



EUROPEAN UNION



**AGRI ITALY PLATFORM: THE UNCAPPED GUARANTEE INSTRUMENT**  
**OPEN CALL FOR EXPRESSION OF INTEREST TO SELECT FINANCIAL INTERMEDIARIES**  
**(Published on 24 January 2018)**

The objective of this Call for Expression of Interest (the “Call”), launched by the European Investment Fund (“EIF”), is to select eligible financial institutions to become Financial Intermediaries under the AGRI Italy Platform (the “Platform”), as further described below.

All applications (each an “Expression of Interest”) under the Platform to be submitted to the EIF should conform to the Call.

In addition to this explanatory document, the Call contains the following documents:

- Annex I: Expression of Interest to be completed by applicants, including its Appendices
- Annex II: Indicative term-sheet of the uncapped portfolio guarantee available under the Platform

### **1. Background and resources available**

The Platform is supported by the relevant regional Managing Authorities, EIF, EIB and CDP, in their capacity as investors in the Platform. Its objective is to provide better access to finance for Final Recipients through loss protection provided by EIF to financial intermediaries (“FI”) via uncapped guarantees – structured in a way that aims at achieving compatibility with regulatory capital relief<sup>1</sup> in accordance with Regulation (EU) No 575/2013 – for portfolios of newly originated loans or finance leases financing investments by Final Recipients in the agricultural and agro-industrial sectors in the Regions of Calabria, Campania, Emilia Romagna, Puglia, Veneto, Umbria (as updated from time to time, each a “Contributing Region”).

The Contributing Regions’ Managing Authorities of Rural Development Programmes have dedicated part of their budgetary resources co-financed by the European Agricultural Fund for Rural Development (“EAFRD”) to setting up the Platform. Under their respective Rural Development Programme (*programma di sviluppo rurale*), the Platform shall target the following two policy objectives: “4.1 Support for investments in agricultural holdings” (4.1 Investimenti nelle aziende agricole) and “4.2 Support for investments in processing and marketing of agricultural products” (4.2 Investimenti per la trasformazione e commercializzazione de prodotti agricoli). These policy objectives and related terms and conditions drive the Eligibility Criteria that AGRI Transactions have to meet in order to benefit from the Guarantee’s coverage.

The Platform is open to additional contributions by other Managing Authorities of Rural Development Programmes not later than 30/09/2018. Therefore this Call also addresses indicative Maximum Regional Initiative Volumes (as defined in Annex II) also for those additional regions (“Potential Regions”), subject to the relevant Managing Authorities’ decision and the approval of the other investors in the Platform. Applicants are invited already to apply for Maximum Regional Volumes in Potential Regions in the Expression of Interest. However, for the avoidance of doubt, the Platform will in the first instance only become operational in the Contributing Regions, i.e. where the

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<sup>1</sup> Such regulatory capital relief for the benefit of Financial Intermediaries will ultimately depend on the position/interpretation of the relevant regulator.

Managing Authorities have signed the relevant Funding Agreements with EIF to participate in the Platform. EIF will provide adequate publicity and notice via the EIF website of any Potential Region becoming a Contributing Region, after publication of this Call.

## 2. AGRI Italy Platform - Uncapped Guarantee Instrument

The Platform is to be implemented with the uncapped portfolio guarantee instrument (the “Guarantee”).

The Platform entails the issuance of Guarantees for the benefit of lenders to partially cover the portfolio credit risk of newly originated loans granted to Final Recipients operating in the agricultural and agro-industrial sectors and included in the guaranteed Regional Portfolios during a pre-defined Inclusion Period.

The Platform is available in the Contributing Regions, as updated from time to time. Applicants are thus invited to express interest in the Contributing Regions as well as in the Potential Regions (jointly, if covered by the Expression of Interest, the “Applicant’s Regions”) at the time of submission of the Expression of Interest.

EIF will set a Maximum Portfolio Volume in each Guarantee Agreement as the aggregate of each Maximum Regional Volume with regard to the Applicant’s Regions of the respective Financial Intermediary; however the Maximum Portfolio Volumes of the Potential Regions shall only be made available if and when each relevant Potential Region becomes a Contributing Region

EIF will conclude a single Guarantee Agreement with a selected Financial Intermediary covering the Applicant’s Regions volumes allocated to such Financial Intermediary.

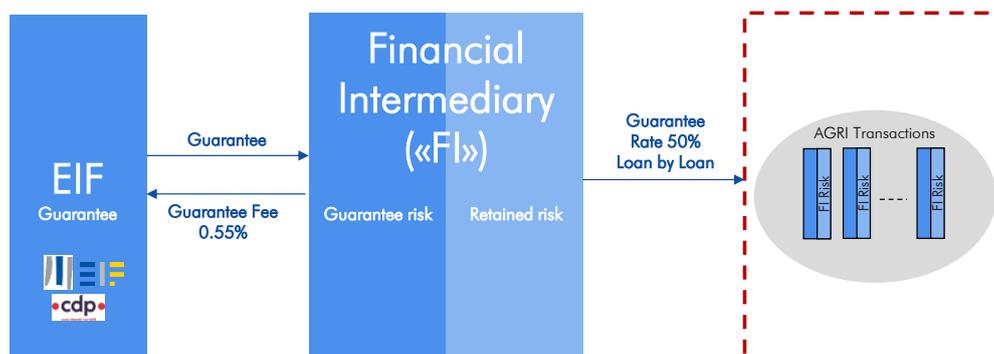
The relevant Maximum Portfolio Volumes and the corresponding Maximum Regional Volumes are determined by EIF for each Financial Intermediary on a case by case basis. The Maximum Regional Volumes available to a selected Financial Intermediary will be made available in tranches, subject to delivery of an extension notice by EIF. Except for the first tranche, EIF may deliver extension notices unlocking further tranches of Maximum Regional Volumes following achievement of pre-set levels of disbursement of the tranche(s) of Maximum Regional Volumes previously made available.

The Guarantees are fronted solely by EIF. EIF is consolidating the Regional Portfolios’ risk and, with respect to each Regional Portfolio, the respective Contributing Region will be the junior risk taker and EIF will be the senior risk taker, together with EIB and CDP.

In accordance with the terms of the Guarantee, the Financial Intermediaries will benefit from a 50% risk cover (the “Guarantee Rate”) on each AGRI Transaction and will pay a Guarantee Fee to the EIF quarterly in arrears.

In order to ensure the necessary alignment of interest, the Financial Intermediaries shall retain a material interest in the guaranteed Portfolios.

A schematic representation of the Guarantee is depicted below:



Compliance with applicable regulations (in particular the Common Provisions Regulation and the EAFRD Regulation and their implementing and delegated acts, as amended from time to time) shall be observed, as relevant, by the various parties according to their roles and responsibilities set out in the relevant agreements. Relevant references will be included in the Guarantee Agreements with Financial Intermediaries.

EIF can enter into Guarantee Agreements until 31 December 2018 (the end of the “**Commitment Period**”). However, the Commitment Period may be extended and if extended a notice will be duly published on EIF’s website following such extension.

The Guarantee Agreements shall be in English and governed by the laws of Luxembourg.

### **3. Eligible Financial Intermediaries**

The EIF shall select one or more Financial Intermediaries to implement the Platform in accordance with the procedure described in section 6 below. The selection of Financial Intermediaries shall be made on a continuous basis, taking into account the above as well as the resources available from time to time, and shall be based on a specific set of criteria.

This Call is addressed and restricted to public or private credit or financial institutions, in each case, duly authorised to carry out lending activities according to the applicable legislation which shall be in all cases established and/or operating in the Republic of Italy.

Financial Intermediaries shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which they may be subject, shall not be in any Exclusion Situation and shall not be established in a Non-Cooperating Jurisdiction.

Financial Intermediaries shall acknowledge the EIF Anti-Fraud Policy which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing (please refer to EIF website)<sup>2</sup> and shall take appropriate measures (as may be further specified in the Guarantee Agreements) to (i) facilitate implementation of such policy as well as to (ii) undertake to support investigations performed by the EIF or the European Investment Bank in connection with actual or suspected prohibited conduct.

### **4. The Expression of Interest procedure**

Financial institutions interested in applying under this Call have to submit an Expression of Interest to the EIF by the Deadline (as defined below, 15/10/2018) to be considered as a potential Financial Intermediary under the Platform.

In accordance with Annex I to this Call, the Expression of Interest has to include the Applicant’s identification and has to provide the information requested in Appendix 3 to the Annex I to this Call, together with supporting documents.

Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement and the Regulation (EC) 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

The information provided as requested in Appendix 3 to the Annex I to this Call should place particular emphasis on:

- a) Envisaged actions for the successful implementation of the Guarantee in each relevant Applicant’s Region, particularly with regard to its launch (timing, target customers,

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<sup>2</sup> [http://www.eif.org/attachments/publications/about/Anti\\_Fraud\\_Policy.pdf](http://www.eif.org/attachments/publications/about/Anti_Fraud_Policy.pdf)

- promotional activities, type of products, changes to the underlying legal documentation, etc.);
- b) Estimated absorption capacity in each of the relevant Applicant's Regions, i.e. expected volumes of AGRI Transactions to be included in each Regional Portfolio, taking into account any existing programme of similar nature implemented or available in parallel to the Platform;
  - c) Proposed improvements to the terms (e.g. pricing, collateral requirements) offered as compared to standard conditions;
  - d) Origination and credit risk management capacity;
  - e) Composition and characteristics of the proposed Regional Portfolios (details to be provided in accordance with Section 5.2 of Annex I to this Call), taking explicitly into account the Eligibility Criteria set out in Annex II to this Call;
  - f) Historical data on performance and track record in lending in the agricultural and agri-business sectors (details to be provided in accordance with Section 5.3 of Annex I to this Call).

Applicants may send questions regarding the Call or the nature and features of the Platform to the email [Agri\\_Platform\\_Italy@eif.org](mailto:Agri_Platform_Italy@eif.org). EIF may publish from time to time the resulting answers in the form of FAQ (Frequently Asked Questions) document posted in the Platform section of the EIF's website ([www.eif.org](http://www.eif.org)). EIF reserves the right to update the FAQ document from time to time as and when it regards appropriate.

The Expression of Interest shall be prepared in English.

#### Note on joint Expressions of Interest

Financial institutions may group together as Participating Entities and submit a joint Expression of Interest. In this case, the joint Expression of Interest has to specify which of the Participating Entities will act as the Applicant. The Applicant shall apply in the name and on behalf of the Participating Entities and shall indicate to the EIF the basis for the joint Expression of Interest. Following the selection of such a joint Expression of Interest and an agreement on all terms and conditions, one set of contractual documentation may be signed with the selected Applicant also on behalf of the other Participating Entities; alternatively, separate contracts may be signed with the selected Applicant and each of the Participating Entities. The ultimate decision on the form of the agreement(s) shall be made by EIF.

All information required under Appendix 3 to the Annex I to this Call must be provided for the Applicant and each and every Participating Entity covered by the joint Expression of Interest.

### **5. Submission of Expressions of Interest**

Expressions of Interest must be submitted by the Deadline both by (i) email and (ii) registered mail or professional courier service. The Deadline refers to (i) in case of e-mails, to the date of reception by EIF and (ii) in case of registered mail or professional courier service, to the date of dispatch proven by the post office stamp or a dispatch receipt.

The Deadline is 15/10/2018, unless EIF should announce that the Deadline will be set on a later date depending, inter alia, on the availability of budgetary resources for the Platform (including in the case of reallocation of resources between Financial Intermediaries) or any agreement reached between the EIF and the governance body of the Platform and, if relevant, any amendment of the agreements governing the relationships of the risk takers of the Platform. Any change in the Deadline will be announced officially in the section of EIF's website relating to the Platform.

#### **Submission by registered mail or professional courier service**

Expressions of Interest sent by registered mail or professional courier service must consist of a closed single package, and must contain the Expression of Interest, together with its attachments, in paper

form and in removable electronic storage medium (e.g. CD-ROM, USB). The annual reports requested should be provided only on the removable electronic storage medium.

The Expressions of Interest shall indicate the name of the Applicant and shall be sent to the following address:

*European Investment Fund  
Regional Mandates Division – Expression of Interest  
Guarantees and Securitisation  
37B, avenue J.F. Kennedy  
L-2968 Luxembourg*

### **Submission by e-mail**

The electronic version of the Expression of Interest must be sent to: [Agri\\_Platform\\_Italy@eif.org](mailto:Agri_Platform_Italy@eif.org), stating in the subject of the email: "AGRI Italy Platform – Expression of Interest: [name of the Applicant]". The requested annual reports may be provided via a link to the Applicant's website or, if preferable, as an attachment to the email.

### **Receipt of Expressions of Interest by EIF**

Following submission of an Expression of Interest, an acknowledgement of receipt will be sent to the relevant Applicants by EIF via e-mail, which shall state the following:

- unique application identifier (Expression of Interest number), to be used in all subsequent communications relating to the Expression of Interest;
- confirmation that the Expression of Interest was received/submitted (as applicable) by the Deadline.

The acknowledgement of receipt does not constitute a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any other kind of assessment or acceptance of the same.

The Applicants may withdraw their Expression of Interest at any stage of the Selection process, by sending (i) an email and/or (ii) a letter to the above-mentioned addresses.

## **6. Selection procedure**

Financial Intermediaries shall be selected on the basis of EIF's policies, rules, procedures and statutes and in conformity with best practices with an open, transparent, proportionate, non discriminatory and objective selection procedure, avoiding conflicts of interest, taking into account the criteria and principles underpinning the program and the experience and financial capacity of the Applicants, with a view to maximising the efficient use of the resources made available to the Platform.

Following the receipt of the Expression of Interest(s), EIF shall assess the application(s) pursuant to the selection process outlined herewith. This process comprises:

1. Pre-selection
2. Due diligence
3. Selection

Following the pre-selection based on the Expression of Interest, EIF shall perform a due diligence of the pre-selected Applicant, as a result of which EIF will decide whether or not to propose to its governing bodies a request for the approval of a Guarantee transaction under the Platform with the pre-selected Applicant. The contractual negotiation process may not be considered concluded prior to the approval of the EIF's governing bodies, and is in any case not concluded until EIF and the

Applicants have agreed on all relevant terms and conditions. Each of these three steps is described in more detail below in section 6.1.

In any phase of the selection process before entering into a legally binding agreement with an Applicant, EIF reserves full discretion to consider Applicants (and Participating Entities, in case of joint Expressions of Interest) in accordance with the criteria for the selection, and no Applicant or Participating Entity has any claim or other right or may expect to be ultimately selected as Financial Intermediary. Any negotiation of the terms and conditions of Guarantee Agreements by no means entails any obligation for EIF to enter into such Guarantee Agreements with the relevant Financial Intermediaries. EIF shall also have sole discretion to decide on the allocation of available amounts to Financial Intermediaries, including to propose a reduction of the volumes requested by the Financial Intermediary.

EIF will send a rejection notice to Applicants whose Expression of Interest was rejected during any stage of the selection process. EIF may, but shall not be obliged to provide reasons for such rejection.

Those Applicants whose Expression of Interest is rejected shall have the right to submit a written complaint by e-mail and registered mail or professional courier service, to the same address used for the submission of the Expressions of Interest above, within thirty (30) days of receipt of the rejection notice. Any complaints will be dealt with within the framework of and in accordance with the EIB Group complaints policy (for further information please visit <http://www.eib.org/infocentre/publications/all/complaints-mechanism-policy.htm>).

### **Geographical scope of Expressions of Interest**

In addition to the Contributing Regions at the time of submission of the relevant Expression of Interest, Applicants may express interest in any of the Potential Regions and provide the required information for such Potential Regions. Only Contributing Regions (at the moment of pre-selection of an Expression of Interest) shall be considered for pre-selection.

As and when further Potential Regions become Contributing Regions, EIF shall duly update the Call for Expression of Interest and Applicants having covered the relevant Region(s) in their Expression of Interest may confirm their interest in such new Contributing Region(s) by email. Notwithstanding the above, Applicants which have not covered Potential Regions in the initial Expression of Interest may, by the Deadline (15/10/2018), express their interest in any such new Contributing Regions by way of submitting an addendum to their Expression of Interest. EIF shall examine the Expression of Interest as regards the new Contributing Region(s) as described in this section 6, after having obtained any additional information requested from the Applicant.

Any Guarantee Agreement signed by EIF in the context of this Platform may provide for Maximum Regional Volumes for all Applicant's Regions. However, the Guarantee Agreement will only be operational with respect to the Maximum Regional Volumes in Regions that are Contributing Regions at the moment of signature. Regional Portfolio Volumes in respect of any new Contributing Region may be made available pursuant to the Guarantee Agreement only upon a notification by EIF to the Financial Intermediary as further set out in the Guarantee Agreement.

#### **6.1. Pre-selection**

Expressions of Interest submitted/received (as applicable) by the Deadline will be assessed by the EIF for pre-selection on a "first come, first assessed" basis. Expressions of Interest received by the Deadline shall be processed by the EIF in accordance with the provisions of this section 6.1 and sections 6.2 and 6.3 below.

When assessing the Expression of Interest, EIF will use its professional analysis and judgment.

The pre-selection comprises:

1. **Pre-selection stage 1 – Formal Assessment:** formal assessment of the Expression of Interest (as set out in section 6.1.1 below);

2. **Pre-selection stage 2 – Minimum Regional Criteria Assessment:** assessment of the Expression of Interest’s compliance with minimum criteria (as set out in section 6.1.2 below) with respect to each Contributing Region;
3. **Pre-selection stage 3 – Quality Assessment** (as set out in subsections (X) (Fast-track criteria), (Y) (Risk profile score), and (Z) (Platform score) of section 6.1.3 below)

Only Expressions of Interest that pass pre-selection stages 1 and 2 will go through to pre-selection stage 3.

During stage 3 of the pre-selection, EIF will evaluate the overall quality of the Expression of Interest. In particular, the pre-selection criteria listed under subsections (X) (*Fast track criteria*) shall first be evaluated, followed by (Y) (*Risk profile criteria*) and (Z) (*Platform profile criteria*).

EIF shall first assess the (X) Fast track criteria. Expressions of Interest complying with the (X) Fast track criteria shall be further assessed immediately as regards the (Y) Risk profile criteria and the (Z) Platform profile criteria (as further described below). Expressions of Interest not complying with the Fast track criteria shall be assessed under the Benchmarking process (as further described below).

Based on the outcome of stage 3, EIF shall assign an overall score to the Expression of Interest, being a combined score between:

- i. A, B or C with respect to the criteria set out in subsection (Y) (*Risk profile criteria*); and
- ii. 1, 2 or 3 with respect to the criteria set out in subsection (Z) (*Platform profile criteria*).

Only Expressions of Interest to which EIF has assigned a combined Platform score equal to A1, A2 or B1 are pre-selected and carried forward to the Due Diligence stage.

Expressions of Interest with combined scores A3, B2 or B3 are included in a reserve list which remains valid until the end of the Commitment Period.

Expressions of Interest with combined scores C1, C2 or C3 are not pre-selected.

A summary of the pre-selection final scorings resulting from the combination of the scores (i.e. A, B or C and 1, 2 or 3) assigned by the EIF at the end of the pre-selection process is set out in the classification table 1 below:

Table (1)

A1	B1	C1	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; align-items: center;"><span style="width: 20px; height: 10px; background-color: #90EE90; border: 1px solid black; margin-right: 5px;"></span> Pre-selected</div> <div style="display: flex; align-items: center;"><span style="width: 20px; height: 10px; background-color: #FFD700; border: 1px solid black; margin-right: 5px;"></span> On reserve list</div> <div style="display: flex; align-items: center;"><span style="width: 20px; height: 10px; background-color: #FF0000; border: 1px solid black; margin-right: 5px;"></span> Not pre-selected</div> </div>
A2	B2	C2	
A3	B3	C3	

All Applicants will be sent a notification about the result of the pre-selection process which can be either:

1. Pre-selection for the Due Diligence phase;
2. Placement of the Expression of Interest on the reserve list; or
3. Rejection of the Expression of Interest for not fulfilling the pre-selection criteria.

Pre-selected Applicants are advanced to the Due Diligence phase (see section 6.2). Applicants on the reserve list may be further considered for pre-selection.

EIF may suspend or abandon the pre-selection process at any time and no Applicant may claim any right to be pre-selected.

#### 6.1.1 Formal assessment

EIF shall assess whether the Expression of Interest for the Platform has been prepared in accordance with the provisions of this Call according to the formal criteria:

1. The Applicant (and any Participating Entity in case of joint Expressions of Interest):
  - a. is established and operating in the Republic of Italy;
  - b. is authorised to carry out its business in the Republic of Italy under the applicable regulatory framework;
  - c. presents an adequate system of internal controls;
  - d. presents an adequate reporting/accounting system; and
2. The Expression of Interest has been prepared in accordance with the Call and all required representations, information and supporting documentation are provided (in the form requested, where specified) and has been duly signed.

The Expressions of Interest that do not conform to the formal criteria are rejected. In case of joint Expressions of Interest, if the Applicant or any Participating Entity covered by the Expression of Interest does not comply with the formal criteria, the entire Expression of Interest is rejected.

#### 6.1.2 Minimum Regional Criteria Assessment

In relation to each Contributing Region for which the Applicant has expressed interest, the following criteria shall be assessed:

1. Adequate capacity to implement the instrument, by reference, inter alia, to historical volumes of loans in the relevant territory and sectors, and any prior experience with public guarantee schemes or management of other relevant forms of public support; and
2. The envisaged methodology to identify and select eligible Final Recipients.

#### 6.1.3 Quality Assessment

After successful assessment of the formal criteria, and after having obtained any additional information or clarifications from Applicants, if and as needed, the EIF will perform a quality assessment of the Expression of Interest (and any Participating Entities in case of joint Expressions of Interest) according to the process set out below.

##### *(X) Fast track assessment*

With a view to fast-tracking Expressions of Interest with the largest geographical spread, EIF shall assess the number of Contributing Regions for which an adequate volume (in relation to the available budget) has been requested in the Expression of Interest. Expressions of Interest covering credibly at least 25% of the available Maximum Regional Initiative Volume in 65% of the number<sup>3</sup> of Contributing Regions shall pass this assessment and shall be immediately further assessed under (Y) and (Z) below, while the others shall continue to be assessed under the Benchmarking process (as further described below under this section).

##### *(Y) Risk profile score*

EIF's assessment will aim at evaluating the risk profile of the envisaged Regional Portfolios and of the Guarantee through the following parameters:

1. Regional Portfolios' granularity and diversification;
2. Regional Portfolios' credit quality and tenor;
3. Applicant underwriting & servicing procedures and policies;

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<sup>3</sup> Rounded up to the closest integer.

4. Completeness of historical data and data quality;
5. Financial standing of the Applicant (and any Participating Entities as the case may be).

*(Z) Platform criteria*

EIF's assessment will aim at evaluating the quality and plausibility of the implementation proposal in each Contributing Region as well as at aggregate Platform level, with particular focus on:

1. Implementation and rollout strategy (including marketing and publicity of the Platform), strategy of the distribution network (including incentives for the sales force);
2. Regional Portfolios' proposed volumes against the Applicant's origination track record and presence of distribution network in the relevant Contributing Regions, including assessment of the experience and ability of the Applicant (and any Participating Entities in case of joint Expressions of Interest) to provide or to support financing to Final Recipients within a predefined timeframe (i.e. absorption capacity in the relevant Contributing Regions);
3. Proposals to improve access to finance for Final Recipients, in the form e.g. of reduced interest rates and reduced collateral requirements;
4. Ability to comply with the relevant regulations, including state aid (e.g. gross grant equivalent calculations) and with the specific reporting requirements.

***The Benchmarking process***

Expressions of Interest not satisfying the Fast Track criteria under (X) above shall be assessed under the Benchmarking process and shall be examined on a comparative and equal basis and at the earlier of (i) the time by which at least 3 (three) Expressions of Interest are submitted or (ii) on a quarterly basis.

**Benchmarking Evaluations** shall be held to assess the pre-selection criteria under (Y) and (Z) above, comparing on an equal and transparent basis all the Expressions of Interest in pre-selection stage 3, with a view of establishing a ranking of the benchmarked Expressions of Interest.

Notwithstanding the above, Applicants may be placed in the reserve list without being assessed for pre-selection in case there are no budgetary resources available at that moment. Should budgetary resources become available before the end of the Commitment Period, EIF may consider such Applicants for further assessment.

**6.2. Due diligence**

Applicants whose Expressions of Interest are pre-selected will be followed up with the due diligence process which will be carried out promptly after the pre-selection of an Applicant.

The due diligence is carried out in accordance with the EIF's internal rules and procedures, where financial and operational matters relating to the Platform's implementation shall be analysed in more detail. The aim of the due diligence is to assess, inter alia, the ability to build up the Regional Portfolios, the Transfer of Benefit, the composition and risk profile of the envisaged Regional Portfolios, the quality of origination, marketing and publicity of the Platform, strategy of the distribution network (including incentives for the sales force), risk management, collection recovery/workout processes, IT systems and ability to comply with the control and reporting requirements. The due diligence may comprise an on-site visit, which shall be at the discretion of the EIF. The due diligence process does not comprise contractual negotiations, however EIF may negotiate the Applicant's commercial terms of the proposal as regards the Platform's implementation.

**6.3. Selection**

Based on the results of the pre-selection and the outcome of the due diligence process the EIF will either:

1. select the Expression of Interest;

2. place the Expression of Interest on the reserve list; or
3. reject the Expression of Interest.

EIF may proceed with requesting the approval of its governing bodies for a Guarantee Agreement to be entered into with the selected Applicant under the Platform. EIF has no obligation to enter into a Guarantee Agreement with a selected Applicant.

#### **6.4 Potential reallocations during implementation of the Platform**

With a view to maximising the efficient use of the resources of the Platform, EIF shall have sole discretion to allocate any amounts available from time to time to Financial Intermediaries that out-perform initial expectations on the performance and build-up of the relevant Regional Portfolios.

### **7. Publishing of information on the Financial Intermediaries, Participating Entities and Final Recipients**

EIF may publish, from time to time, on its website a list of Financial Intermediaries and Participating Entities, which may include the name and the registered addresses of the Financial Intermediaries and Participating Entities, types of the contract entered into and the respective Guarantee amounts. EIF may also publish a list of Final Recipients/AGRI Transactions benefiting from the Platform.

#### **EIF Transparency Policy**

Within the framework of the EIF's Transparency Policy<sup>4</sup> (the "**EIF Transparency Policy**"), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.

Pursuant to this guiding principle, and in accordance with the EIB Group approach and undertakings to promote transparency and good administrative practice, EIF has adopted the practice of publishing the minutes of the Board of Directors ("**Board minutes**") on its website, following their approval and signature.

The published Board minutes only indicate those operations presented for decision which have been approved and, as a general rule, contain a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources.

The EIF Transparency Policy also recognises the need for EIF to balance transparency with confidentiality undertakings and the protection of commercially sensitive or personal data, with a view to EIF satisfying its legal obligations to, and maintaining the confidence and trust of, its business partners, investors and third parties.

Consequently, should an Application receive the relevant EIF internal authorisation for submission to EIF's Board of Directors and be approved by the Board thereafter, and should an Applicant deem that the publication of such a summary would expose sensitive or confidential information, for which there would be a compelling reason not to disclose, the Applicant shall make a declaration to that effect in the submission of the Expression of Interest resulting in the information in question will be edited out of the published Board minutes and, subject to any applicable confidentiality undertakings, only being made public in connection with the signature of the operation in question.

If EIF has not received such declaration confirming that an Applicant does not agree to the publication of the aforementioned operational overview in the Board minutes, EIF will consider that

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<sup>4</sup> [http://www.eif.org/news\\_centre/publications/EIF\\_Transparency\\_policy.htm?lang=-en](http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en)

it is acceptable to the Applicant and each Participating Entity, if applicable, and will proceed with publication on EIF's website as indicated above.

## 8. Definitions and Interpretation

In this Call, capitalised terms and expressions shall have the meaning attributed to them below or as elsewhere defined in this document and its Annexes, unless the context requires otherwise.

AGRI Transactions	Loans and/or finance leases entered into with Final Recipients which comply with all relevant Eligibility Criteria.
Applicant	An entity applying to this Call as a potential Financial Intermediary.
Inclusion Period	The period during which AGRI Transactions to be included in each Regional Portfolio may be approved by the Financial Intermediaries and entered into with Final Recipients.
Commission Recommendation	Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, concerning the definition of micro, small and medium-sized enterprises notified under document number C(2003) 1422), as amended, restated, supplemented and/or substituted from time to time.
Commitment Period	The period during which EIF and Financial Intermediaries can enter into Guarantees Agreement, the deadline of which being 31/12/2018 or such different date as announced officially in the Platform section of EIF's website.
Common Provisions Regulation (CPR)	Common Provisions Regulation (EU) No 1303/2013 of 17 December 2013 of the European Parliament and of the Council.
Data Protection Statement	Means the EIF statement on the processing operations of Applicants and Financial Intermediaries' personal data, as published on the EIF's website <sup>5</sup> .
Deadline	Means 15/10/2018 or such different date as announced officially in the Platform section of EIF's website.
Disbursement End Date	31 December 2023 or such earlier date specified in the Guarantee Agreement.
EAFRD Regulation	Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013.
Eligibility Criteria	Means the eligibility criteria for Final Recipients, AGRI Transactions and the Portfolio set out in Appendix I of Annex II to this Call.
Exclusion Situation	Means any of the situations set out in Appendix 2 of Annex I to the Call.
Expression of Interest	Means an application to this Call submitted to EIF by the Deadline, conforming to the provisions of Annex I to this Call.
Final Recipient	Means a natural or legal person which enters into an AGRI Transaction with the Financial Intermediary.

<sup>5</sup>[http://www.eif.org/attachments/eif\\_data\\_protection\\_statement\\_financial\\_intermediaries\\_due\\_diligence\\_en.pdf](http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf)

Financial Intermediary	Means a Financial or credit institution (including banking groups) duly authorised to carry out lending activities according to the applicable legislation.  Such institution shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which it may subject, shall not be in any Exclusion Situation and shall not be established in a Non-Cooperating Jurisdiction.
Guarantee Agreement	Means a guarantee agreement, entered into between a Financial Intermediary and EIF in connection with the Platform.
Large Enterprise	An enterprise (within the meaning of the Commission Recommendation) that is not an SME (within the meaning of the Commission Recommendation) due to exceeding the relevant thresholds contained in the Commission Recommendation.
Non-Cooperating Jurisdiction	A jurisdiction which does not co-operate with the European Union in relation to the application of the internationally agreed tax standard, or their tax practices do not follow the Commission Recommendation of 6.12.2012 regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (C(2012)8805).
Participating Entities	Means, in case a joint Expression of Interest to the Call is submitted covering the Applicant and at least one additional potential future Financial Intermediary, each and every additional potential future Financial Intermediary covered by such joint Expression of Interest.
Small Mid-Cap	Means an enterprise (within the meaning of Article 1 of the Title I of the Annex of the Commission Recommendation) which:  a) has up to 499 employees calculated in accordance with Articles 3, 4, 5 and 6 of the Title I of the Annex of the Commission Recommendation; and  b) is not an SME.
SME	Enterprises (within the meaning of Article 1 of the Title I of the Annex of the Commission Recommendation) which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million; as further defined in the Commission Recommendation.  For the avoidance of doubt, self-employed persons and individual entrepreneurs may be considered as SMEs pursuant to this definition.

## List of Annexes

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under the AGRI Italy Platform



To:

European Investment Fund

Re: AGRI Italy Platform

Attention: AGRI Italy Team – Expression of Interest

Guarantees and Securitisation

37B, avenue J.F. Kennedy

L-2968 Luxembourg

## EXPRESSION OF INTEREST

For the Guarantee

in the context of the AGRI Italy Platform

Applicant submitting the Expression of Interest:

\_\_\_\_\_, \_\_\_\_\_

(company name, registration number)

Dear Sir or Madam,

Herewith we are submitting our Expression of Interest on behalf of *[Applicant]* and *[Participating Entities]* in response to the Open Call for Expression of Interest dated 24 January 2018 and published on the European Investment Fund website in the framework of the AGRI Italy Platform (the “Platform”). Capitalised terms utilised herein shall have the meaning attributed to them in the Call for Expression of Interest.

The undersigned duly authorised to represent the *[Applicant]* and *[Participating Entities]*, by signing this form certifies/certify and declare(s) that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements.

The undersigned duly authorised to represent the *[Applicant]* and *[Participating Entity]*, by signing this form certifies and declares to have read the EIF Anti-Fraud Policy and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the Guarantee Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the Guarantee Agreement.

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The undersigned, duly authorized to represent the [Applicant] and [Participating Entities], by signing this form certifies and declares that each of the [Applicant] and [Participating Entities] does not perform illegal activities according to the applicable legislation in the countries of establishment.

For the purpose of the EIF Transparency Policy and subject to the approval of the relevant operation by the EIF Board of Directors, the Applicant, by signing this form:

[Please tick as appropriate]

- confirms that the Applicant and [the Participating Entities] agree(s) with the disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in the Board minutes published on EIF's website ([http://www.eif.org/who\\_we\\_are/governance/board\\_of\\_directors/decisions.htm](http://www.eif.org/who_we_are/governance/board_of_directors/decisions.htm)), following the approval and signature of said minutes,

OR

- declares that (i) the Applicant and [the Participating Entities] request(s) the non-disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in the Board minutes published on EIF's website, following the approval and signature of said minutes and (ii) such disclosure would undermine the protection of commercial interests<sup>6</sup> relevant to the operation.

Yours sincerely,

Signature(s):

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name

Place: Date (day/month/year):

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<sup>6</sup> Including by reason of such information being covered by a confidentiality agreement.

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Appendices to Annex I

Appendix 1: Applicant/Participating Entity Identification

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**Appendix 1**

**APPLICANT/PARTICIPATING ENTITY IDENTIFICATION<sup>7</sup>**

INFORMATION REQUIRED	
APPLYING FOR:	<input type="checkbox"/> GUARANTEE
APPLYING AS:	<input type="checkbox"/> APPLICANT <input type="checkbox"/> PARTICIPATING ENTITY
NAME	
LEGAL FORM	
CONTACT DETAILS	Title: Mr/Ms/other (delete or complete as appropriate) Surname: Forename(s): Function: Address: Telephone: Email:

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<sup>7</sup> In case of a joint application, this form shall be completed separately by the Applicant and Participating Entities.

## Appendix 2

### DECLARATION OF HONOUR OF APPLICANT/PARTICIPATING ENTITY<sup>8</sup>

The undersigned [*name of the signatory(ies) of this Declaration*], representing the following legal person: [*name of the Applicant/Participating Entity*] (the "Financial Intermediary")

full official name:

official legal form:

full official address:

VAT registration number:

➤ declares that the Financial Intermediary is not in one of the following situations:

- a) the Financial Intermediary, or persons having powers of representation, decision making or control over it, is as of the date of this declaration bankrupt or being wound up, is as of the date of this declaration having its affairs administered by the courts, in this context, has during the last five (5) years from the date of this declaration entered into an arrangement with creditors, has as of the date of this declaration suspended business activities, is as of the date of this declaration the subject of proceedings concerning those matters, or is as of the date of this declaration in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) during the last five (5) years from the date of this declaration, the Financial Intermediary or persons having powers of representation, decision-making or control over it has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*, which would affect its ability to implement the Platform. Alternatively, where such judgments exist the undersigned declares that the Financial Intermediary can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;
- c) during the last five (5) years from the date of this declaration, the Financial Intermediary or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests. Alternatively, where such judgments exist the undersigned declares that the Financial Intermediary can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;
- d) as of the date of this declaration, the Financial Intermediary is guilty of misrepresentation in supplying information required for selection as a Financial Intermediary or fails to supply this information; and
- e) as of the date of this declaration, the Financial Intermediary is, to its knowledge, listed in the central exclusion database, established under Commission Regulation (EC, Euratom) No 1302/2008 of 17 December 2008 on the central exclusion database.

Full name

Date (day/month/year):

Signature(s)

\_\_\_\_\_

<sup>8</sup> In case of a joint application, this declaration shall be completed separately by each of the Applicant and the Participating Entities.

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## Appendix 3

### INFORMATION REQUIREMENTS

The points below list the headings for the minimum information needed. In case of joint applications all the following information shall be provided for the Applicant and each Participating Entity.

All numerical data provided in the application should please also be provided in electronic format (.xlsx or similar) as per the model provided online.

**For Applicants that have applied to EIF guarantee programmes within one year preceding the submission date of their Expression of Interest under the AGRI Italy Platform, the information requirements included in Section 1, Section 2 and Section 4 may be limited only to the relevant updates or material changes and differences from the latest expression of interest presented to EIF under such other EIF guarantee programme, in particular highlighting the specific characteristics of the Applicant business practices applicable to the AGRI sector.**

The Applicant shall indicate such expression of interest, and associated identifier, which shall be used by EIF for the purpose of the pre-selection process under the AGRI Italy Platform and EIF reserves the right to request clarifications and any additional information during the pre-selection process.

#### 1. FINANCIAL INTERMEDIARY'S ACTIVITY

##### 1.1. General information

1.1.1. General description of the Applicant (date of establishment, number of employees capital structure and shareholders, banking group, organisational structure, distribution network, number of branches, etc.),

1.1.2. Applicant's legal status, regulatory status and applicable regulations, regulatory capital framework<sup>9</sup>,

1.1.3. Definition of the internal business segmentation (including the relevant segments applicable to SMEs and Small Mid-caps) of the Applicant (in terms of number of employees, annual turnover, total assets, etc).

##### 1.2 AGRI financing activity

1.2.1. Description of the lending products offered to Final Recipients, purpose of finance, minimum and maximum maturity of loans, rate of financing (as % of borrower financing needs), minimum and maximum amount, repayment features, etc.

1.2.2. Business strategy (e.g. positioning, objectives, strengths, core products, geographical areas/focus, origination volumes), market share, main competitors – current and outlook.

#### 2. FINANCIAL STANDING

2.1. Key financial figures for the last three full years available to be provided as per the format available online.

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<sup>9</sup> If applicable, standardised approach, foundation IRB Approach, Advanced IRB Approach.

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2.2. Annual reports (including full set of financial statements with independent auditors report) for the last three years (links to the Applicant`s and, in the case of a joint Expression of Interest, the Participating Entities` websites or, alternatively, annual reports to be annexed to the Expression of Interest in electronic version only).

### 3. IMPLEMENTATION

3.1. Applicants in their Expression of Interest are required to address the following items:

- I. Proposed Maximum Portfolio Volume to be originated during the Inclusion Period in the Applicant`s Regions;
- II. Considering that implementing the Platform involves some administrative tasks e.g. the adaptation of internal procedures and IT systems, of AGRI Transaction contracts, or the training of sales force and loan approval bodies, please give an indication of what minimum level of Regional Portfolio Volumes would be expected;
- III. Expected timing of launch of the product in the market following the signature of the Guarantee Agreement. Timing required to build up the proposed Regional Portfolios taking into account necessary pre-implementation actions (adoption of IT systems, development of underlying contracts, etc.) and the indicative eligibility criteria presented in Annex II - forecasts to be provided on a quarterly basis;
- IV. Describe prior/proven experience (including compliance with relevant operational and reporting requirements) with the deployment of other similar EU/EIB/EIF products;
- V. Describe internal organisation set-up (and roles) for the implementation of a potential Guarantee Agreement, including the potential identification of a dedicated project team (or unit) and/or internal incentive mechanisms;
- VI. Describe other measure intended to be undertaken so as to facilitate timely build-up of the Regional Portfolios (e.g. training of sales force and of internal approval bodies);
- VII. Provide a description of the envisaged marketing and publicity actions for the product(s) to be deployed under the Platform. Include potential additional publicity actions to those described in Annex II.

3.2. Proposal regarding the Transfer of Benefit, such as interest rate reduction and/or reduction in collateral requirements, vis-à-vis the Applicant` standard policies, to be applied to each AGRI Transaction).

In this respect the Applicant is requested to provide two examples illustrating the principles underpinning the proposal.

### 4. OPERATING PRINCIPLES (WITH RESPECT TO AGRI FINANCING)

4.1. Credit policy and risk appetite: description of the internal procedures, guidelines, tools and systems used in credit risk assessment.

4.1.1. Risk assessment procedures:

4.1.1.1. If applicable, description of the internal rating models/scoring systems in place and their last validation (including external rating source, if applicable) and if rating models not used for credit risk assessment, description of the tools used instead;

4.1.1.2. Description of the key inputs and their respective weight in the rating output;

4.1.1.3. If applicable, the rating master scale with the respective minimum, maximum and median probability of default (PD) per rating class.

4.1.2. Collateral policy

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- 4.1.2.1. Description of the collateral requirements including personal guarantees (type, valuation, haircuts, down payment/upfront borrower contribution, etc.).
- 4.1.2.2. Description of the Loss Given Default (LGD) model and its validation (if applicable). Description of the key inputs and their respective weight in the LGD output.
- 4.1.3. Description of the approval procedures (process, delegation of approval powers, limits, etc.).
- 4.1.4. Description of the dunning procedure and monitoring system (monitoring of payment dates, early warning system, etc.).
- 4.1.5. Work-out / recovery procedures (steps taken, departments involved, indication whether recovery process is dealt with in-house or is outsourced, length of recovery procedures).
- 4.2. Risk management: methods utilised for loss forecasting, provisioning and credit risk management at portfolio level.

## 5. AGRI FINANCING ORIGINATION AND PERFORMANCE DATA

All information required below in section 5 shall be provided specifically with respect to:

- a) SMEs and Small Mid-caps (to the extent the information is available, otherwise to the relevant internal segments); and
- b) A proxy portfolio of AGRI Transactions that fit at origination with the Eligibility Criteria or, if such information is not available, a portfolio of transactions as comparable as possible to the AGRI Transactions.

At least, the following Eligibility Criteria should be reflected in the extraction of the proxy portfolio: (a) eligible types of debt instruments, (b) minimum and maximum maturity, (c) maximum exposure, (d) SMEs and Small Mid-caps established and/or operating in the Applicant's Regions and SMEs and Small Mid-caps operating in an eligible industry sector.

EIF may ask for clarifications on the provided data, including an anonymous loan-by-loan tape used for the aggregate figures provided, or further breakdowns of the requested data.

Please use the model provided for completion of the required data.

### 5.1 Recent origination

#### 5.1.1. AGRI financing volumes

5.1.1.1. New business: for each Applicant's Region, annual number and principal volume of AGRI Transactions entered into over the past 3 years, split by:

- I. Industry (using NACE Rev.2);
- II. Rating class (e.g. internal scoring/rating/ probability of default/expected loss) (if available);
- III. Internal business segment;
- IV. Type of borrowers (autonomous, SMEs, Small Mid-caps, start-ups and micro enterprises) (if available);
- V. Duration of the AGRI Transactions;
- VI. Purpose of finance (investments or working capital (or other breakdown, please specify));
- VII. Indicative percentage of research and/or innovation driven financing.

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5.1.1.2. Outstanding portfolio: for each Applicant's Region, total number and principal volume of AGRI Transactions outstanding at the most recent available year-end or half-year end (whichever most recently available), split by:

- I. Industry (using NACE Rev.2);
- II. Rating class (e.g. internal scoring/ rating/ probability of default/expected loss) (if available);
- III. Internal business segment;
- IV. Type of borrowers (autonomous, SMEs, Small Mid-caps, start-ups and micro enterprises) (if available);
- V. Duration of the AGRI Transactions;
- VI. Purpose of finance (investments or working capital (or other breakdown, please specify)).

5.1.2. Interest rates and remuneration: description of interest spread components, including a) administrative costs component, b) minimum risk related margin, split by risk category of borrowers.

## **5.2. Expected characteristics of the Regional Portfolios to be built up**

The following information is required for the ex-ante assessment of each Regional Portfolio comprised in the Applicant's Regions.

5.2.1. Expected features of the AGRI Transactions:

Indicative expected breakdown, or expected values of the different features of the AGRI Transactions should be provided, such as:

5.2.1.1. Internal segmentation

Internal segments under which the Applicant intends to classify AGRI Transactions to be included in the Regional Portfolios.

5.2.1.2. Economic sector

Expected Industry sectors (using NACE Rev.2 and their expected weights in each Regional Portfolio (both by number and volume of AGRI Transactions)).

5.2.1.3. Start-ups & micro enterprises

Expected percentage of start-ups and micro-enterprises. Please provide internal definition of a start-up company.

5.2.1.4. Indicative expected breakdown by principal amount and expected average amount.

5.2.1.5. Maturity profile

Expected breakdown by maturity, weighted average maturity (WAM) and weighted average life (WAL).

5.2.1.6. Expected breakdown by amortisation type (French, linear, balloon, bullet, other). Please provide internal definition of bullet and balloon AGRI Transactions

5.2.1.7. Interest rate type breakdown.

Expected breakdown by interest rate type (fixed, floating, other) and subsequent split by indexation and frequency of payment.

5.2.1.8. Expected embedded options percentages and other special features (payments holidays, maturity extensions, IO periods, etc.).

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5.2.2. Portfolio risk profile:

5.2.2.1 Rating/Scoring of the AGRI Transactions in each Regional Portfolio

Expected percentage breakdown of the Regional Portfolio by risk category at origination, e.g. internal scoring / rating / probability of default split by internal risk segment (if different rating models apply to different internal segments).

5.2.2.2 Collateralisation of the AGRI Transactions in each Regional Portfolio

Expected composition by types of collateral (real estate, equipment, other assets, unsecured (i.e. only personal guarantees)). Please also include the respective collateralisation levels (as per the Applicant's valuation policies) or, if available, the expected LGD levels for each type of collateral.

**If the rating and/or LGD models are not used, please provide a professional estimation of the expected default rate and recovery rate of each Regional Portfolio.**

The following data will be requested by EIF only to Applicants that have successfully passed the pre-selection phase of the selection process and has to be provided before the start of the due diligence process. Pre-selected Applicants will be required to provide the following information within a short time frame after the EIF's request. More detailed analysis (e.g. frequency on the vintage analysis table) will depend on the expected Portfolio size requested by the given Applicant. Please use the data model provided.

5.3 Performance Track Record

5.3.1. **If rating models are used** for the AGRI activity, please provide (for each model in use):

- a) the rating master scale with the respective minimum, maximum and median probability of default (PD) per rating class;
- b) the latest back-testing information on the PD model evidencing the actual default frequencies per rating class versus modelled PD and the evolution of the explanatory power of such model (e.g. Gini score) over the last 3 years;
- c) Annual rating migration per rating class for at least the last 3 years;<sup>10</sup>
- d) Observed default frequencies of the different product types and segments and sub segments by scoring/rating category for the last economic cycle (where relevant);
- e) The latest back-testing information on the LGD model evidencing the actual versus modelled LGD.

5.3.2. **If no rating model is used**, please provide the default vintage analysis<sup>11</sup> for each year of origination of transactions and each relevant segment when applicable (for at least the last 5 years, but please provide more years if possible):

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<sup>10</sup> Rating migration matrices should show the actual migration to each one of the other ratings including default. For the avoidance of doubt, AGRI Transactions that had a rating at the beginning of the period but that did not have a rating at the end of the period for reasons not related to credit quality (example, full repayment of facilities) should be reported in a separate column as non-rated.

<sup>11</sup> Vintages are to be presented by reference to all relevant transactions originated during the same year.

Default definition: the default definition used must be in line with the Applicant's internal procedures (e.g. a loan is regarded as defaulted if either it becomes more than X days past due or it has been written-off (other default criteria can also be used)). The default definition used must be specified.

Defaulted amounts: The aggregate of the outstanding principal amount of all transactions that defaulted in each year following their origination date is tracked separately for each vintage. The vintage analysis table is thus produced by

Annex I to the Open Call for Expression of Interest to select Financial Intermediaries  
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- a) Aggregate initial principal amount of transactions granted in each year;
- b) Aggregate defaulted amount for each year following origination, i.e. aggregate outstanding principal amount at the time of default for the transactions belonging to the same vintage (i.e. the same year of origination), with the relevant defaulted principal amounts shown in the respective year of default relative to the year of origination, as presented in the table below:

Please specify the definition of “default” that is reflected in the data provided.

5.3.3. Recovery rate, by year of AGRI Transaction default: the total amount recovered (open and closed cases) to date on the defaulted transactions for at least 5 years (please provide more years if possible), on aggregate basis and split by collateral type, internal segmentation, product, and any other relevant breakdown.

5.3.4. Average time lags between the granting of the transaction, the payment default by the borrower and the end of recovery period (including when resulting in a write-off), on aggregate basis and split by product, risk categories, and any other relevant breakdown.

5.3.5. Proxy portfolio loan-by-loan tape: EIF may request the Applicant to provide an anonymised loan-by loan data tape of the most recent origination (1-2 years history of loans that would be comparable with the expected portfolio and that should have been used to calculate the aggregate figures provided as per sections 5.1 and 5.2 above), including information such as: (i) origination and maturity date, (ii) internal business and/or risk segment, (iii) internal rating/scoring and associated PD, (iv) rating model (if applicable); (v) collateral type and value, (vi) LGD level, (vii) industry, (viii) region where the borrower is located; (viii) amortisation type (French, linear, etc.); (ix) interest rate type (floating, fixed, other) and interest index for floating; (x) margin/coupon (as applicable); (xi) turnover<sup>12</sup>.

Notwithstanding the above, Applicants are encouraged to provide the most detailed level of information (including all data referred to in sections 5.1, 5.2 and 5.3 here above) in order to facilitate EIF’s risk assessment of the Regional Portfolios and the overall Platform.

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recording in each cell - for each vintage line - the total outstanding amount at the time of default for transactions that have defaulted in the year of the relevant column (1, 2, 3, ...). For instance, if the time to default [Time to default = default date - origination date, expressed in number of months] is comprised between 0-12 months, i.e. transactions defaulted within the first year of their life, the respective defaulted amount is to be shown in the column corresponding to year 1; if the time to default is comprised between 13-24 months, the respective defaulted amount is to be shown in the column corresponding to year 2, etc.

<sup>12</sup> Where turnover information is not available a proxy can be provided by internal segment if applicable.

Annex II to the Open Call for Expression of Interest to select Financial Intermediaries  
under the AGRI Italy Platform



EUROPEAN UNION



**AGRI ITALY PLATFORM – INDICATIVE TERMS AND CONDITIONS OF THE GUARANTEE**

*This summary term sheet is for information purposes only. This document is an outline of the indicative 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 discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund (EIF) and/or any other person to enter into one or more transaction(s). Any finance commitment by EIF can only be made, inter alia, after appropriate approval, conclusion of legal 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.*

## **1. OVERVIEW**

The AGRI Italy Platform's objective is to provide better access to finance for Final Recipients through loss protection provided by EIF to selected financial intermediaries ("FI") via an uncapped Guarantee – aimed at achieving compatibility, subject to the relevant regulator's views, with regulatory capital relief in accordance with Regulation (EU) No 575/2013 – for portfolios of newly originated loans financing investments by Final Recipients in the agricultural and agro-industrial sectors ("AGRI Transactions") in the Contributing Regions.

Under the Guarantee, the FIs will originate portfolios of AGRI Transactions in the Contributing Regions (or a sub-set thereof, as applicable). Each Guarantee Agreement will contemplate a Maximum Portfolio Volume available to the FI equal to the aggregate of the Maximum Regional Volumes available to the FI in the relevant Contributing Regions.

Despite the volume targets in each Contributing Region, EIF and each selected FI will enter into a single Guarantee Agreement contemplating the same features (e.g. Guarantee Rate, Guarantee Fee, Eligibility Criteria for the AGRI Transactions, Transfer of Benefit mechanisms) across the selected Contributing Regions, unless otherwise stated in this indicative document or in the Guarantee Agreement.

The Maximum Regional Volumes available to a selected FI will be made available in tranches, subject to delivery of an extension notice by EIF. Except for the first tranche, EIF shall deliver extension notices unlocking further tranches of Maximum Regional Volumes based on achievement of pre-set levels of disbursement of the tranche(s) of Maximum Regional Volumes previously made available.

Each selected FI will benefit from a guarantee provided by EIF, on a loan-by-loan basis, covering defaults, at the Guarantee Rate (i.e. 50%), in respect of new AGRI Transactions included in the Portfolio. The recoveries on the defaulted AGRI Transactions will be shared *pari passu* by the FI and the EIF pro rata to the Guarantee Rate (i.e. 50%).

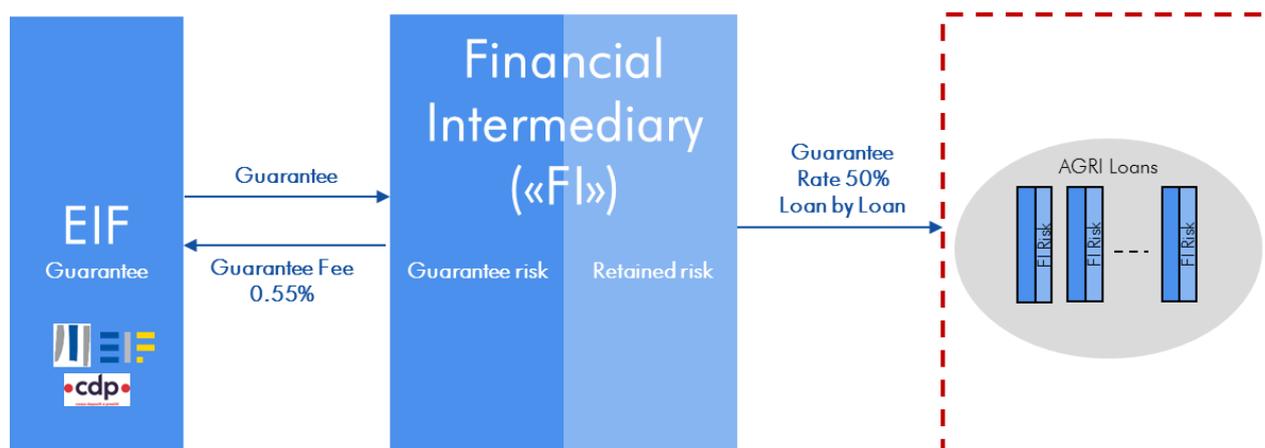
The origination, servicing and recovery processes of Portfolio are delegated by EIF to the selected FIs.

The Guarantee will be uncapped (i.e. covering 50% of the full guaranteed portfolio).

The FIs shall pass on the benefit of the guarantee to the underlying Final Recipients by reducing either the interest rates typically charged by FIs, or the collateralisation levels that would typically be required in accordance with their credit and collection policy, or any combination thereof.

The FIs will manage and service the Portfolio in accordance with their standard credit and collection policy.

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<b>2. INDICATIVE TERMS AND CONDITIONS OF THE GUARANTEE</b>	
<b>A – General</b>	
Guarantee	The Guarantee issued by EIF for the benefit of FIs is an uncapped, unconditional and irrevocable financial guarantee and covers, at the Guarantee Rate, Covered Amounts in respect of AGRI Transactions included in a Portfolio, up to the respective pre-set Maximum Regional Volume for each Contributing Region and, in aggregate, up to the pre-set Maximum Portfolio Volume.
Guarantee Agreement	The agreement entered into between the Guarantor and a Financial Intermediary setting out the terms and conditions of the Guarantee.
Guarantor	The European Investment Fund (EIF).
Contributing Regions	Campania, Emilia Romagna, Puglia, Calabria, Umbria and Veneto.
Potential Regions	All the other Regions: Abruzzo, Basilicata, Friuli Venezia Giulia, Lazio, Liguria, Lombardia, Marche, Molise, Piemonte, Province of Bolzano, Province of Trento, Sardegna, Sicilia, Toscana, Valle d’Aosta <sup>13</sup> . Potential Regions may become Contributing Regions by contributing to the Platform no later than 30/9/2018.
Financial Intermediary (FI)	Financial or credit institution duly authorised to carry out lending activities according to the applicable legislation in Italy. Such institution shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which it may be subject, shall not be in an Exclusion Situation and shall not be established in, or have business relations with entities incorporated in territories being in a Non-Cooperating Jurisdiction.

<sup>13</sup> Out of the Potential Regions, Basilicata, Friuli Venezia Giulia, Piemonte and Toscana have amended the respective Rural Development Programmes in order to contribute resources to the Initiative.

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Exclusion Situation	Means any of the situations set out in Appendix 2 of Annex I to the Call.
Non-Cooperating Jurisdiction	A jurisdiction which does not cooperate with the European Union in relation to the application of the internationally agreed tax standard, or their tax practices do not follow the Commission Recommendation of 6.12.2012 regarding measures intended to encourage third countries to apply minimum standards of good governance in tax matters (C(2012)8805).
<b>B - Guarantee cover</b>	
Guarantee Rate	50% on each AGRI Transaction.
FI Risk Retention	The FIs shall undertake to maintain a minimum 20% risk retention on each AGRI Transaction at all times.
Guarantee Fee	55bps per annum.
Guarantee Fee Amount	The amount payable quarterly in arrears by the FIs, calculated as the product of: <ol style="list-style-type: none"> <li>1. the average daily of the outstanding performing AGRI Transactions during the calendar quarter;</li> <li>2. the Guarantee Rate;</li> <li>3. the Guarantee Fee; and</li> <li>4. the ratio of actual days of the calendar quarter and 360.</li> </ol>
Covered Amounts	<ol style="list-style-type: none"> <li>1. Principal and/or interest (excluding late payment or default interest, capitalised interest, fees and other costs and expenses and excluding any interest amounts which accrued after a period of 90 days from the last payment past due) due, payable and outstanding at such time following occurrence of either a AGRI Transaction Default or a AGRI Transaction Acceleration, or</li> <li>2. Any reduction in principal and/or interest amounts due (excluding late payment, default interest, capitalised interest, fees and other costs and expenses) as a result of an AGRI Transaction Restructuring.</li> </ol>
Credit Event: AGRI Transaction Default	<ol style="list-style-type: none"> <li>1. The FI considers at any time (acting reasonably in accordance with its internal procedures) that a Final Recipient is unlikely to meet its payment obligations under an AGRI Transaction (without recourse by the FI to actions such as realisation of security); or</li> <li>2. a Final Recipient has failed to meet a payment obligation for at least 90 consecutive calendar days under an AGRI Transaction.</li> </ol>
Credit Event: AGRI Transaction Acceleration	The occurrence of an event of default (howsoever defined) under a AGRI Transaction which has entitled the FI to accelerate payment of any amounts owed to it and the FI has exercised such right of acceleration (or is prevented from exercising such rights of acceleration solely by application of mandatory laws and regulations preventing or staying the exercise of such right).

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Credit Event: AGRI Transaction Restructuring	The FI, acting in a commercially reasonable manner and in accordance with its standard internal procedures, agrees to the restructuring of a AGRI Transaction such that the amount of principal scheduled to be paid, and/or any interest amount due, by the relevant Final Recipient is reduced, in order to improve the collectability of the claims arising from the relevant AGRI Transaction.
Payment Demands	<p>The Guarantor shall pay any amounts claimed by the FI within 60 calendar days of the relevant Payment Demand date. Payment Demands may be sent before, during or after the workout/recovery procedures in respect of an AGRI Transaction subject to a Credit Event and shall be:</p> <ol style="list-style-type: none"> <li>1. in respect of Covered Amounts relating to AGRI Transactions included in the Portfolio, provided that such Covered Amounts have been reported to the Guarantor by not later than the second Report Date following the calendar quarter in which such Covered Amount have been registered; and</li> <li>2. sent during any given period from the last day of a calendar quarter to the following Report Date (a Payment Demand Period).</li> </ol>
Servicing and Recoveries	The FI shall perform the servicing of the Portfolio, including monitoring and recovery actions (including the enforcement of any security) in relation to each defaulted AGRI Transaction, in accordance with its standard guidelines and procedures with a view to maximising Recoveries.
Recoveries	<p>Recovery means each and every amount, net of recovery and foreclosure costs (if any), recovered or received by the FI in respect of Covered Amounts, with the exception of any amounts received by the FI in accordance with the terms of a separate guarantee agreement with a guarantee institution on the portion of the AGRI Transaction not covered by the Guarantee. The Guarantee Agreement shall contain clauses specifying in which circumstances the above-mentioned combination with another guarantee from another guarantee institution shall be allowed. For the avoidance of doubt, Financial Intermediaries shall respect the FI Risk Retention of at least 20% at all times.</p> <p>All Recoveries shall be shared <i>pari passu</i> between the Guarantor and the FI, pro rata to the Guarantee Rate (i.e. 50%).</p> <p>The FI shall send to the Guarantor at any relevant time, but not later than 30 days of 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 FI.</p>
Trigger Event	EIF may include Trigger Events in Guarantee Agreements, the occurrence of which entitles EIF, but does not oblige it, to terminate the inclusions of new AGRI Transactions attributable to the relevant Contributing Region in the relevant Regional Portfolio, without affecting the cover of the included AGRI Transactions.

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	<p>Trigger Events may include a Cumulative Default Rate Trigger Event and/or a Portfolio Trigger Event, in each case with respect to any Regional Portfolio.</p> <p>A Cumulative Default Rate Trigger Event occurs if, on one or more specified date(s) during the Inclusion Period, the aggregate outstanding principal amount of defaulted AGRI Transactions in any Regional Portfolio exceeds a predetermined level.</p> <p>A Portfolio Trigger Event occurs if, on one or more specified dates during the Inclusion Period, any Regional Portfolio Volume does not reach a predetermined level.</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, material 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.</p>
<b><u>C. The Portfolio</u></b>	
Portfolio Volume	<p>The aggregate of the Regional Portfolio Volumes covered by the Guarantor.</p> <p>The Portfolio Volume cannot be higher than the Maximum Portfolio Volume.</p>
Maximum Portfolio Volume	<p>The maximum size (in EUR) of the Portfolio Volume which corresponds to the aggregate of the Maximum Regional Volumes.</p> <p>Should further Contributing Regions contribute to the Platform or should further contributions be made by the initial Contributing Regions, the Maximum Portfolio Volume may be adjusted accordingly.</p>
Agreed Portfolio Volume	<p>At any time, the available portion of the Maximum Portfolio Volume which corresponds to the aggregate of the Agreed Regional Volumes.</p>
Regional Portfolio	<p>In relation to a Contributing Region, the portfolio of AGRI Transactions originated directly or indirectly by each FI and attributed to that Contributing Region on the basis of reports received by EIF from the FI.</p>
Regional Portfolio Volume	<p>The aggregate principal of all AGRI Transactions committed by the FI and included in the Regional Portfolio for cover by the Guarantor.</p> <p>Repayments under AGRI Transactions do not result in a reduction of the Regional Portfolio Volume, which remains calculated based on the initial principal amount of the AGRI Transactions.</p> <p>However, the Regional Portfolio Volume will be reduced by:</p> <ul style="list-style-type: none"> <li>- Excluded AGRI Transactions (see Exclusion Process); and</li> <li>- Amounts committed under AGRI Transactions and not disbursed to borrowers by the Disbursement End Date.</li> </ul> <p>If the Regional Portfolio Volume is reduced, the FI will be able to replace the amounts subject to the reduction with new AGRI Transactions under</p>

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	<p>the conditions specified in the Guarantee Agreement and by the Disbursement End Date.</p> <p>The Regional Portfolio Volume cannot be higher than the Maximum Regional Volume.</p>																																												
Maximum Regional Volumes	<p>The maximum size (in EUR) of each Regional Portfolio which (as further described below) shall be made available in instalments to the FI.</p>																																												
Maximum Regional Initiative Volume	<p>With regard to the initial Contributing Regions, the aggregate Maximum Regional Volumes at Platform level are expected to be as follows:</p> <table border="1"> <thead> <tr> <th>Contributing Region</th> <th>Maximum Regional Initiative Volume</th> </tr> </thead> <tbody> <tr> <td>Calabria</td> <td>up to EUR 48.4m</td> </tr> <tr> <td>Campania</td> <td>up to EUR 54.3m</td> </tr> <tr> <td>Emilia Romagna</td> <td>up to EUR 34.3m</td> </tr> <tr> <td>Puglia</td> <td>up to EUR 53.9m</td> </tr> <tr> <td>Umbria</td> <td>up to EUR 22.6m</td> </tr> <tr> <td>Veneto</td> <td>up to EUR 92.7m</td> </tr> <tr> <td><b>Total:</b></td> <td><b>up to EUR 306.2m.</b></td> </tr> </tbody> </table> <p>Should further contributions be made by the initial Contributing Regions, the Maximum Regional Volumes will be updated accordingly.</p> <p>With regard to the Potential Regions, the aggregate indicative Maximum Regional Volumes are expected in the following range, subject to each Potential Region's participation to the Platform and subject to the amount contributed by each Potential Region and the expected risk profile of the relevant Regional Portfolio:</p> <table border="1"> <thead> <tr> <th>Potential Region</th> <th>Maximum Regional Initiative Volume</th> </tr> </thead> <tbody> <tr> <td>Abruzzo</td> <td>up to EUR 25m</td> </tr> <tr> <td>Basilicata</td> <td>up to EUR 25m</td> </tr> <tr> <td>Friuli Venezia Giulia</td> <td>up to EUR 30m</td> </tr> <tr> <td>Lazio</td> <td>up to EUR 50m</td> </tr> <tr> <td>Liguria</td> <td>up to EUR 60m</td> </tr> <tr> <td>Lombardia</td> <td>up to EUR 60m</td> </tr> <tr> <td>Marche</td> <td>up to EUR 25m</td> </tr> <tr> <td>Molise</td> <td>up to EUR 25m</td> </tr> <tr> <td>Piemonte</td> <td>up to EUR 30m</td> </tr> <tr> <td>Province of Bolzano</td> <td>up to EUR 30m</td> </tr> <tr> <td>Province of Trento</td> <td>up to EUR 30m</td> </tr> <tr> <td>Sardegna</td> <td>up to EUR 50m</td> </tr> <tr> <td>Sicilia</td> <td>up to EUR 50m</td> </tr> </tbody> </table>	Contributing Region	Maximum Regional Initiative Volume	Calabria	up to EUR 48.4m	Campania	up to EUR 54.3m	Emilia Romagna	up to EUR 34.3m	Puglia	up to EUR 53.9m	Umbria	up to EUR 22.6m	Veneto	up to EUR 92.7m	<b>Total:</b>	<b>up to EUR 306.2m.</b>	Potential Region	Maximum Regional Initiative Volume	Abruzzo	up to EUR 25m	Basilicata	up to EUR 25m	Friuli Venezia Giulia	up to EUR 30m	Lazio	up to EUR 50m	Liguria	up to EUR 60m	Lombardia	up to EUR 60m	Marche	up to EUR 25m	Molise	up to EUR 25m	Piemonte	up to EUR 30m	Province of Bolzano	up to EUR 30m	Province of Trento	up to EUR 30m	Sardegna	up to EUR 50m	Sicilia	up to EUR 50m
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Toscana	up to EUR 58m						
Valle d’Aosta	up to EUR 30m						
<b>Total:</b>	<b>up to EUR 578m</b>						
Agreed Regional Volume	At any time, the available portion of the Maximum Regional Volume in any Contributing Region.						
Release of Agreed Regional Volumes	<p>As further described in this section, the commitment by EIF to the FI of available Maximum Regional Volumes will be made in successive instalments of Agreed Regional Volume subject mainly to satisfactory levels of disbursement of the previously released Agreed Regional Volume, based on a list provided by the FI as evidence of the disbursed AGRI Transactions.</p> <p>The first instalment shall be made available upon signature of a Guarantee Agreement with EIF. The second, third and fourth instalments may be released to the FI based on % levels of disbursement of the previously released Agreed Regional Volume, as follows:</p> <ul style="list-style-type: none"> <li>- Second instalment: 60% disbursement</li> <li>- Third and fourth instalments: 85% disbursement.</li> </ul> <p>After the fourth instalment, EIF may, at its discretion and based on a risk analysis of each Regional Portfolio aimed at assessing the Regional Portfolios risk profile as against the relevant Platform credit assumptions, release one or more further instalments up to the Maximum Regional Volume.</p> <p>For this purpose, the Guarantee Agreement will contain a series of specific regional target volumes for each Contributing Region covered under the Guarantee.</p> <p>Each increase of the Agreed Regional Volumes up to the Maximum Regional Volumes will be effective upon receipt by the FI of an extension notice by EIF.</p>						
Inclusion Period and Inclusion Process	<p>The Inclusion Period is the period during which AGRI Transactions to be included in each Regional Portfolio may be approved by the FI and entered into with Final Recipients.</p> <p>Depending on the Maximum Portfolio Volume, such period shall typically last between 24 and 36 months (unless terminated earlier because of a Trigger Event or a Guarantee Termination Event) and may be extended in justified circumstances.</p> <p>Only principal amounts that have been disbursed under the AGRI Transactions by the Disbursement End Date (at the latest, 31/12/2023) shall ultimately be included in the Portfolio Volume.</p> <p>Inclusions occur automatically upon receipt by EIF of an inclusion notice and a Report submitted by the FI on a quarterly basis, typically one month after the end of each calendar quarter, and the AGRI Transactions are deemed to be covered from their respective signature date. Each quarterly Report shall concern new AGRI Transactions that have been entered into with Final Recipients during the two preceding calendar quarters.</p>						

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Disbursement End Date	31 December 2023 or an earlier date in the Guarantee Agreement
<b>D. Eligibility and other criteria</b>	
AGRI Transactions	Loans entered into with Final Recipients which comply with the Eligibility Criteria.
Final Recipient	A natural or legal person which enters into an AGRI Transaction with the Financial Intermediary.
Eligibility Criteria	<p>AGRI Transactions and the investments they finance, Final Recipients and each Regional Portfolio, as relevant, will have to comply with a set of Eligibility Criteria.</p> <p>Additional criteria shall be set by EIF on a case-by-case basis, such as thresholds concerning eligible rating classes, minimum levels of portfolio granularity, portfolio percentage limits on bullet or balloon features of AGRI Transactions.</p> <p>A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant AGRI Transaction from the relevant Regional Portfolio, save as specified in the “Exclusion Process”.</p> <p>Depending on the nature of the borrower and the type of investment to be financed with the AGRI Transaction, the Eligibility Criteria mirror the relevant policy objectives set out in the Rural Development Programmes of the Contributing Regions, i.e. either:</p> <p><b>4.1 Support for investments in agricultural holdings</b> (4.1 <i>Investimenti nelle aziende agricole</i>), or</p> <p><b>4.2 Support for investments in processing and marketing of agricultural products</b> (4.2 <i>Investimenti per la trasformazione e commercializzazione de prodotti agricoli</i>).</p> <p>Debt financing provided in the context of <b>sub-measure 4.1</b> shall support investments in agricultural production in order to improve the overall performance and sustainability.</p> <p>Debt financing provided in the context of <b>sub-measure 4.2</b> shall support investments concerning the processing, marketing and/or development of Agricultural Products where the output may be Agricultural Product or a product that is not an Agricultural Product.</p> <p><b>A list of Eligibility criteria is set out in Appendix I.</b></p>
Agricultural Products	Products listed in Annex I to the Treaty on the Functioning of the European Union (TFEU), with the exception of fishery products.
Restricted Sectors and Ineligible Expenditure	<p>Final Recipients which are active (as further specified in Appendix I) in one or more of the Restricted Sectors listed in Appendix II are not eligible to enter into AGRI Transactions covered by the Guarantee.</p> <p>AGRI Transactions may not finance any Ineligible Expenditure, as listed in Appendix II. The list may be further specified in the Guarantee Agreement.</p>

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<p>Exclusion Process</p>	<p>If an AGRI Transaction which has been included in a Regional Portfolio does not comply with relevant Eligibility Criteria, it shall be excluded from the relevant Regional Portfolio (and shall not be covered by the Guarantee).</p> <p>However, if an AGRI Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the FI and 2) after a Payment Demand relating to such AGRI Transaction was served by the FI to the Guarantor such AGRI Transaction shall remain covered by the Guarantee.</p> <p>Similarly, if an AGRI Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the FI but 2) before a Payment Demand relating to such AGRI Transactions was served by the FI to the Guarantor, then such AGRI Transactions shall remain covered by the Guarantee if the FI accelerated payment of all amounts owed to it under such AGRI Transaction no later than on the Report Date immediately following the date on which it became aware of the same. However, if the FI does not accelerate such AGRI Transaction within the timeframe specified above then the relevant AGRI Transaction shall be excluded from the relevant Regional Portfolio and shall be deemed never to have been covered by the Guarantee.</p> <p>The Portfolio Volume shall be adjusted following an exclusion from the relevant Regional Portfolio by deducting the aggregate committed principal amount of the AGRI Transactions excluded.</p> <p>If the Portfolio Volume is adjusted pursuant to this section, the FI may include one or more further AGRI Transactions in the relevant Regional Portfolio to the extent that the relevant Regional Portfolio Volume does not exceed the relevant Maximum Regional Volume and provided that such inclusions are made by the Disbursement End Date.</p>
<p>Transfer of Benefit</p>	<p>In the Guarantee Agreement, the FI shall acknowledge that the Guarantee is provided with the ultimate purpose to enhance access to finance for Final Recipients and shall provide AGRI Transactions at better pricing and/or collateral requirements compared to similar debt financing instruments not covered by the Guarantee, and shall maintain records evidencing such difference. In no case shall the overall interest rate and/or collateral cover of an AGRI Transaction be higher than the overall interest rate and/or collateral cover of a similar transaction in the absence of the Guarantee.</p> <p>Specific proposals to achieve the Transfer of Benefit are to be made by the Applicants as part of the Expression of Interest and may be negotiated by EIF in the interest of furthering the mandate objectives. The finally agreed specific mechanisms shall form part of the Guarantee Agreement (for example, a minimum % reduction in collateral requirements and/or interest rates to be applied to each AGRI Transaction).</p>
<p>State Aid and Aid Intensity rules</p>	<p>In respect of the AGRI Transactions included in a Regional Portfolio, the FI shall ensure compliance with applicable state aid and aid intensity cumulation rules, as further detailed in Appendix III.</p>
<p><b><u>3. MISCELLANEOUS</u></b></p>	

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Reporting - Report Date	The FI shall provide the Guarantor within 30 calendar days <sup>14</sup> after the end of each calendar quarter (the <b>"Report Date"</b> ) with quarterly information in a standardised form (see Appendix IV), including among others, information on the Final Recipients covered by the Guarantee, AGRI Transactions entered into and relevant amounts outstanding.
Monitoring and Audits	<p>FIs and Final Recipients whose AGRI Transactions are covered by the Guarantee shall agree to allow and to provide access to documents and premises related to the Guarantee to the authorities responsible of the audits and controls on the Rural Development Programmes (e.g. Managing and Audit Authorities, Paying Agencies), representatives of the European Commission (including the European Anti-Fraud Office (OLAF)), the European Court of Auditors, EIF, agents of EIF and/or any other European Union institution or 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 FI shall also include appropriate provisions in the relevant AGRI Transaction documentation.</p> <p>The FIs shall provide any information from time to time requested by EIF with the objective of assessing the risk profile of the exposures of each contributor to the Platform.</p>
Compliance with Laws	<p>FIs shall comply in all respects with all applicable laws and regulations (whether national laws and regulations or laws and regulations of the European Union) to which it may be subject.</p> <p>The FI shall include in the documentation evidencing the AGRI Transaction:</p> <p>(x) undertakings from the Final Recipients equivalent to those contained above; and</p> <p>(y) any representations, warranties and undertakings from the Final Recipients for the purpose of ensuring that each AGRI Transaction included in the Regional Portfolios shall comply at any relevant time with the Eligibility Criteria.</p>
Publicity and Visibility	<p>FIs shall carry out information, marketing and publicity campaigns, including through their website or alternative ways of communication, aimed at making the Platform known to potential Final Recipients in the Contributing Regions, as required by and as further specified in Annex XII of the CPR.</p> <p>FIs shall ensure that the AGRI Transaction contractual documentation, promotional material, press releases and any publication on their website or alternative ways of communication contains pre-defined logos and a pre-set statement concerning the support obtained from the Platform.</p>
Governing Law and Language	The terms of the Guarantee Agreement shall be in the English language and the Guarantee Agreement will be governed by the laws of Luxembourg.

<sup>14</sup> FIs shall provide the Guarantor with such information within 20 calendar days with respect to information related to the last calendar quarter of each year

**APPENDIX I**  
**ELIGIBILITY CRITERIA**

The Eligibility Criteria are composed of the (i) Rural Development Programme Criteria (indicatively set out in Section A), (ii) Final Recipient Eligibility Criteria (indicatively set out in Section B), (iii) AGRI Transaction Eligibility Criteria (indicatively set out in Section C), Portfolio Eligibility Criteria, as set out below and as may be further supplemented or otherwise modified in the Guarantee Agreement.

Each AGRI Transaction included in a Regional Portfolio shall comply with the Rural Development Programme Criteria, Final Recipient Eligibility Criteria and the AGRI Transaction Eligibility Criteria, and the each Regional Portfolio shall comply with the Portfolio Eligibility Criteria.

Certain Eligibility Criteria shall be met at all times, while certain Eligibility Criteria shall only be met on the signing date or approval date of the relevant AGRI Transaction (or another date where specifically indicated in the Guarantee Agreement).

A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant AGRI Transaction(s) from the relevant Regional Portfolio, save as specified in the term "Exclusion Process".

It should be noted that the Eligibility Criteria might be adapted during the implementation of the AGRI Italia in order to cater for relevant market developments and legislative changes. In any case, any such change will not affect eligibility of AGRI Transactions already included.

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**Section A - Rural Development Programme Criteria**

These criteria set out the key target groups of the Contributing Regions’ policy for the AGRI Italia programme, its main eligible costs and its main exclusions, which also reflect relevant EU regulations. Depending on the nature of the borrower and investment to be financed that is presented to the Financial Intermediary, the project will fall either under measure **4.1 “Support for investments in agricultural holdings”** or under measure **4.2 “Support for investments in processing/marketing and/or development of agricultural products”**. Depending on this classification, only the Rural Development Programme Criteria in the relevant column in the table below need to be applied. All the other Eligibility Criteria set out in the following sections B and C below are applicable to all AGRI Transactions.

<i>Sub-measure</i>	<u><b>4.1 “Support for investments in agricultural holdings”</b></u>	<u><b>4.2 “Support for investments in processing/marketing and/or development of agricultural products”</b></u>
<p><b>1. Eligible recipients</b>      <b>final</b></p>	<p>a) Professional farmers (i.e. <i>imprenditori agricoli professionali</i>) as evidenced by the certification of such status by the relevant competent authority. They may be natural or legal persons and may also be constituted in the form of legal groupings/joint ventures (e.g. in the form of cooperatives, including Large Enterprises); or</p> <p>b) Any other natural or legal person identified and declared as an eligible farmer under the relevant Rural Development Programme (RDP), as evidenced by a certification issued by the relevant Contributing Region.</p>	<p>a) Professional farmers (i.e. <i>imprenditori agricoli professionali</i>) as evidenced by the certification of such status by the relevant competent authority. They may be natural or legal persons and may also be constituted in the form of legal groupings/joint ventures (e.g. in the form of cooperatives, including Large Enterprises); or</p> <p>b) Any other natural or legal person identified and declared as an eligible farmer under the relevant Rural Development Programme (RDP), as evidenced by a certification issued by the relevant Contributing Region;</p> <p>in each case a) and b) above only to the extent the Agricultural Products to be processed, marketed and/or developed (in relation to the project to be financed with debt financing in the context of the Platform) are externally sourced and not produced by the Final Recipient (for the avoidance of doubt, projects aiming to process, market and/or develop Agricultural Products produced by the Final Recipient are eligible under sub-measure 4.1); or</p> <p>c) Any SME or Small Mid-Cap active in the processing, marketing and/or development of Agricultural Products (the output of the production may be a non-Agricultural Product).</p>

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<p><b>2. Eligible Investments</b></p>	<p>Debt financing provided in the context of sub-measure 4.1 shall support investments in agricultural production in order to improve the overall performance and sustainability, infrastructure related to the development, modernisation or adaptation of agriculture, access to farm land, consolidation and improvement, and saving of energy:</p> <ul style="list-style-type: none"> <li>a) Purchase of new machinery and/or equipment;</li> <li>b) Construction, purchase, restructuring, or improvement of any property used to process, transform, stock and market the Agricultural Products;</li> <li>c) Improvements to the property used to process, transform, stock or market Agricultural Products using materials that would improve the energy efficiency;</li> <li>d) Land improvement (e.g. land and/or hydraulic/agricultural accommodations; planting of orchards);</li> <li>e) Construction and/or renovation of facilities to stock and/or treat the wastewater of the agricultural holding, including facilities built using technologies aimed at reducing CO<sub>2</sub> and other greenhouse gasses;</li> <li>f) Equipment to treat the wastewater of the agricultural holding;</li> <li>g) Purchase of hardware and software aimed at the adoption of ICT;</li> <li>h) Machinery and equipment aimed at reducing the environmental impact of farming through land preservation (conservative and precision farming);</li> <li>i) Adoption of active defence systems to preserve crops from the effects of extreme weather events and from damages caused by wild animals and predators.</li> </ul>	<p>Debt financing provided in the context of sub-measure 4.2 shall support investments concerning the processing, marketing and/or development of Agricultural Products where the output may be an Agricultural Product or a product that is not an Agricultural Product:</p> <ul style="list-style-type: none"> <li>a) Purchase of new machinery and/or equipment;</li> <li>b) Construction, purchase, restructuring, improvement of any property used to process, transform, stock and market Agricultural Products;</li> <li>c) Purchase of hardware and software aimed at the adoption of ICT.</li> </ul>
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<p><b>3. Eligible costs</b></p>	<p>In the context of an Eligible Investment, the costs that can be supported with the Guarantee are those eligible under article 45 of the EAFRD Regulation 2013/1305/EC i.e.:</p> <p>a) Purchase of new machinery, equipment;</p> <p>b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient;</p> <p>c) General costs linked to a supported investment (e.g. feasibility studies);</p> <p>d) Working capital ancillary to, and linked to the above investments, within the limits set out in EAFRD Regulation 2013/1305/EC (as amended and supplemented from time to time)*.</p> <p>VAT costs related to the above eligible costs are also eligible.</p>	<p>In the context of an Eligible Investment, the costs that can be supported with the Guarantee are those eligible under article 45 of the EAFRD Regulation 2013/1305/EC i.e.:</p> <p>a) Purchase of new machinery, equipment;</p> <p>b) Construction, acquisition, renovation, etc. of property linked to the business activity of the Final Recipient</p> <p>c) General costs linked to a supported investment (e.g. feasibility studies)</p> <p>d) Eligibility of working capital ancillary to, and linked to the above investments within the limits set out in EAFRD Regulation 2013/1305/EC (as amended and supplemented from time to time)*.</p> <p>VAT costs related to the above eligible costs are also eligible.</p>
<p>* In particular, the threshold for working capital in Article 45(5) of EAFRD Regulation 2013/1305/EC has been recently amended via Regulation 2017/2393 as follows: "Where support is provided through a financial instrument established in accordance with Article 37 of Regulation (EU) No 1303/2013, working capital may be eligible expenditure. Such eligible expenditure shall not exceed EUR 200 000 or 30 % of the total amount of the eligible expenditure for the investment, whichever is the higher."</p>		
<p><b>4. Ineligible Expenditure (see Appendix II for full list)</b></p>	<ul style="list-style-type: none"> <li>• Purchase of used machinery and equipment;</li> <li>• Purchase of used property that in the previous 10 years has already benefited of public funding;</li> <li>• Investments aimed at complying with EU regulation;</li> <li>• Investments for the mere substitution of machinery and equipment already owned by the agricultural holding;</li> <li>• Land purchase;</li> <li>• The purchase of agricultural production rights;</li> <li>• Livestock or annual crops purchase or planting;</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of used machinery and equipment;</li> <li>• Purchase of used property that in the previous 10 years has already benefited of public funding;</li> <li>• Investments aimed at complying with EU regulation;</li> <li>• Investments for the mere substitution of machinery and equipment already owned by the agricultural holding;</li> <li>• Land purchase;</li> <li>• The purchase of agricultural production rights;</li> <li>• Livestock or annual crops purchase or planting;</li> </ul>

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	<ul style="list-style-type: none"> <li>• Purchase of machinery and equipment for production and marketing of products imitating or substituting milk or dairy products;</li> <li>• Photovoltaic plants located on the farm land;</li> <li>• Investments in the production of energy (including for own use by the Final Recipient);</li> <li>• Investments in irrigation;</li> <li>• Business transfers.</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase of machinery and equipment for production and marketing of products imitating or substituting milk or dairy products;</li> <li>• Photovoltaic plants located on the farm land;</li> <li>• Investments in the production of energy (including for own use by the Final Beneficiary);</li> <li>• Investments in irrigation;</li> <li>• Business transfers.</li> </ul>
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### Section B - Final Recipient Eligibility Criteria

“Final Recipient Eligibility Criteria” means the following criteria:

No.	Final Recipient Eligibility Criteria	Time of Compliance
1.	(i) The Final Recipient shall have a registered place of business in a member state of the European Union; and  (ii) the economic activity (including, without limitation, operative unit or productive branch) for the benefit of which the relevant debt financing is used shall be in the Region to which that debt financing is attributed.	Signing Date
2.	The Final Recipient is potentially economically viable (as assessed by the Intermediary in accordance with its internal procedures).	Signing Date
3.	The Final Recipient shall not be "in difficulty" (within the meaning of Commission Regulation (EU) No 651/2014 of 17 June 2014 <sup>15</sup> ) (as assessed by the Financial Intermediary in accordance with its internal procedures).	Signing Date

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<sup>15</sup> Under Commission Regulation 751/2014 of 17 June 2014 enterprises in difficulty are defined under Article 2, paragraph (18) as enterprises for which at least one of the following situations applies:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and ‘share capital’ includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II to Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

(1) the undertaking's book debt to equity ratio has been greater than 7,5 and

(2) the undertaking's EBITDA interest coverage ratio has been below 1,0.

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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.	Signing Date
6.	The Final Recipient does not have a substantial focus on one or more Restricted Sectors (which determination shall be made by the Intermediary in its discretion based, without limitation, on the proportionate importance of such sector on revenues, turnover or client base of the relevant Final Recipient).	Signing Date
7.	The Final Recipient shall not be an enterprise that has benefitted of state aid which has been declared illegal or noncompliant by the European Commission and has not yet returned or deposited in a blocked bank account the relevant amount, pursuant to Decree of President of Council of Ministers issued on 23 May 2007, as amended from time to time.	Signing Date

**Section C - AGRI Transaction Eligibility Criteria**

“AGRI Transaction Eligibility Criteria” means the following criteria:

No.	AGRI Transaction Eligibility Criteria	Timing of Compliance
1.	The AGRI Transaction shall be newly originated.	Signing Date
2.	The AGRI Transaction shall either have an amortising or a bullet repayment schedule, or be a revolving AGRI Transaction.	Continuing
3.	The expenditure to be supported by the AGRI Transaction shall be incurred after the date of application by the Final Recipient for the AGRI Transaction, and the investments to be supported by the debt financing transaction shall not be physically completed or fully implemented on the approval date of the documents evidencing such debt financing transaction.	Continuing
4.	The AGRI Transaction shall comply with the Transfer of Benefit.	Continuing

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5.	No AGRI Transaction shall be granted to a Final Recipient to which the Intermediary has, in accordance with the Credit and Collection Policy at the time when the relevant AGRI Transaction is approved, assigned an internal rating worse than [•].	Approval date
6.	The AGRI Transaction has a minimum scheduled maturity of not less than 24 months.	Continuing
7.	The AGRI Transaction shall comply with a Maximum Transaction Maturity of 144 months, provided that the scheduled maturity date of the AGRI Transaction may be longer, up to the closest end of calendar quarter.	Continuing
8.	The AGRI Transaction shall be denominated in Euro.	Continuing
9.	Subject to the applicable EU State Aid and Aid Intensity rules set out in the Appendix III, the amount committed by the Financial Intermediary under an AGRI Transaction shall not exceed 1% of the respective Maximum Regional Volume.	Continuing
10.	The investments to be supported by the AGRI Transaction shall be expected to be financially viable and shall be analysed on the basis of their quality (in accordance with the Financial Intermediary's internal procedures).	Signing Date
11.	The AGRI Transaction shall not refinance or restructure an existing loan.	Continuing
12.	The AGRI Transaction shall not finance Ineligible Expenditure.	Continuing
13.	The AGRI Transaction shall not be affected by an Irregularity <sup>16</sup> or fraud.	Continuing
14.	The amount committed by the Financial Intermediary under the AGRI Transaction shall comply with State Aid and Aid Intensity rules, as detailed in Appendix III.	Signing Date and on each date on which one of the parameters used for the calculation of

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<sup>16</sup> Means any breach of EU law, or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the European Structural and Investment Funds, which has, or would have, the effect of prejudicing the budget of the EU by charging an unjustified item of expenditure to the budget of the EU.

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		the maximum principal threshold amount and/or GGE is changed
15.	<p>(a) Expenditure items financed by the AGRI Transaction may receive assistance from another ESI Funds or rural development programme or from another instrument supported by the budget of the EU, provided that:</p> <p>(i) such combination is in line with applicable EU state aid or aid intensity rules as set out in the relevant Rural Development Programme Criteria; and</p> <p>(ii) separate records are maintained for each source of assistance; (b) The AGRI Transaction shall not be used to pre-finance grants.</p>	Continuing
16.	The AGRI Transaction shall not be in the form of a mezzanine loan, a subordinated debt, a quasi-equity transaction or a convertible loan.	Continuing

In addition, each Regional Portfolio shall have to comply with certain **Portfolio Eligibility Criteria** which may be set by EIF on a case by case basis (such as, for example, maximum percentages of each Maximum Regional Volume that may be allocated to (i) Final Recipients belonging to specific rating classes in accordance with the rating systems of the FI, (ii) bullet and balloon AGRI Transactions, (iii) AGRI Transactions with initial principal amount exceeding a certain threshold, etc.).

**APPENDIX II**  
**RESTRICTED SECTORS AND INELIGIBLE EXPENDITURE**

**RESTRICTED SECTORS<sup>17</sup>**

**1. Illegal Economic Activities**

Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity ("**Illegal Economic Activity**").

Human cloning for reproduction purposes is considered an Illegal Economic Activity.

**2. Tobacco and Distilled Alcoholic Beverages**

The production of and trade in tobacco and related products, except in cases where the financing made available under the Final Recipient transaction is aimed at the diversification of such Final Recipient's business from such activities (i.e., the production of and trade in tobacco and related products) to other activities that do not fall within the Restricted Sectors, in which cases the maximum initial principal of all such AGRI Transactions may not exceed 10% of the Maximum Portfolio Volume.

The production of and trade in distilled alcoholic beverages and related products.

**3. Production of and Trade in Weapons and Ammunition**

The financing of the production of and trade in weapons and ammunition of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

**4. Casinos**

Casinos and equivalent enterprises.

**5. IT Sector Restrictions**

Research, development or technical applications relating to electronic data programs or solutions, which:

(i) aim specifically at:

- (a) supporting any activity included in the EIF Restricted Sectors referred to under 1. to 4. (inclusive) above;
- (b) internet gambling and online casinos; or
- (c) pornography,

or which:

(ii) are intended to enable to illegally:

- (a) enter into electronic data networks; or
- (b) download electronic data.

**6. Life Science Sector Restrictions**

When providing support to the financing of the research, development or technical applications relating to

- (i) human cloning for research or therapeutic purposes; and
- (ii) Genetically Modified Organisms ("**GMOs**"),

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<sup>17</sup> "Guidelines on the EIF Restricted Sectors" available at:

[http://www.eif.org/news\\_centre/publications/2010\\_Guidelines\\_for\\_Restricted\\_Sectors.htm](http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm)

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the Guarantor will require from the Intermediary appropriate specific assurance on the control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

### **INELIGIBLE EXPENDITURE**

The Final Recipient Transaction shall not finance Ineligible Expenditure which refers to and includes (but is not limited to):

- Purchase of used machinery and equipment;
- Purchase of used property that in the previous 10 years has already benefited of public funding;
- Investments aimed at complying with EU regulation;
- Investments for the mere substitution of machinery and equipment already owned by the agricultural holding;
- Land purchase;
- Substitution investments;
- The purchase of agricultural production rights;
- Livestock or annual crops purchase or planting;
- Purchase of machinery and equipment for production and marketing of products imitating or substituting milk or dairy products;
- Photovoltaic plants located on the farm land;
- Investments in the production of energy (including the production of energy for own use by the Final Recipient);
- Investments in irrigation as defined under Article 46 of the EAFRD Regulation 2013/1305/EC;
- Business transfers;
- investments in installations, the primary purpose of which is touristic accommodation (in the field of agri-tourism),
- retrofit investments,
- Fines, financial penalties, litigation expenses and costs exemptions,
- Recovery costs, bank charges and other financial costs,
- activities constituting pure financial transactions (such as trading in financial instruments);
- real estate development when undertaken as a financial investment activity
- the provision of consumer finance
- an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Financial Intermediary or the relevant Final Recipient, including without limitation, human cloning for reproduction purposes);
- the production of and trade in tobacco and distilled alcoholic beverages and related products;
- the financing of the production of and trade in weapons and ammunition of any kind or military operations of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- casinos and equivalent enterprises;
- internet gambling and online casinos;
- pornography and prostitution;
- nuclear energy;

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- activities which give rise to environmental impacts which cannot be adequately mitigated;

The binding list of Restricted Sectors and Ineligible Expenditure shall be set in the Guarantee Agreement.

**APPENDIX III**  
**STATE AID AND AID INTENSITY RULES**

In case of agricultural activities supported by the European Agricultural Fund for Rural Development (EAFRD), state aid rules do not apply to the regional contribution or to additional funding from the regional and/or national budget. In such case support to Final Recipients has to be compliant with the provisions of the EAFRD regulations when provided to investments for the production of Agricultural Products and the transformation of Agricultural Products resulting in Agricultural Products (“**Aid Intensity**” rules). When the support is provided for investments for the transformation of Agricultural Products resulting in outputs which are not Agricultural Products, the financial instrument has to be compliant with State Aid rules, i.e. (for this programme) the De Minimis Regulation 1407/2013 (hereinafter, the “**de minimis**”).

In respect of AGRI Transactions, the Financial Intermediaries shall ensure compliance with the aforementioned applicable State Aid and Aid Intensity rules, in accordance with the following table:

Objective of the financing	Nature of the Final Recipient transaction	
	<i>When the Final Recipient has declared that no other form of support is or will be granted or requested.</i>	<i>When the Final Recipient has declared that other forms of support have been granted/requested, specifying the GGE linked to the additional support and the maximum aid intensity provided for in the Relevant Rural Development Programme (RDP).</i>
Production of Agricultural Products and Transformation, (where the output of the transformation is an Agricultural Product), marketing or development of Agricultural Products	GGE ≤ 20% of the Total eligible costs of the investment to be financed with the Final Recipient transaction.  The parties acknowledge that in some Regions the maximum aid intensity set in the respective RDP is higher than 20%. Nonetheless, given the nature of the Agri Italy Platform and the need for the eligibility criteria to be the same across all Regions, the Parties agree to set at 20% the maximum allowed GGE in cases where the Final Recipient has declared that no other form of support is or will be granted or requested.	GGE of the loan + GGE of other forms of support ≤ maximum aid intensity set in the relevant measure of the respective RDP
Transformation of agricultural products (where the output is <b>not</b> an Agricultural Product)	GGE of the loan + GGE linked to other de minimis support received over the relevant timeframe set out in the de minimis regulation, as declared by the Final Recipient, must not exceed EUR 200,000	GGE of the loan + GGE linked to other de minimis support received over the relevant timeframe set out in the de minimis regulation, as declared by the Final Recipient, must not exceed EUR 200,000

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	AND	AND
	GGE of the loan + GGE of other forms of support ≤ maximum aid intensity set in the relevant measure of the respective RDP as declared by the Final Recipient	GGE of the loan + GGE of other forms of support ≤ maximum aid intensity set in the relevant measure of the respective RDP as declared by the Final Recipient
Calculation of GGE	<p>The GGE shall be calculated based on an excel tool to be provided by EIF, which shall be based on Article 4.6(c) of the de minimis Regulation, and on the Commission Notice on the application of Articles 87 and 88 of the EC Treaty to State aid in the form of guarantees (2008/C 155/02) (as may be amended from time to time) referred to therein. Should the above methodology not be applicable to an AGRI Transaction, such AGRI Transaction's GGE shall be calculated based on the equivalence set out in Article 4.6(b) of the de minimis Regulation and shall be:</p> <p><math>GGE = \text{AGRI Transaction initial principal amount} \times \text{Guarantee Rate} \times \text{Loan duration (in years)} \times 200/1500/5.</math></p>	

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**APPENDIX IV**  
**INDICATIVE REPORTING TEMPLATE**

**Summary portfolio information**

<b>Portfolio</b>	<b>Currency</b>	<b>Amount</b>	<b>% Maximum Portfolio Volume</b>
Actual Portfolio Volume	EUR		
Maximum Portfolio Volume	EUR		

<b>Final Recipient Transactions</b>	<b>Currency</b>	<b>Number (quarterly)</b>	<b>Quarterly Amount</b>	<b>Number (cumulative)</b>	<b>Cumulative Amount</b>
Committed	EUR				
Disbursed	EUR				
Outstanding principal amount	EUR				
Defaulted (Losses)	EUR				
Recoveries	EUR				
Payment Demand	EUR				
Excluded	EUR				
Total number of SMEs supported	na				

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**table A1 - Beneficiaries**

A.1.1.	A.1.2.	A.1.3.	A.1.4.	A.1.5.	A.1.6.	A.1.7.	A.1.8.	A.1.9.	A.1.10.	A.1.11	A.1.12	
Fiscal number	Beneficiary name	Address	Postal Code	Place	Region (NUTS Code)	Country	Date of establishment	Sector  (NACE code )	Number of employees	Total Turnover EUR	Total Assets EUR	Comments

**table A2 - New transactions**

A.1.1.	A.2.1.	A.2.1.1.	A.2.2.	A.2.3.	A.2.3.1.	A.2.4.	A.2.4.1.	A.2.5.	A.2.5.2	A.2.6.	A.2.6.1.	A.2.7.
Fiscal number	Transaction reference	Transaction type	Transaction currency	Purpose	Activity sector of investment (NACE code)	Total Eligible Project Cost	of which working capital	Transaction principal amount	linked to investment (Transaction reference)	Transaction Maturity (months)	Grace period (months)	Transaction signature date

*Optional, needed only in case of working capital linked to investment being provided via a separate loan than the investment loan: the relevant investment Loan ID needs to be reported*

**table A2 continued**

A.2.8.	A.2.8.1	A.2.9.	A.2.10.	A.2.12.	A.2.13.	A.2.15.	A.2.16.	A.2.16.1	A2.17	A.2.18	A.2.19	
Repayment frequency	First disbursement date	Investment location (NUTS)	Amortisation Profile	Reference Rate	Interest rate / margin over Reference Rate	Loss Given Default	Value of Collateral	Main type of collateral	Publication of SME (Y/N)	Gross Grant Equivalent amount	Type of Operation	Comments

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**table B - Included transactions**

A.1.1.	A.2.1.	B.1.	B.2.	B.2.1.	B.3.	B.5.	B.6.	B.7.
Fiscal number	Transaction reference	Cumulated disbursed principal amount	Transaction outstanding principal amount	Theoretical / Contractual outstanding amount	End of disbursement period	Beneficiary scoring	Beneficiary rating model used	Defaulted Beneficiary Transaction date

**table D - Expired/repaid transactions**

A.1.1.	A.2.1.	D.1.
UIC number	Transaction reference	Repayment date

**table E - Excluded transactions**

A.1.1.	A.2.1.	E.1.	E.2.	E.3.	E.4.
UIC number	Transaction reference	exclusion_date	exclusion_type	excluded_transaction_amount	coverage_implication

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**table PD - Payment demand**

A.1.1. UIC Number	A.2.1. Transaction reference	C.1. Event date	C.2. Transaction Currency	C.3. Loss amount in principal	C.4. Unpaid interest	C.5. Recovery amount
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**table LR - Loss recoveries**

A.1.1. UIC number	A.2.1 Transaction reference	Recovery payment currency	C.2.1. Applied FX Rate	C.6. Recovery Date	C.7. Recovery Amount
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