



Indicative terms and conditions for the Portfolio Risk Sharing Loan under CYPEF

Important Disclaimer

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

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” or the “Relevant Entity”) and/or or any other person to enter into one or more transaction(s). Any finance commitment by the Relevant Entity can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The Relevant Entity does not act as adviser to you or owe you any fiduciary duty. The Relevant Entity does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

Overview of the Portfolio Risk Sharing Loan (“PRSL”)

PRSL shall both provide funding and cover losses¹ incurred by the Financial Intermediary (“FI”) in respect of the risk sharing part of each Transaction included in the Portfolio. The risk sharing covers, at any time, 50% of the outstanding amount of each Transaction (i.e. the “Risk Sharing Cover”).

For the purpose of alignment of interest, the FI will have to retain a minimum 20% exposure of the outstanding principal amount of each Transaction included in the Portfolio.

The FI shall perform, in accordance with its standard origination and servicing procedures, and according to pre-defined eligibility criteria on a transaction-by-transaction and portfolio basis, the origination, due diligence, documentation, monitoring and servicing of the Transactions. In this context, the FI shall retain the direct client credit relationship relating to each Final Recipient Transaction. Final Recipient Transactions will be automatically covered, by way of the FI submitting inclusion notices to EIF on a quarterly basis until the end of the relevant Inclusion Period (as defined below). Any such inclusion notice shall include a confirmation from the FI that each of such Final Recipient Transaction is compliant with all the eligibility criteria and undertakings as set forth in the PRSL Agreement.

The PRSL Agreement is structured (inter alia) to achieve compatibility, subject to the relevant regulator’s views and any national legal and regulatory requirements, with regulatory capital relief in accordance with Regulation (EU) No 575/2013.

¹ Relating to the occurrence of Credit Events and reduced pro-rata by any recovered amounts, as further detailed below.

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The FIs shall ensure that the benefit of the PRSL is passed on to the Final Recipients, by reducing the funding and risk costs allocated to Transactions, to be further analysed by EIF during the selection process.

Drawing of the PRSL

The PRSL will be made available to FIs in tranches, subject to delivery of one or more extension notices by EIF. Except for the first tranche, EIF shall deliver extension notices unlocking further tranches of the PRSL based on achievement of pre-set levels of disbursement to Final Recipients of the tranche(s) previously made available. Notwithstanding the foregoing, the unlocking of further tranches shall be at the full discretion of the EIF.

Repayment of the PRSL

The outstanding principal of the PRSL shall be repaid quarterly, by matching the principal repayment of the Final Recipient Transactions.

As a result of the embedded risk sharing element (i.e. the Risk-sharing Guarantee as further detailed below), the outstanding principal amount of the PRSL shall be reduced by the Covered Losses.

Stand-alone Risk-sharing Guarantee

In certain pre-defined cases (i.e. the PRSL Acceleration Events, as further detailed below), the funding component of the PRSL shall be cancelled. However, the Risk-sharing Guarantee will continue to be effective in relation to Covered Losses incurred following the occurrence of a credit event as set out in section B below (i.e. a Final Recipient Transaction Default, a Final Recipient Transaction Acceleration or a Final Recipient Transaction Restructuring) and in accordance with the mechanism described in section C below.

Indicative Terms and conditions of the PRSL	
A- General Terms	
PRSL	The risk-sharing loan provided by EIF to the FIs is a senior loan made available to (i) co-finance (at the Risk-sharing Rate) the origination of a portfolio of Final Recipient Transactions and (ii) share the credit risk related to the underlying portfolio of Final Recipient Transactions at the Risk Sharing Cover (i.e. Covered Losses), up to the respective pre-set PRSL Maximum Commitment.
PRSL Agreement	The agreement entered into between EIF and a Financial Intermediary setting out the terms and conditions of the PRSL.
Lender	The European Investment Fund (EIF).
Financial Intermediary	Any entity (including financial or credit institutions) duly authorised to carry out financing to Final Recipients according to the applicable legislation and operating in the Republic of Cyprus. Such institution shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism, tax evasion and tax fraud to which it may be subject and shall not (other than as a result only of events or circumstances beyond the control of the Financial Intermediary) be established in territories determined as Non-Compliant Jurisdictions, as defined in the open Call For Expression of Interest to select Financial Intermediaries under CYPEF, unless in the case of NCJ Implementation.

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	<p>“NCJ Implementation” means that the Final Recipient is established and operating in the country of establishment of the Financial Intermediary and that there is no indication that the relevant Final Recipient Transaction supports actions that contribute to (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e. tax fraud and tax evasion) and (ii) artificial arrangements aimed at tax avoidance.</p>
Transactions or Final Recipient Transaction	Mean a transaction signed between the FI and an eligible Final Recipient, included in the Portfolio.
Governing Law and Language	The terms of the PRSL Agreement shall be in the English language and the PRSL Agreement shall be governed by the laws of Luxembourg.
Scheduled Final Maturity Date	Subject to the occurrence of any PRSL Acceleration Events or PRSL Agreement Termination Events, the PRSL shall be repaid in full at the latest by [31 December 2037].
Coverage Period	PRSL will cover Defaulted Amounts that have occurred from the start of the Inclusion Period and until the earlier of (i) the Scheduled Final Maturity Date and (ii) the occurrence of a PRSL Agreement Termination Event.
Inclusion Period	<p>The Inclusion Period is the period during which Transactions to be included in the Portfolio may be signed by the Financial Intermediary and entered into with Final Recipients.</p> <p>Subject to the terms of the PRSL Agreement, the Inclusion Period may start prior the signing date of the PRSL Agreement. In such case, Transactions originated prior to the signature of the PRSL Agreement shall nevertheless comply with all the provisions of the PRSL Agreement, including, without limitation, the Final Recipient Transaction Eligibility Criteria.</p> <p>The Inclusion Period shall typically last between 24 and 36 months (unless terminated earlier because of the occurrence of a Trigger Event, a PRSL Acceleration Event or a PRSL Termination Event).</p> <p>Inclusions occur upon receipt by the Lender of an inclusion notice and a Report submitted by the Financial Intermediary on a quarterly basis, at the latest one month after the end of each calendar quarter, and the Transactions are deemed to be covered from their respective signature date.</p>
B- PRSL co-financing and risk-sharing	
Risk Sharing Cover	Risk Sharing Cover is the portion up to 50% of the outstanding amount of each Transaction covered, at any time, by the PRSL.
FI Risk Retention	The FI undertakes, at all times until the expiration of the PRSL, that it shall comply with the FI Risk Retention, i.e. it shall maintain an economic exposure of at least 20% of the outstanding principal amount of each Transaction (the “Relevant Portion”) included in the Portfolio, and it shall not enter into any credit support, guarantee or other risk transfer arrangements with respect to the Relevant Portion.

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PRSL Maximum Commitment	The maximum aggregate amount of principal of PRSL that can be made available to the FI.
PRSL Commitment	At any time, the available portion of the PRSL Maximum Commitment. The PRSL Commitment shall not, in any case, exceed the PRSL Maximum Commitment.
Release of the PRSL Commitment	As further described in this section, the commitment by the Lender to the FI of the available PRSL Maximum Commitment will be made, at the Lender's discretion, in successive instalments of PRSL Commitment subject mainly to satisfactory levels of disbursement of the previously released PRSL Commitment (i.e. based on, inter alia, a list provided by the FI as evidence of the amounts disbursed under Final Recipients Transactions, in form and substance satisfactory to EIF). Each increase of the PRSL Commitment will be effective upon receipt by the FI of an extension notice from EIF.
Disbursement under the PRSL	The PRSL shall be available for drawdown ex-ante or ex-post (i.e. before or after the disbursement of Transactions) subject to the terms of the PRSL Agreement
PRSL Currency	EUR
PRSL Outstanding Principal Amount	Means the amount of principal outstanding under the PRSL, which corresponds to cumulative amounts disbursed to the FI and not repaid or reduced as a result of the application of PRSL Repayments, prepayments and/or Covered Losses.
PRSL Interest	The FI shall pay to the Lender on a quarterly basis the PRSL Interest calculated for each interest period as the product of: (a) the PRSL Interest Rate; (b) the ratio of the number of days in the interest period, divided by 360, and (c) the PRSL Outstanding Principal Amount on each day during the interest period.
PRSL Interest Rate	A fixed or floating interest rate set in the PRSL Agreement. The PRSL Interest Rate maybe communicated by the EIF in advance upon request of the FI.
PRSL Repayment	The repayment shall be made in the form of a pass-through repayment, i.e. the PRSL shall be repaid quarterly, by matching the principal repayment of the Final Recipient Transactions.
Prepayment of the PRSL	Prepayment of the full (but not a portion) of the PRSL Outstanding Principal Amount is possible at any time with no penalties applied.
Defaulted Amounts	Means in respect of Final Recipient Transactions, <ol style="list-style-type: none"> 1. Principal due, payable and outstanding at such time following occurrence of either a Final Recipient Transaction Default or a Final Recipient Transaction Acceleration, or 2. Any reduction in principal due (excluding amounts of principal in excess of the amounts paid by the Intermediary to the Final Recipient) as a result of a Final Recipient Transaction Restructuring; <p>and excluding in each case interest, late payment or default interest, step-up interest, capitalised interest or any other interest amounts, fees and any other costs and expenses.</p>

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Covered Losses	Means the amount equal to the product of Defaulted Amounts and the Risk Sharing Cover.
Credit Event	Means a Final Recipient Transaction Default, a Final Recipient Transaction Acceleration or a Final Recipient Transaction Restructuring. The reporting of Credit Events to the Lender shall be made within three Report Dates following the calendar quarter in which such Defaulted Amounts have occurred.
Final Recipient Transaction Default	The earlier of: <ul style="list-style-type: none"> - Any time when the Financial Intermediary considers at any time (acting reasonably in accordance with its internal procedures) that a Final Recipient is unlikely to meet its payment obligations under a Final Recipient Transaction (without recourse by the Financial Intermediary to actions such as realisation of security); or - A Final Recipient has failed to meet a payment obligation for at least 90 consecutive calendar days under a Final Recipient Transaction.
Final Recipient Transaction Acceleration	Unless otherwise specified in the specific terms of the PRSL Agreement, the acceleration is the occurrence of an event of default (howsoever defined) under a Final Recipient Transaction which has entitled the Financial Intermediary to accelerate payment of any amounts owed to it and the Financial Intermediary 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).
Final Recipient Transaction Restructuring	Unless otherwise specified in the specific terms of the PRSL Agreement, the Financial Intermediary, acting in a commercially reasonable manner and in accordance with its standard internal procedures, agrees to the restructuring of a Final Recipient 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 Final Recipient Transaction.
Recoveries	Each and every amount, net of recovery and foreclosure costs (if any), recovered or received by the FI in respect of Defaulted Amounts, including by way of set-off. Definition of Recoveries shall be adapted, if necessary, to address the specificities of the products covered under the PRSL Agreement with the relevant FI. All Recoveries shall be shared <i>pari passu</i> between the Lender and the FI, pro rata to the Risk Sharing Cover.
Trigger Event	EIF may include Trigger Events in the PRSL Agreement, the occurrence of which entitles EIF, but does not oblige it, to terminate the Inclusion Period, i.e. new inclusions of Transactions in the Portfolio, without affecting the cover of the included Transactions. Trigger Events may include <i>inter alia</i> a Portfolio Trigger Event and/or a Compliance Trigger Event with respect to a Portfolio. A Portfolio Trigger Event occurs if, on one or more specified dates during the Inclusion Period, sum of the initial principal committed amount of all Final Recipient Transactions included in the Portfolio does not reach a predetermined level.

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PRSL Acceleration Events	The PRSL Agreement will set out standard acceleration events such as cross default, change of control etc., the occurrence of which entitles the Lender to terminate the Inclusion Period, to cancel the available undrawn PRSL Commitment and to declare that all of the amounts accrued or outstanding under the PRSL shall be due and payable. The Risk-sharing Guarantee will survive in case of the occurrence of a PRSL Acceleration Event.
PRSL Agreement Termination Events	The PRSL Agreement will set out standard events of default (e.g. including non-payment of amounts due under the PRSL Agreement, breach of obligation, insolvency, unlawfulness and misrepresentation,...). On and at any time after the occurrence of an event of default the Lender may, by notice to the FI, terminate the Inclusion Period and declare that all of the amounts accrued or outstanding under the PRSL shall be due and payable. The occurrence of an event of default will also result in the early termination of the PRSL Agreement (including, for the avoidance of doubt, of the Risk-Sharing Guarantee).
Transfer of Benefit	The PRSL Agreement will contain specific obligations for the FI to ensure that the benefit of the PRSL is passed on to the largest extent possible to the Final Recipients in the form of reduced funding and risk costs and that such transfer of benefit is documented accordingly. Each Final Recipient must individually be made aware of (i) the Republic of Cyprus' and EIB's support and (ii) the specific financial advantage it has benefitted from as a result of the PRSL. EIF shall analyse the transfer of benefit mechanism proposed by the Financial Intermediaries and may, where appropriate, adjust the transfer of benefit during the due diligence phase.
C- Risk-sharing Guarantee	
Risk-sharing Guarantee	Means the irrevocable and unconditional financial guarantee of Covered Losses granted by the Lender to the FI subject to the terms of the PRSL Agreement which will be discharged as follows: <ul style="list-style-type: none"> - Before the occurrence of a PRSL Acceleration Event, by setting-off the relevant amount from the Intermediary's repayment obligations under the PRSL until the PRSL Outstanding Amount is reduced to zero; and - After the occurrence of a PRSL Acceleration Event, by payment of the relevant amount to the Intermediary subject to receipt of a Payment Demand (the "Stand-alone Risk-sharing Guarantee").
Payment Demands	In accordance with the terms of the Stand-alone Risk-sharing Guarantee, the Lender shall pay any amounts validly 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 a Final Recipient Transaction subject to a Credit Event and shall be: <ol style="list-style-type: none"> 1. in respect of Defaulted Amounts relating to Final Recipient Transaction included in the Portfolio, provided that such Defaulted Amounts have been reported to the Lender by not later than the third Report Date following the calendar quarter in which such Defaulted Amounts have been registered; and 2. sent during any given period from the last day of a calendar quarter to the following Report Date (a Payment Demand Period).

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D- The Portfolio	
Portfolio	The portfolio of Final Recipient Transactions originated by the FI and included under the PRSL on the basis of reports and inclusion notices received by the EIF from the FI.
Portfolio Volume	<p>Means the aggregate committed principal amount of all Final Recipient Transactions included in the Portfolio.</p> <p>Regular scheduled repayments under Final Recipient Transactions do not result in a reduction of the Portfolio Volume, which remains calculated based on the initial principal amount of the Final Recipient Transactions.</p> <p>However, the Portfolio Volume will be reduced as a result of the events mentioned below under the Reallocation of Funds (e.g. in relation to excluded Final Recipient Transactions (see Exclusion Process), amounts committed and not disbursed to Final Recipients, amounts prepaid or cancelled, etc).</p> <p>If, following the end of the Inclusion Period, the Portfolio Volume is reduced, the Borrower will be able to replace the amounts subject to the reduction with new Final Recipient Transactions under the conditions specified in the PRSL Agreement.</p> <p>The Portfolio Volume cannot be higher than the Reference Portfolio Amount.</p>
Reference Portfolio Amount	The maximum size (in EUR) of the Portfolio, which shall be increased in line with the release of the PRSL Commitment mechanism.
Inclusion Period and inclusion process	<p>Inclusion Period means the period during which the FI shall originate Final Recipient Transactions to be included in the Portfolio.</p> <p>Such period shall typically last between 24 and 36 months (unless terminated earlier because of the occurrence of a Trigger Event, a PRS Loan Acceleration Event or a PRSL Agreement Termination Event).</p> <p>Inclusions occur upon receipt by the Lender of an inclusion notice submitted by the Borrower on a quarterly basis, no later than one month after the end of each calendar quarter, and the Final Recipient Transactions are deemed to be covered from their respective signature date.</p>
E- Eligibility and other criteria	
Eligibility Criteria	A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant Guaranteed Transaction(s) from the Portfolio save as specified in the "Exclusion Process".
Final Recipient	A natural or legal person which has entered into a Final Recipient Transaction.
SME	A micro, small or medium-sized enterprise as defined in the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (2003/361/EC) ("Commission Recommendation") as amended from time to time.
MidCap	An enterprise with minimum 250 and less than 3000 employees (full-time equivalent). The number of employees is calculated on a consolidated basis, following the Commission Recommendation.

EIB Side Letter	The terms and conditions of the EIB's CYPEF financing to the Republic of Cyprus that will be annexed to the PRSL Agreement and sets detailed eligibility criteria and other requirements applicable to the PRSL, the Financial Intermediary and Final Recipient Transactions.
Summary of Eligibility Criteria	<p>Detailed eligibility criteria applicable to the Portfolio shall be set out in the EIB Side Letter.</p> <p>Both SMEs and Midcaps are eligible under CYPEF. Final Recipient Transactions to Midcaps shall not exceed 30% of the Portfolio.</p> <p>The maximum Final Recipient Transaction amount shall not exceed EUR 25m, subject to the applicable State aid rules.</p> <p>Final Recipient Transaction shall be newly originated and re-financing shall not be eligible.</p> <p>The purpose of the Final Recipient Transaction shall be investment in tangible or intangible assets, including leases, working capital, or business transfers. Final Recipient Transaction with both a fixed repayment schedule or a revolving credit line can be included in the Portfolio.</p> <p>At the time of approval, the relevant Final Recipient shall not be subject to collective insolvency proceedings nor fulfil the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.</p> <p>Further eligibility criteria will apply as set out in the PRSL Agreements.</p>
Restricted Sectors	<p>Final Recipients who have a business activity consisting of one or more of the Restricted Sectors are not eligible to enter into Final Recipient Transactions.</p> <p>The binding list of restricted sectors shall be set as of the date of the PRSL Agreement and will be set out therein.</p>
Exclusion Process	<p>If a Final Recipient Transaction which has been included in the Portfolio does not comply with relevant Eligibility Criteria or any other requirements set out in the PRSL Agreement, it shall be excluded from the Portfolio.</p> <p>However, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Borrower and 2) after a Defaulted Amount relating to such Final Recipient Transaction was reported by the Borrower to the Lender such Final Recipient Transaction shall not be excluded from the Portfolio.</p> <p>Similarly, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Borrower but 2) before a Defaulted Amount relating to such Final Recipient Transaction was reported by the Borrower to the Lender, then such Final Recipient Transaction shall not be excluded from the Portfolio if the Borrower accelerated payment of all amounts owed to it under such Final Recipient Transaction no later than on the Report Date immediately following the date on which it became aware of the same. However, if the Borrower does not accelerate such Final Recipient Transaction within the timeframe specified above then the relevant Final Recipient Transaction shall be excluded from the Portfolio and shall be deemed never to have been co-financed by the PRSL, nor covered by the Risk-Sharing Guarantee.</p>

	<p>The Portfolio Volume shall be adjusted following an exclusion from the Portfolio by deducting the committed principal amount of the excluded Final Recipient Transaction.</p> <p>If, after the end of the Inclusion Period, the Portfolio Volume is adjusted pursuant to this section, the FI may include, within the limits of the committed principal amount of such excluded Final Recipient Transaction, one or more Final Recipient Transactions in the Portfolio.</p>
<p>Reallocation of Funds</p>	<p>PRSL Agreement shall provide that if one of the following events occurs in respect of a Transaction before 31 December 2025:</p> <ul style="list-style-type: none"> (A) a Transaction has not, or will not be disbursed within the disbursement period set out in the corresponding Transaction agreement or will only partially be disbursed to the Final Recipient; and/or (B) a Transaction is voluntarily prepaid by the Final Recipient; and/or (C) a Transaction is prepaid by an Final Recipient following a demand for prepayment or it is cancelled for any reason; and/or (D) the eligible costs of any Transaction (as such costs are defined in the EIB Side Letter) have been reduced to the extent that the amount of the CYPEF’s allocation made to any such Transaction exceeds the amount eligible under the EIB Side Letter; and/or (E) a Transaction is cancelled, abandoned or terminated; and/or (F) a Final recipient is not in compliance with the provisions of the relevant Transaction Agreement; and/or (G) a Final Recipient, a Transaction or a project financed by a Transaction is no longer eligible according to the provisions of the EIB Side Letter; <p>then the relevant Financial Intermediary may reallocate the relevant CYPEF funds allocated to such Transaction to new Transactions provided that it complies with all applicable eligibility criteria and other requirements pursuant to the PRSL Agreement.</p> <p>If any of the above occur after 31 December 2024 and before 31 December 2025 the relevant amounts under such new Transaction shall be disbursed within 60 days.</p>
<p>F- Miscellaneous</p>	
<p>Visibility and promotion</p>	<p>The FIs shall carry out adequate information, marketing and publicity campaigns, including through their website or alternative ways of communication to achieve equivalent visibility.</p> <p>The FIs shall further ensure that the Final Recipient Transaction agreements, promotional material, press releases and any publication on their website or alternative ways of communication to achieve equivalent visibility pertaining to the Facility contains a statement to the effect that the Final Recipient Transactions benefit from support from the EIB and CYPEF (as further detailed in the PRSL Agreement).</p>

Reporting	<p>The FI shall provide the EIF, within 30 calendar days after the end of each calendar quarter (the "Report Date"), with quarterly information in a standardised form, including among others, information on the Transactions and Final Recipients covered by the PRSL and a confirmation that any such reported Final Recipient Transaction complies with the eligibility criteria and all the relevant undertakings of the PRSL Agreement.</p> <p>Other reporting may be required from the FI as per specific schedule to the PRSL Agreement.</p>
Monitoring and Audit	<p>Financial Intermediaries, shall agree to allow and to provide access to documents and premises related to the PRSL for the representatives of the relevant national authorities, national court of auditors, the European Anti-Fraud Office ("OLAF"), the European Public Prosecutor's Office (EPPO) the EIF, agents of the EIF, the EIB, and any EU or national institution or body which is entitled to verify the use of the PRSL. To that effect, the Financial Intermediaries shall also include appropriate provisions in each agreement with Final Recipients.</p>
Compliance with Laws	<p>The FI 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 take note of (i) the EIB's Environmental and Social Standards² and (ii) the EIB Group's statement of tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism (as published on EIB's website).</p> <p>The FI shall include in the documentation evidencing the Final Recipient Transaction:</p> <ul style="list-style-type: none"> - undertakings from the Final Recipients equivalent to that described above; and - any representations, warranties and undertakings from the Final Recipients necessary for the purpose of ensuring that each Final Recipient Transaction included in the Portfolio shall comply at any relevant time with the Eligibility Criteria.
Final Recipient Undertakings	<p>The FIs shall obtain from Final Recipients the undertakings set out below and shall monitor them. In the event of a breach of any of the Final Recipient undertakings, a process for repayment or exclusion of the relevant loan from the portfolio shall be undertaken.</p> <p>The relevant Final Recipient Transaction agreement between the FI and the Final Recipient shall require that each Final Recipient:</p> <ul style="list-style-type: none"> (a) undertakes to use the funding for the financing and/or implementation of the relevant Final Recipient Transaction; (b) undertakes to complete the project within a period of time specified in the Final Recipient Transaction agreement; (c) undertakes to purchase equipment, secure services and order works: <ul style="list-style-type: none"> (i) in so far as they apply to it or the relevant project, in accordance

² <https://www.eib.org/en/infocentre/publications/all/environmental-and-social-standards.htm>

	<p>with EU Law in general and in particular with the relevant EU Directives; and</p> <ul style="list-style-type: none"> (ii) in so far as the EU Directives do not apply, by procurement procedures which, to the satisfaction of the EIB, respect the criteria of economy and efficiency and, in case of public contracts, the principles of transparency, equal treatment and non-discrimination on the basis of nationality; (d) to the extent applicable, undertakes to maintain, repair, overhaul and renew, as well as properly insure all property forming part of the project in accordance with the terms of the Transaction agreement; (e) undertakes to comply in all respects with all laws and regulations to which it or a project promoted by it is subject (including any relevant environmental laws); (f) undertakes to execute and operate the project in accordance with the relevant standards of EU Law, as well as the relevant laws of a jurisdiction where such project is carried out; (g) to the extent applicable, undertakes to obtain all relevant authorisations (for construction and operation) to comply with national laws on environment and competition; (h) undertakes to keep books and records of all financial transactions and expenditures in connection with the project, in which full and correct entries shall be made of all financial transactions and the assets and business of such Final Recipient, including to the extent applicable, expenditures in connection with the project; (i) represents to the FI, that, to the best of its knowledge, no funds invested in the project by it or any of its controlling entities are of illicit origin, including products of money laundering or linked to the financing of terrorism, as well as undertakes to promptly inform the FI if at any time it becomes aware of the illicit origin of any such funds; (j) undertakes to: <ul style="list-style-type: none"> (i) allow persons designated by the EIB, the EIF and, when required by the relevant mandatory provisions of EU Law, the competent EU institutions (including the European Court of Auditors, the European Commission, the European Anti-Fraud Office), as well as persons designated by the foregoing: <ul style="list-style-type: none"> (1) to visit the sites, installations and works comprising the project and to conduct such checks as they may wish; (2) to interview representatives of a Final Recipient, and not obstruct contacts with any other person involved in or affected by the project; and (3) to conduct such on the spot audits and checks as they may wish and to review the Final Recipient's books and records in relation to the execution of the project and to be able to take copies of related documents; and
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	<ul style="list-style-type: none"> (ii) provide the EIB or the EIF (or any such other institution or body), or ensure that the EIB or EIF (or any such other institution or body) is provided, with all necessary assistance for the purposes described in this paragraph; (k) request any disbursements from, and make any payments to the FI, under a Transaction Agreement using bank account(s) in the name of such Final Recipient held with a duly authorised financial institution in the jurisdiction where such Final Recipient is incorporated or has its place of residence or where the project is undertaken by such Final Recipient; (l) undertakes to: <ul style="list-style-type: none"> (i) take, within a reasonable timeframe, appropriate measures in respect of any member of its management, who have been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any activity in relation to CYPEF funds under the relevant Transaction agreement or in relation to the relevant project; and (ii) promptly inform the FI of any measure taken by it pursuant to this paragraph; (m) unless prohibited by law, undertakes to promptly inform the FI of a genuine allegation, complaint or information with regard to Criminal Offence related to any project it undertakes; (n) acknowledges that the EIB or the EIF may be obliged to communicate information relating to the Final Recipient, the Transaction and the project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of EU Law; (o) ensures that all contracts in relation to the Transaction to be procured by the Final Recipient after the date of signature of the Transaction agreement in accordance with EU Directives on procurement provide for: <ul style="list-style-type: none"> (i) the requirement that the relevant contractor promptly informs the FI of a genuine allegation, complaint or information with regard to Criminal Offences related to the Transaction; (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Transaction; and (iii) the EIB's and EIF's right, in relation to an alleged Criminal Offence, to review the books and records of the relevant contractor in relation to the Transaction and to take copies of documents and undertakes to prepay the financing in case of non-compliance with the above terms and conditions; and (p) ensures, before disclosing any personal data (other than mere contact information relating to such Final Recipient (when it is a natural person)
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	<p>or such Final Recipient's personnel involved in the management of the Transaction (when it is a legal person) ("Final Recipient Contact Data") to the Intermediary in connection with the Transaction, that each data subject of such personal data:</p> <ul style="list-style-type: none"> (i) has been informed of the potential further disclosure to the EIB and EIF (including the categories of personal data to be disclosed); and (ii) has been advised on the information contained in (or has been provided with an appropriate link to) the EIB's privacy statement in relation to its lending and investment activities as set out from time to time at https://www.eib.org/en/privacy/lending (or such other address as the Borrower may notify to them in writing from time to time).
Maintenance of records	<p>The FI shall inter alia maintain and be able to produce all documentation related to the application of the PRSL Agreement, including those related to the assessment and monitoring of the eligibility criteria.</p>
Publicity	<p>The FI shall undertake to inform each Final Recipient of the Republic of Cyprus' (through CYPEF) and EIB's support and of the financial advantage stemming from CYPEF and EIB's involvement through product labelling, where the name of the product should clearly refer to the CYPEF and EIB contribution (e.g. loans co-financed with the Cyprus Entrepreneurship Fund), including the financial advantage, which should be clearly estimated and transparently represented to the Final recipient by including in the relevant agreement with the Final Recipient the following provision:</p> <p>"The European Investment Bank, the financing institution of the European Union established by Article 309 of the Treaty on the Functioning of the European Union, participates side-by-side with local financial institutions in the financing of investment programmes which form part of the objectives of the European Union. The present loan satisfies all eligibility criteria for financing by the European Investment Bank. The [name of the FI] grants to you a financial advantage reflected on the interest rate. Such financial advantage amounts to a [#] bps ([#] basis points) per annum compared to the annual interest rate we would charge for this loan without the EIB's participation".</p> <p>FIs shall include an information page on the CYPEF and EIB's activity in favour of Final Recipients on their website dedicated to Midcaps and SMEs medium and long term financing products. This should include eligibility criteria and a reference to the advantageous conditions of CYPEF/EIB. The contents of the information page in the internet shall be agreed between the FI and EIF.</p>