

Appendix 1 to Call for Expression of Interest

Glossary of terms

In case of inconsistency, terms defined in the Guarantee Agreement, will prevail over this glossary of terms.

Actual Guarantee Volume	Means the aggregate of Final Recipient Transaction Guaranteed Principal Amount in relation to the Final Recipient Transactions entered into and included in the Portfolio, provided that, for the avoidance of doubt: (i) if amounts committed under a Final Recipient Transaction are reduced (including, for the avoidance of doubt, as a consequence of such Final Recipient Transaction having been fully or partially repaid, expired or matured), then this shall reduce the Actual Guarantee Volume; (iii) if a Final Recipient Transaction becomes a non-performing Final Recipient Transaction, or a trade receivables sub-transaction becomes a non-performing trade receivables sub-transaction, any covered amounts (net of any recoveries) shall be taken into account in the calculation of the Actual Guarantee Volume; (v) if a Final Recipient Transaction is excluded from the portfolio as a part of the exclusion process, then such Final Recipient Transaction shall not be taken into account in the calculation of the Actual Guarantee Volume.
Actual Guarantee Exposure Volume	Means the sum of: (a) for all Final Recipient Transactions that have expired or matured or are non-performing Final Recipient Transactions as of that date, an amount equal to the total maximum guaranteed principal amount of exposure (i.e. maximum guaranteed amounts actually disbursed under debt financing transactions and maximum guaranteed amounts actually issued under bank guarantees and letters of credit) achieved under such Final Recipient Transactions, and (b) for all Final Recipient Transactions that have neither expired nor matured nor are non-performing Final Recipient Transactions as of such date, an amount equal to the total maximum guaranteed amount of principal committed under such Final Recipient Transactions and, for avoidance of doubt, including any covered dilution amounts as well as any Defaulted Amounts in relation to non-performing trade receivables sub-transactions, provided that, for the avoidance of doubt, any guaranteed amounts in respect of Final Recipient Transactions that were excluded from the Portfolio shall not be taken into account for the purpose of calculating the Actual Guarantee Exposure Volume.

Applicable Foreign Exchange Rate	(i) for the purpose of a Payment Demand from Financial Intermediary whichever of the following rates results in a lower amount in EUR: - the Spot Rate (as calculated by the relevant Financial Intermediary and validated by EIF) for the conversion of the relevant currency into EUR as at the relevant quarter end date (and if that is not a business day (as defined in the relevant Guarantee), the preceding such business day); and - the rate specified as such in the relevant inclusion notice, which rate shall be the Spot Rate for the conversion of the relevant currency into EUR on the relevant Guarantee date; and (ii) in relation to any other conversion (including, for the avoidance of doubt, of the Guarantee Fee) the Spot Rate for the conversion of the relevant currency into EUR as specified in the Guarantee Agreement
Applicant	Means, other than for the purposes of Annex I - <i>Expression of Interest</i> , an entity that applies to qualify as a Financial Intermediary on its behalf and/or, acting as a coordinating entity, on behalf of one or more Participating Entities.
Bank Payment Instrument	means an instrument issued by a bank, financial institution or microfinance entity to one or more beneficiaries at the application of another person (usually that bank's, financial institution's or microfinance entity's customer) which allows the beneficiary or beneficiaries to claim payments from the issuing entity in certain circumstances, such as bank guarantees, indemnities, demand guarantees, standby letters of credit, performance bonds and documentary letters of credit.
Base Currency	Means the reference currency of the Guarantee Agreement.
Business Day	Means a day (other than a Saturday or Sunday) on which (a) banks are open for general business in Luxembourg and Brussels; (b) the EIF is open for business in Luxembourg; and (c) the Commission is open for business in Brussels.
Cap Amount	Means, the maximum obligation of EIF to pay for guarantee calls under the Guarantee, in relation to a Portfolio, expressed in the Base Currency, as specified in the Guarantee Agreement.
Guarantee	Means a first-loss portfolio guarantee whereby EIF covers a percentage of Defaulted Amounts on a Portfolio up to the Cap Amount.
Committed Guarantee Volume	Means the maximum guaranteed principal amount, in the form of Final Recipient Transactions, that a Financial Intermediary is permitted to include in the Portfolio, so that the Actual Guarantee Volume does not exceed the Committed Guarantee Volume. The Committed Guarantee Volume may be (i) decreased by an agreement between the EIF and the Financial Intermediary or (ii) increased by the EIF pursuant to a Committed Guarantee Volume increase notice depending on successful ramp-up of the Portfolio by the Financial Intermediary.

	The Committed Guarantee Volume is typically made available to the Financial Intermediary in two or more tranches at EIF's discretion, monitoring the inclusions of the Final Recipient Transactions, up to the Maximum Guarantee Volume.
Commission SME Recommendation	Means the Commission Recommendation 2003/361/EC concerning the definition of "micro, small and medium-sized enterprises" (OJ L124, 20.05.2003, p.36) notified under document number C(2003/1422), as amended, restated, supplemented and/or substituted from time to time.
Credit Support	means any guarantee, Security, insurance or other credit support given by a person (the credit support provider) in favour of another person (the creditor) to cover the obligations owed to that creditor by another person (the debtor), excluding any risk participation arranged by the creditor on its own account
Guarantee Agreement	Means the legal agreement signed between the EIF as guarantor and a Financial Intermediary as intermediary, outlining the terms and conditions applicable to the Guarantee.
Guarantee Cap Rate	Means a percentage which shall not exceed 20%. It may be reduced and set at a lower level following contractual negotiations. The Guarantee Cap Rate for each Portfolio shall be set in the Guarantee Agreement.
Guarantee Fee	Means a percentage per annum to be paid by the Financial Intermediary to the EIF for the Guarantee.
Guarantee Rate	Means a percentage of a Final Recipient Transaction, that is covered by the Guarantee, as further set out in the Guarantee Agreement (up to 70% or 80% with the prior written consent from the European Commission).
Credit Event	Means a Final Recipient Transaction Default.
Credit Limit Amount	Means the maximum principal amount that a Financial Intermediary commits under a Revolving Final Recipient Transaction.
Deadline	Means 31 March 2026, or such different date as may be announced officially on the EIF's website. EIF may determine that the Deadline will end on a different date depending, inter alia, on the availability of the budgetary resources for the Guarantee Facility.
Debt Financing	Means a means a loan facility (and each loan advanced or to be advanced thereunder), a Finance Lease (and each advance made or to be made thereunder), a Qualifying Factoring Facility (and each facility to be made thereunder) or a Bank Payment Instrument, (excluding financing transactions that are initiated by the debtor of trade receivable(s) (reverse factoring or supply chain financing)
EIF Exclusions and Restrictions	Means: EIF exclusions and restrictions set out in EIF's Exclusions and Restrictions Policy (and the Paris Alignment Restrictions included therein) published on EIF's website, as at the date of the Guarantee Agreement.

	The above restrictions may be updated from time to time. The binding list of EIF Exclusions and Restrictions shall be set out in the relevant Guarantee Agreement.
EIF Policies and Procedures	Means the rules, internal policies, standards and procedures of EIF in place from time to time (including the EIB Group Anti-Fraud Policy, EIB Group NCJ Policy and the EIB Group Anti-Money Laundering and Combating Financing of Terrorism Policy (AML-CFT Policy)), as approved, amended, supplemented or modified by the EIF from time to time.
Exclusion Situation	Means that a Financial Intermediary or a Final Recipient, as the case may be, is in any of the following situations: 1. bankrupt, is subject to insolvency, is being wound up, is having their affairs administered by a liquidator or by the courts, in this context are in an arrangement with creditors, is having their business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or in any analogous situation arising from a similar procedure provided for in national legislation or regulations; 2. in the past five years, they have been the subject of a final judgment or final administrative decision for being in breach of their obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof; 3. in the past five years, they or persons having powers of representation, decision-making or control over them have been convicted by a final judgement or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect their ability to implement the Guarantee Agreement or Final Recipient Transaction, as applicable, and which is for one of the following reasons: a) negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement; b) entering into agreements with other persons aimed at distorting competition; c) attempting to unduly influence the decision-making process of the contracting authority during the relevant award procedure (as this term is defined in the Financial Regulation);

	d) attempting to obtain confidential information that may confer upon it undue advantages in the relevant award procedure (as this term is defined in the Financial Regulation); e) incitement to discrimination, hatred, or violence against a group of persons or a member of a group 4. in the past five years, they or persons having powers of representation, decision-making or control over them have been the subject of a final judgment for: (ii) fraud; (iii) corruption; (iv) participation in a criminal organisation; (v) money laundering or terrorist financing; (vi) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting or attempting to commit such offences; (vii) child labour and other forms of trafficking in human beings; 5. they are subject to a decision on exclusion contained in the published early detection and exclusion system database (set up and operated by the European Commission); provided that the EIF may decide not to exclude a Financial Intermediary if the Financial Intermediary can provide evidence that remedial measures have been adopted to demonstrate its reliability despite the existence of a ground for exclusion, or where it is indispensable to ensure the continuity of the service, for a limited duration and pending the adoption of remedial measures, or where an exclusion would be disproportionate taking into account the circumstances.
Expression of Interest	Means the application sent by an Applicant in the form of Annex I of this Call.
Financial Intermediary	Means a bank or other financial institution or a credit guarantee scheme/programme that has entered with EIF into a Guarantee Agreement, and that is duly authorised to carry out financing to Final Recipients (either directly or indirectly) according to the applicable legislation and domiciled in Ukraine. In this Call, the term Financial Intermediary shall be construed to include any Participating Entity/ies managed by the Financial Intermediary, where the context so requires.
Final Recipient Transaction	Means any form of Debt Financing provided by a Financial Intermediary to or for the benefit of a Final Recipient.
Final Recipient Transaction Default	Means a failure to pay in full on its due date:

	a) in relation to a Final Recipient Transaction which is a loan facility, any obligation on the part of the relevant Final Recipient (and/or any relevant provider of security interest) to repay principal and/or pay Ordinary Interest; b) in relation to a Final Recipient Transaction which is a Qualifying Factoring Facility, any obligation on the part of the relevant supplier (and/or any relevant provider of Credit Support) to repay to the relevant Financial Intermediary the cash advanced pursuant to that facility and/or any amount that corresponds to the equivalent of ordinary interest; c) relation to a Final Recipient Transaction which is a Finance Lease, any obligation on the part of the relevant Final Recipient (and/or any relevant provider of security interest) to make lease payments to the relevant Financial Intermediary which corresponds to the equivalent of principal and/or ordinary interest; d) in relation to a Final Recipient Transaction which is a bank guarantee, any obligation on the part of the relevant Final Recipient (and/or any relevant provider of security interest) to reimburse the relevant Financial Intermediary in respect of any amount paid out by that Financial Intermediary to the relevant beneficiary under that bank guarantee. The Guarantee Agreement may specify further the deviations from the above definition of Final Recipient Transaction Default, taking into account the specificities of certain types of Debt Financing and Subordinated Debt Transactions.
Finance Lease	means any lease, a liability under which would, according to applicable accounting principles, be treated as a balance sheet liability of the Final Recipient.
Guarantee	Means a direct guarantee where credit risk protection is offered to Financial Intermediaries in order to originate Final Recipient Transactions.
Guarantee Date	Means in relation to an EIF Guarantee, the date on which it is issued by EIF.
Final Recipient Transaction Guaranteed Principal Amount¹	Means the product of the principal amount of a Final Recipient Transaction and the applicable Guarantee Rate.
Inclusion Period	Means the period during which a Final Recipient Transaction can be signed ² in order to benefit from the Guarantee, as set out in the Guarantee Agreement.

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

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

Internally Displaced Persons (“IDP”)	has the meaning given to that term in the law "on Ensuring the Rights and Freedoms of Internally Displaced Persons". ³
Maximum Guarantee Volume	Means the maximum amount that the Committed Guarantee Volume can reach, as set out in the Guarantee Agreement.
MSME	Means SME and SME+.
Non Compliant Jurisdiction (“NCJ”)	Means a jurisdiction: a) listed in the Annex I of the Council of the European Union conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes; b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards; c) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies; d) rated as “partially compliant” or “non-compliant”, including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request; e) included in the Financial Action Task Force statement “High risk Jurisdictions subject to a Call for Action”; or f) included in the Financial Action Task Force statement “Jurisdictions under Increased Monitoring”, in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time. The Financial Intermediary shall not (other than as a result only of events or circumstances beyond the control of the Financial Intermediary) be established in a NCJ, unless in the case of NCJ Implementation.
NCJ Implementation	Means that the Final Recipient is established and operating in the country of establishment of the Financial Intermediary and that there is no indication that the relevant Final Recipient Transaction supports actions that contribute to (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and (ii) wholly artificial arrangements aimed at tax avoidance.
Participating Entity	Means an entity on behalf of whom an application is submitted as part of a joint Expression of Interest.

³ In which "IDP" is defined as a citizen of Ukraine, a foreigner or a stateless person who is legally present on the territory of Ukraine and has the right for the permanent residence in Ukraine, who was forced to leave or abandon his/her/their place of residence as a result of or in order to avoid the negative consequences of the armed conflict, temporary occupation, widespread violence, human rights violations and natural or man-made emergencies

Payment Demand	Means the document sent by a Financial Intermediary to EIF for the purpose of requesting payment under the Guarantee as further detailed in the Guarantee Agreement.
Performing Final Recipient Transaction	Means at any date during a calendar quarter a Final Recipient Transaction in respect of which no Final Recipient Transaction Default has occurred and has been reported to the EIF, provided that a Final Recipient Transaction in respect of which a Final Recipient Transaction Default has been reported on the relevant Report Date shall be treated as a Performing Final Recipient Transaction if such Final Recipient Transaction Default has been cured in accordance with the credit and collection policies before the Financial Intermediary submits a Payment Demand in respect of such Final Recipient Transaction.
Portfolio	Means each portfolio of Final Recipient Transactions, originated in line with the Guarantee Agreement.
Qualifying Factoring Facility	means a financing transaction (whether documented in one single or several agreements) entered into between a Financial Intermediary and a supplier, where (i) the Financial Intermediary purchases or is assigned or otherwise transferred (including by way of subrogation) trade receivable(s) from the supplier for a specified amount typically against a fee, commission or at a discount, and (ii) the Financial Intermediary has a guarantee from or other repayment right against the supplier in case, for whatever reason, all or part of the amount owing under such trade receivable(s) is not paid to the Financial Intermediary by the relevant debtor.
Quasi-Equity	Means any of the following financing agreements: a) a debt agreement which provides that any amount of debt may be converted into equity at a pre-determined price either at the option of the borrower or lessee or by operation of law; or b) a profit and loss participation instrument or other agreement that exposes the investor to the profit and loss of the counterparty; or a debt agreement in which the rights of the investor are subordinate (rank junior) to the rights of any holder of subordinated debt of the borrower or lessee. (For the avoidance of doubt, a holder of debt shall not be considered subordinated solely because its rights rank junior to the rights of creditors, such as tax authorities, that are given statutory priority over ordinary senior debt).
Recovery	Means each and every amount, net of recovery and foreclosure costs (if any), recovered or received by or on behalf of the Financial Intermediary, including by way of set-off, in respect of a Final Recipient Transaction that has resulted in a Defaulted Amount, provided that a payment in respect of such Defaulted Amount made to the Financial Intermediary under a guarantee given by a guarantee institution (other than EIF) shall not be treated as a "Recovery" c)

Replenishment Period	Means a period starting on second anniversary of the Guarantee Agreement and ending on the fifth anniversary of the same.
Report	Means a standardized document prepared by a Financial Intermediary for EIF including (but not limited to) information on Final Recipients, on the Final Recipient Transactions included in the relevant Portfolio(s).
Report Date	30 calendar days after the end of each calendar quarter.
Restricted Final Recipient	Means, based on the assessment of the Financial Intermediary during the origination process, an entity or a natural person: a) that cannot benefit directly or indirectly from financing supported by the EIF as a result of the application of the EIF Exclusions and Restrictions; and/or falling under any of the Exclusion Situations as at the date of the signature of the relevant Final Recipient Transaction.
Revolving Final Recipient Transaction	b) Means a Final Recipient Transaction pursuant to which a Final Recipient is entitled to use, on a revolving basis, the commitment made available to it by the Financial Intermediary for a specified period up to the Credit Limit Amount. For the avoidance of doubt, Revolving Final Recipient Transactions shall include revolving working capital facilities, including those embedded in or linked to a current account and exclude any credit or loan resulting from utilisation of credit card limits.
Restrictive Measures	Means, without limitation, restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).
SMEs	Means a micro, small or medium-sized enterprise that is an SME as defined in Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p.36), as amended from time to time.
SME+	Means an enterprise which satisfies the definition of an SME other than the requirement to employ fewer than 250 persons <i>provided that</i> it employs fewer than 500 persons on the basis of its non-consolidated accounts and data, and so excluding any persons employed by that enterprise's "partner enterprises" or "linked enterprises", as those terms are defined in Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36.
Spot Rate	Means, in relation to each Guarantee Agreement and any sum which is required to be converted from one currency into another currency: (a) the prevailing spot rate for the conversion between the two currencies as provided by the European Central Bank on the date of the relevant conversion; (b) if such spot rate is not available (under paragraph (a) above) on the date of the relevant conversion, the prevailing mid-rate appearing on either the applicable Reuters screen or Bloomberg screen as the last value of the day (closing quote) on the date of the relevant conversion; or

	(c) if such spot rate is not available (under paragraph (b) above) on the date of the relevant conversion, EIF (or the relevant Financial Intermediary, if applicable) shall, acting reasonably, determine the Spot Rate on the basis of such data as is available to it, provided that where the date of the relevant conversion is not a Business Day (or, if the context requires, a business day as defined in the relevant Guarantee Agreement), for the purposes of this definition such date shall be the immediately prior Business Day (or, if the context requires, a business day as defined in the relevant Guarantee Agreement).
Target Region	Means Ukraine.
Ukraine Facility Regulation	Means Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility, as it may be amended from time to time.
Ukraine National Energy and Climate Plan	Means the final National Energy and Climate Plan of Ukraine for the period 2025 to 2030, expected to be published by the Government of Ukraine following the period of consultation on the draft National Energy and Climate Plan published by the Government of Ukraine on 14 February 2024.
Ukraine Plan	Means the plan for the reconstruction of Ukraine, prepared by the Government of Ukraine and approved by the Commission pursuant to Article 18 of the Ukraine Facility Regulation.
War Veteran	a war veteran has the meaning given to that term in the law "on the Status of War Veterans, Guarantees of their Social Protection", provided that such war veteran would have been eligible for such status based on his/her actions defending Ukraine or disabilities as a result of the war occurred from 2014 onwards; and excluding the "veterans of labour" category that is envisaged under this law when it was originally adopted in 1993.
War Affected Territories	Means, at any relevant time, any territories of Ukraine that have most suffered from the Russia's war of aggression, comprising basic administrative units of Ukraine (communities, or "terytorialna hromada") in which military operations are (were) conducted or territories temporarily occupied by the Russian Federation, as identified by the government of Ukraine in line with Resolution #1364 dated 6 December 2022 on "Some Issues of Formation of the List of Territories in which Military Operations are (were) Conducted or Temporarily Occupied by the Russian Federation" and listed in the Order No. 309 dated 22 December 2022 "On Approval of the List of Territories in which Military Operations are Conducted (Were Conducted) or Temporarily Occupied by the Russian Federation" or other official Ukrainian government sources listing such war affected territories that may replace the mentioned documents in the future.
Youth Entrepreneurs	means a company, enterprise, firm, business, sole proprietor, or other legal entity where:

	(a) the Overall Operational Management Responsibility for which is held by a person (or persons) under the age of 35; or (b) the percentage of the entity's shares (if applicable) owned by person(s) under the age of 35 own(s) is over 50%.
Women Entrepreneurs	means a company, enterprise, firm, business, sole proprietor, or other legal entity where: (a) either: (i) the Overall Operational Management Responsibility is held by a woman (or women); or (ii) the percentage of the entity's shares (if applicable) that are directly owned, by vote and/or value, by a woman or women, is greater than 51%; or (b) the entity satisfies the criteria for a "women-led" or "women-owned" business prescribed by the law or regulations of the relevant country or published by the relevant local authority.