their website or alternative ways of communication to achieve equivalent visibility pertaining to the Guarantee contains a statement that the “(..) <i>transaction benefits from support from Romanian national and EU public resources pursuant to the Documentary Finance Facility.</i>” (as further detailed in the Guarantee Agreement).</p>
Governing Law and Language	The terms of the Guarantee Agreement shall be in the English language and the Guarantee Agreement shall be governed by the laws of Luxembourg.
Transfer	The Financial Intermediary shall not be entitled to transfer any or all of its rights and obligations under the Guarantee without the prior written consent of the EIF.
Restrictive Measures Implementation	Contractual provisions shall be included in the Guarantee Agreement to ensure that no funds or economic resources are made available directly or indirectly to, or for the benefit of, persons or entities designated by Restrictive Measures.

5 | Appendices

5.1 | Appendix A – Eligibility Criteria

Each Final Recipient Transaction included in a Portfolio shall comply with the Final Recipient Eligibility Criteria and the Final Recipient Transaction Eligibility Criteria, as set out below, and any additional eligibility criteria set out in the specific terms of the relevant Guarantee Agreement.

It should be noted that the Eligibility Criteria might be adapted during the implementation of the Guarantee Facility in order to cater for relevant market developments and legislative changes. In any case, any such change will not affect eligibility of Final Recipient Transactions already included in the Portfolio and will be subject to the agreement of the parties.

The Eligibility Criteria shall be met at all times, except the Final Recipient Eligibility Criteria and some of the Final Recipient Transaction Eligibility Criteria, which shall be met on the signing date of the document(s) evidencing the relevant Final Recipient Transaction (or where specifically indicated, on the date of the Final Recipient's application for a Final Recipient Transaction). For each additional Eligibility Criteria, if any, the specific terms of the relevant Guarantee Agreement shall indicate whether or not it shall be met at all times.

A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant Final Recipient Transaction(s) from the Portfolio save as specified in the **“Exclusion Process”**.

Section A – Eligibility Criteria for Final Recipients

	Eligibility Criteria for Final Recipients	Application
1	The Final Recipient shall be a SME or a Small Mid-Cap.	Signing Date
2	The Final Recipient shall be established and operating in Romania.	Signing Date
3	The Final Recipient shall not be established in a Non-Compliant Jurisdiction, unless in case of NCJ Implementation.	Signing Date
4	In case of undertakings which are not SMEs, the Final Recipient shall be in a situation comparable to a credit rating of at least B-.	Signing Date
5	The Final Recipient is not subject to collective insolvency proceedings, nor does it fulfil the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors, as set out in art. 4.3 (a) of the De Minimis Regulation	Signing Date
7	The Final Recipient has not benefitted from State Aid which has been declared illegal or non-compliant under EU law or national law in the context of the Guarantee Agreement, which has not yet been returned.	Signing Date
8	The Final Recipient shall not be active in one or more of the EIF Excluded Sectors and/or Activities (other than the sectors under paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) thereunder).	Continuing
9	The Final Recipient shall not be active in one or more of the sectors under paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) of the EIF Excluded Sectors and/or Activities. However, this Eligibility Criterion shall not be applicable if, the Final Recipient's main/primary activity is not registered in one of the NACE codes listed under	Signing Date

	<p>paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) of the EIF Excluded Sectors and/or Activities, and:</p> <p>a. less than 10% (ten per cent) of the annual revenues of the Final Recipients are generated from these activities, or</p> <p>the Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 50,000.</p>	
10	<p>The Final Recipient shall not have its Main Activity in one or more of the sectors and/or activities listed under EIF Restricted Sectors and/or Activities.</p> <p>However, in cases where the Final Recipient's Main Activity is in one or more of the sectors under paragraph 14 (<i>Energy-intensive and/or high CO2-emitting industries and sectors</i>) (with the exception of item (iii) (<i>Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds</i>) thereof) of the EIF Restricted Sectors and/or Activities, this Eligibility Criterion shall not be applicable if the Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 50,000.</p>	Signing Date

Section B – Eligibility Criteria for Final Recipient Transactions

	Eligibility Criteria for Final Recipient Transactions	Application
1	<p>The Final Recipient Transaction shall be newly originated.</p> <p>For the avoidance of doubt, Final Recipient Transactions may include re-financing of existing debt financing that have not reached legal maturity. Such re-financing may not exceed 30% of the Final Recipient Transaction's amount, and shall be subject to the following conditions:</p> <p>a) re-financing shall not be allowed for debt transactions which are (i) more than sixty (60) days past due or (ii) in non-performing loan or default status within applicable national banking rules;</p> <p>b) a Final Recipient Transaction that includes re-financing shall be subject to a new credit assessment by the Financial Intermediary and its financial sustainability shall be verified (including, if applicable, collateral revaluation);</p> <p>c) The Final Recipient Transaction after re-financing shall benefit from lower interest rates compared to the interest rate applied to the initial debt financing; and</p> <p>d) the collateral arrangements under the Final Recipient Transaction shall not be stricter than as applied to the re-financed debt financing.</p>	Signing Date
2	The Final Recipient Transaction shall be in the form of a Debt Financing.	Continuing
3	The Final Recipient Transaction shall comply with the terms of the Guarantee Agreement relating to the enhanced access to finance measures.	Continuing
4	<p>The Final Recipient Transaction's maturity (including the relevant grace period, if any) shall not exceed five (5) years (rounded down to the nearest calendar quarter), or such other period as specified in the relevant Guarantee Agreement following EIF's risk assessment.</p> <p>A Final Recipient Transaction that does not cover the issuing of Letters of Credit or Bank Guarantees shall not have a minimum maturity less than six (6) months, or such other period as specified in the relevant Guarantee Agreement following EIF's risk assessment, including in each case the relevant grace period, if any.</p>	Continuing
5	The Final Recipient Transaction shall be denominated in Euro or Romanian Leu.	Continuing
6	The guaranteed amount under each Final Recipient Transaction shall not exceed EUR [2.250.000] million, or any other lower amount as specified in the Guarantee Agreement following EIF's risk assessment.	Continuing
7	The amount committed under the Final Recipient Transaction shall comply with State Aid rules, as applicable.	Signing Date and on each date on which one of the parameters used for the

		calculation of the maximum principal threshold amount and/or GGE is changed
9	The Final Recipient Transaction must not be affected by fraud.	Continuing
10	The Final Recipient Transaction shall not be used to pre-finance grants.	Continuing
11	The Final Recipient Transaction shall not provide funding for activities which are excluded from the scope of the De Minimis Regulation pursuant to Article 1 of such regulation, as amended from time to time.	Continuing
12	The Final Recipient Transaction shall not have the specific purpose of financing any of the EIF Excluded Sectors and/or Activities.	Continuing
13	<p>The Final Recipient Transaction shall not have the specific purpose of financing any of the EIF Restricted Sectors and/or Activities.</p> <p>However, for Final Recipient Transactions financing any of the sectors under paragraph 14 (Energy-intensive and/or high CO₂-emitting industries and sectors) (with the exception of item (iii) (Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds) thereof) of the EIF Restricted Sectors and/or Activities, this Eligibility Criterion shall not be applicable if such Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 50,000.</p>	Signing Date
14	<p>Final Recipient Transactions provided with the specific purpose of financing the heating and/or cooling (including Combined Cooling/Heat and Power production (CCHP, CHP)) of buildings¹ shall finance any of the following investments involving:</p> <ul style="list-style-type: none"> (i) new heating and cooling facilities in buildings (including CCHP, CHP) which do not use coal, peat or oil; (ii) individual natural gas boilers and micro-gas CHP meeting the minimum energy efficiency criteria, defined as A-rated boilers in the EU (applicable to <400kW_{th}) or boilers with efficiencies of >90%; (iii) gas-fired CCHP, CHP generation only if the project results in emissions in the production of electricity of no more than 250g CO₂ per kWh; and/or (iv) sub-projects related to the rehabilitation or extension of existing networks, or construction of new district heating/cooling networks, if there is no increase in CO₂ emissions as a result of the combustion of coal, peat, oil, gas or non-organic waste on an annual basis. <p>This Eligibility Criterion shall not be applicable if the Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 100,000 if, within such Final Recipient Transaction the amount specifically granted for</p>	Signing Date

¹ Buildings are defined as roofed constructions having walls, for which energy is used to condition the indoor climate. This definition of buildings encompasses greenhouses and industrial buildings.

	covering the costs of the new heating/cooling system does not exceed EUR 50,000.	
15	<p>For Final Recipient Transactions provided with the specific purpose of financing investments in power and/or heat production, using biomass, the following biomass sustainability conditions shall be met:</p> <ul style="list-style-type: none"> (i) feedstock shall be from non-contaminated biomass or biogenic waste inside the EU, or certified for sustainability when sourced from outside the EU, and shall not consist of feedstocks that can serve as food or compromise food security²; (ii) forest feedstock shall comply with forest certification principles and standards (e.g. FSC/PEFC), either through full certification or by enabling the adoption of forest certification (i.e. roadmap to certification). The feedstock sourcing areas that are not yet certified, have to comply with the same standards and principles so as to be certifiable (i.e. apply the same principles and criteria stipulated in the international accredited forest certification systems); and (iii) feedstock shall not be derived from palm oil products or raw material from tropical forest and/or protected sites (protected sites include Natura 2000 sites designated under EU legislation, sites recognized under the Ramsar, Bern (Emerald network) and Bonn Conventions and areas designated or identified for designation as Protected Sites by national Governments). <p>This Eligibility Criterion shall not be applicable if the Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 50,000.</p>	Signing Date
16	Final Recipient Transactions shall not have the specific purpose to finance desalination projects.	Signing Date
17	<p>If the Final Recipient Transaction is provided for the specific purpose to finance³ the acquisition of a vehicle for the purpose of transport⁴, it shall not finance any Restricted Asset.</p> <p>This Eligibility Criterion shall not be applicable if:</p> <ul style="list-style-type: none"> (i) the Final Recipient Transaction's Committed Principal Amount is less than or equal to EUR 50,000; and (ii) the Final Recipient is not active in transportation and storage (NACE code classification section H) and/or renting and leasing of motor vehicles (NACE codes 77.11 & 77.12) sectors. 	Signing Date

² The EIF may support (i) the use of limited amounts of such feedstocks in product input mix, such as starch use for paper production, or (ii) the transitory use of relevant feedstocks for the purpose of innovative industrial process demonstration, if a strategy and technology readiness towards avoiding the use of feedstocks that can serve as food or compromise food security is foreseen for the current demonstration or any follow-up plant based on similar technology, that are satisfactory to the EIB Group. Also, limited amounts of such feedstock may be allowed in case the investment meets EIF CA&ES criteria under an objective other than climate mitigation, such as the current anaerobic digestion CA&ES criteria under the circular economy objective.

³ For the avoidance of doubt, in the case of Finance Leases, the acquisition by a lessor of an existing Restricted Asset owned by the Final Recipient is allowed, provided that the relevant acquisition price paid by the lessor shall not be used by the Final Recipient to finance any Restricted Asset

⁴ For the avoidance of doubt, mobile assets not acquired for the purpose of transport are not covered by these restrictions. These are, for instance, machinery for construction works, agriculture/forestry mobile assets, etc.

Section C – Eligibility Criteria for the Portfolio

The Guarantee Agreement may specify a maximum percentage or amount of the Portfolio that can consist of Final Recipient Transactions that do not cover issuing of Letters of Credit, Bank Guarantees or Trade Receivable Transactions.

Additional portfolio criteria may apply in accordance with the terms of the Guarantee Agreement following EIF's risk assessment.

5.2 | Appendix B – EIF Excluded and Restricted Sectors and/or Activities

PART I - List of EIF Excluded Sectors and/or Activities

1. Prisons and detention centres of any form (such as correctional institutions or police stations with detention facilities).
2. Any activity involving significant degradation, conversion or destruction⁵ of critical habitats⁶.
3. Conversion of natural forests into plantation. This includes irrigated forests⁷, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests⁸ in all regions, as well as the purchase of logging equipment for this purpose.
4. Extraction of mineral deposits from the deep sea⁹.
5. Extraction or mining of conflict minerals and metals¹⁰.
6. Animal and human reproductive cloning.
7. Any activity involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals¹¹.
8. Sex trade and related infrastructure, services and media.
9. Projects with political or religious purpose.
10. Production of or trade in weapons and ammunition, including any explosives and sporting weapons.
11. *Tobacco*: Projects with the purpose of producing, manufacturing, processing or distribution of tobacco¹².

⁵ Destruction means 1) the elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or 2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁶ Critical habitat is a subset of both natural and modified habitat that deserves particular attention. Critical habitat includes areas with high biodiversity value that meet the criteria of the International Union for Conservation of Nature (IUCN) classification, including habitat required for the survival of critically endangered or endangered species as defined by the IUCN Red List of Threatened Species or as defined in any national legislation; areas having special significance for endemic or restricted-range species; sites that are critical for the survival of migratory species; areas supporting globally significant concentrations or numbers of individuals of congregatory species; areas with unique assemblages of species or which are associated with key evolutionary processes or provide key ecosystem services; and areas having biodiversity of significant social, economic or cultural importance to local communities. Primary forest or forests of high conservation value shall be considered critical habitats. Critical habitats include species under strict protection in accordance with Articles 12-16 of the Habitats Directive (Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, as amended).

⁷ Except for temporary watering in the first three years after planting, which is allowed for the seedlings to develop deep rooting systems to ensure high survival rates.

⁸ High conservation value forests are defined by the Forest Stewardship Council as those that possess one or more of the following attributes: 1) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values (such as endemism, endangered species, refugia); 2) forest areas containing globally, regionally or nationally significant large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance; 3) forest areas that are in or contain rare, threatened or endangered ecosystems; 4) forest areas that provide basic services of nature in critical situations (such as watershed protection, erosion control); 5) forest areas fundamental to meeting basic needs of local communities (such as subsistence, health); 6) forest areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

⁹ Deep sea is defined as the areas of the ocean below 200 m — The International Seabed Authority and Deep Seabed Mining. United Nations.

¹⁰ Minerals and metals covered by the Regulation (EU) 2017/821 laying down supply chain due diligence obligations for European Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, as amended.

¹¹ Unless in compliance with (EU) Directive 2010/63/EU as amended by Regulation (EU) 2019/1010 of the European Parliament and of the Council on the protection of animals used for scientific purposes.

¹² NACE codes: NACE 01.15 - Growing of tobacco, NACE 12.00 - Manufacture of tobacco products, NACE 46.3.5 - Wholesale of tobacco products and NACE 47.2.6- Retail sale of tobacco products in specialised stores.

12. *Gambling*: Gambling and related equipment, hotels with in-house casinos¹³.

PART II - List of EIF Restricted Sectors and/or Activities

1. Coal mining, processing, transport and storage.
2. Oil exploration, production, refining, transport, distribution and storage.
3. Natural gas exploration, production, liquefaction, regasification, transport, distribution and storage.
4. Electric power generation including thermal power stations¹⁴, exceeding the Emissions Performance Standard (i.e., 250 grams of CO₂e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants. Geothermal plants operating at life cycle emissions higher than 100gCO₂e/kWh.
5. Projects in the mining sector¹⁵.
6. Nuclear energy and manufacturing within the nuclear industry (such as processing of nuclear fuel, uranium enrichment, irradiated fuel reprocessing).
7. Hydropower.
8. Waste incineration; collection, treatment and disposal of hazardous waste.
9. Research, development, production and/or commercialization of equipment or infrastructure dedicated to military/police use¹⁶.
10. Health sector projects with secure or forensic units.
11. For-profit projects in the education sector by kindergarten, primary and secondary schools located outside the European Union.
12. Manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30).
13. Conventionally fuelled air transport and airports, and service activities incidental to conventionally-fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).
14. Energy-intensive and/or high CO₂-emitting industries and sectors (NACE nomenclature, 4 digits):
 - (i) Manufacture of carbon black, soda ash and chlorine (part of NACE code: 20.13 manufacture of other inorganic basic chemicals).
 - (ii) Manufacture of other organic basic chemicals (part of NACE: 20.14).
 - (iii) Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds (sub-activities of the NACE code: 20.15).
 - (iv) Manufacture of plastics in primary forms (NACE 20.16).
 - (v) Manufacture of cement (NACE 23.51).
 - (vi) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10).
 - (vii) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20).

¹³ NACE code: NACE 92.00 - Gambling and betting activities.

¹⁴ This restriction does not apply to biomass power plants.

¹⁵ Projects under Section B of NACE (Rev.2) nomenclature, with the exception of NACE B8.1 - Quarrying of stone, sand and clay (including NACE B8.1.1 - Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate; and NACE B8.1.2 - Operation of gravel and sand pits; mining of clays and kaolin).

¹⁶ Projects (including in equipment or infrastructure) with the potential to be used for both civil and military/police purposes (dual use) are not restricted.

- (viii) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31-24.34).
- (ix) Aluminium production (NACE 24.42).

PART III - Restricted Assets

"Restricted Asset" means any of the below listed mobile assets for transport:

Passenger cars	vehicles for which the corresponding direct CO2 emission thresholds exceed 115g CO2/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) ¹⁷ on a per vehicle basis.		
Vans/ Light Commercial Vehicles	vehicles for which the corresponding CO2 emission thresholds exceed 182g CO2/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) ¹⁸ on a per vehicle basis.		
Trucks/ Heavy duty vehicles (HDVs)	Axle and chassis configuration¹⁹	Vehicle subgroup²⁰	Reference value above gCO2 / t-km
	Rigid, 4x2, GVW > 16t	4-UD	307.23
		4-RD	197.16
		4-LH	105.96
	Tractor ²¹ , 4x2, GVW > 16t	5-RD	84
		5-LH	56.6
	Rigid, 6x2	9-RD	110.98
		9-LH	65.16
	Tractor, 6x2	10-RD	83.26
		10-LH	58.26
trucks (including, without limitation, trucks that are part of a heavy duty vehicle sub-group), other than those that meet (i) "EURO VI" standards or higher and			

¹⁷ In case the vehicle has been produced before 1st September 2019 then a conversion factor of 1.21 from NEDC to WLTP applies to determine the vehicle emissions.

¹⁸ In case the vehicle has been produced before 1st September 2019 then a conversion factor of 1.24 from NEDC to WLTP applies to determine the vehicle emissions.

¹⁹ GVW = Gross Vehicle Weight

²⁰ UD = Urban delivery, RD = Regional delivery and LH = Long Haul

²¹ Means a tractor unit that is designed and constructed exclusively or principally to tow semi-trailers.

	are not covered by any of the 4 axle chassis configuration groups outlined in the table directly above or (ii) in case of waste collection trucks, "EURO V" standards or higher.
	vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.
L-category vehicles (2- and 3-wheel vehicles and quadricycles)	any such vehicle other than zero direct emissions vehicles.
Public transport: Trams, metros & buses (urban and interurban)	any such mobile assets other than zero direct emission mobile assets (trams, metros & buses) for urban and suburban services.
	for interurban buses/coaches only (not urban or suburban) and only until 31 December 2025, any such mobile assets other than buses with combustion engines.
Trains	any such train other than zero direct emission trains.
	<i>Bi mode trains:</i> any such train other than trains which have zero direct (tailpipe) CO ₂ emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available.
	vehicles dedicated to transport of fossil fuels or fossil fuels blended with alternative fuels.
Inland water way vessels	(a) any such vessel other than zero direct emission vessels.
	(b) any such vessel other than Vessels powered solely by advanced biofuels ²² or sustainable synthetic fuels guaranteed either by technological design or ongoing monitoring and third-party verification.
	(c) until 31 December 2025, passenger transport vessels other than hybrid and dual fuel vessels that derive at least 50% of their energy from zero direct (tailpipe) CO ₂ emission fuels or plug-in power for their normal operation.
	(d) where technologically and economically not feasible to comply with zero direct emission vessels, until 31 December 2025, freight transport vessels for which direct emissions exceed 28.3 gCO ₂ equivalent per tonne-km (gCO ₂ e/tkm).
	(e) vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.

²² Biofuels as per Renewable Energy Directive (RED) II with low ILUC (indirect land-use change) risk

Sea and coastal vessels ²³	(a) any such vessel other than zero direct emission vessels.
	(b) any such vessel other than vessels powered solely by advanced biofuels or sustainable synthetic fuels guaranteed either by technological design or ongoing monitoring and third-party verification.
	(c) until 31 December 2025, freight transport vessels other than hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO ₂ emission fuels or plug-in power for their normal operation.
	(d) Where technologically and economically not feasible to comply with zero direct emission vessels, until 31 December 2025,
	<ul style="list-style-type: none"> (i) vessels other than vessels that have an attained Energy Efficiency Design Index (EEDI) value 10 % below the EEDI²⁴ requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO₂ emission fuels²⁵ or on fuels from renewable sources; (ii) for passenger transport vessels: vessels other than hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO₂ emission fuels or plug-in power for their normal operation; (iii) for freight transport vessels, only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to sea: freight transport vessels for which direct emissions exceed 28.3 gCO₂equivalent per tonne-km (gCO₂e/tkm); (iv) vessels that comply with the criteria under (b) or (c) above.
	(e) Vessels using only conventional fuels (Fuel oils, Gasoil / Diesel oils, Gasoline).
	(f) vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.
Retrofitting of inland waterway and sea and coastal vessels.	Other than measures and retrofits that bring demonstrable environmental, safety and/or security improvements (excluding mid-life retrofits that significantly extend the physical life of the asset).

²³ Including vessels for port operations and auxiliary activities

²⁴ EEDI requirements as agreed by the Marine Environment Protection Committee of the International Maritime Organization on its seventy-fifth session. Vessels that fall into the ship types set out in MARPOL Annex VI Regulation 2, but are not considered as new ship under that regulation may provide attained EEDI value calculated on a voluntary basis in line with MARPOL Annex VI Chapter 4 and have those calculations verified in line with MARPOL Annex VI, Chapter 2.

²⁵ Criterion a) is not met when the vessel technically can run on zero direct (tailpipe) CO₂ emission fuels but when this is not economically viable.