



Call for Expression of Interest to select Financial Intermediaries that will receive resources from the Czech ESIF Fund-of-Funds and EIF co-investment to implement the following Financial Instruments: Accelerator & Seed Capital Fund(s) and/or Venture Capital Fund(s)

Reference number: Call for EoI - CZFoF 2017/01

Introduction

As part of the Operational Programme Enterprise and Innovations for Competitiveness 2014-2020¹ (hereinafter, “OP”), with the purpose of tackling the market failure identified by the ex-ante assessment carried out by the Ministry of Industry and Trade of the Czech Republic (“MIT”) together with Deloitte Advisory s.r.o. and finalised in October 2015 (“Ex-ante Assessment”), MIT has agreed to dedicate resources to the implementation of a fund-of-funds with EIF, hereinafter Czech ESIF Fund-of-Funds (“CZFoF”), in accordance with Article 38 (4)(b)(i) of the Common Provision Regulation (“CPR”) and in accordance with the provisions of a funding agreement entered into on 24 January 2017 between MIT and EIF (“Funding Agreement”).

The relevant rules for implementing the Financial Instruments (as defined) are primarily stipulated in the CPR, the Delegated Act, the Implementing Regulation and the ERDF Regulation (respectively as defined below) and applicable Czech law and regulations.

This Call for Expression of Interest (“Call”) is addressed to bodies or firms, whether public or private, which are interested in receiving resources out of the CZFoF as Financial Intermediaries (as defined) for the implementation of the **Accelerator & Seed Capital Fund(s) and/or Venture Capital Fund(s)**. Such activities shall be carried out in accordance with the contractual agreements to be entered into by the EIF and the selected Financial Intermediaries (“Operational Agreement(s)”).

EIF will co-invest with CZFoF in the **Accelerator & Seed Capital Fund(s) and/or Venture Capital Fund(s)**. The co-investment by EIF will be made directly into each fund.

Interested Financial Intermediaries should express their interest by completing and submitting an Expression of Interest (as defined), a template of which is attached hereto, in the manner provided for in the Call and meeting the specified conditions.

1. Definitions and Interpretation

In this Call for Expression of Interest, capitalised terms and expressions shall have the meaning attributed to them below, unless otherwise defined above or the context requires otherwise.

Applicant means a Financial Intermediary applying to this Call for Expression of Interest;

¹ Operational Programme Enterprise and Innovations for Competitiveness 2014-2020 approved by decision K(2015) 3039 of the European Commission on 29 April 2015

Business Day	means a day during which EIF Luxembourg office is open, and banks are open for general business in Prague and Luxembourg;
Common Provision Regulation or CPR	means the Common Provisions Regulation (EU) No 1303/2013 of 17 December 2013 of the European Parliament and of the Council;
Deadline	means <u>1 May 2017</u> ;
Delegated Act	means the Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing the CPR;
EIB Group	means the European Investment Bank (EIB) and the European Investment Fund (EIF);
Eligibility Criteria	means the criteria with which the Expressions of Interest and the Applicants must comply and which are listed in Annex 2 hereof;
ERDF Regulation	means Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013;
Expression of Interest	means a proposal sent by an Applicant in response to this Call for Expression of Interest, within the Deadline, to be drafted in accordance with the template attached hereto;
Ex-ante Assessment	means ex-ante assessment of financial instruments for Cohesion Policy 2014-2020 carried out by MIT and finalised in October 2015;
Financial Instrument(s)	Accelerator & Seed Capital Fund(s) and/or Venture Capital Fund(s);
Financial Intermediary	means an entity undertaking risk capital investments by providing long-term equity and/or quasi-equity (including investment funds, private equity funds and special purpose vehicles established or in formation) to be selected by EIF for the implementation of (a) Financial Instrument(s);
Fund-of-Funds or FoF	means, as defined by Article 2(27) of the CPR and established through the Funding Agreement, the CZFoF, set up with the objective of contributing support from the OP to one or more financial instruments;
Implementing Regulation	means the Commission Implementing Regulation (EU) No 821/2014 of 28 July 2014 laying down rules for the application of the CPR;
Non-Cooperative Jurisdictions	means any jurisdiction classified as “non-compliant” by the Organisation for Economic Cooperation and Development (OECD) and its Global Forum on Transparency and Exchange of Information for Tax Purposes, from time to time, as well as any jurisdiction which does not co-operate with the EU in relation to the application of internationally agreed tax standards;
Operational Agreement	means an agreement entered into between a Financial Intermediary and the EIF regarding a Financial Instrument on the basis of this Call for Expression of Interest and the selection process, in accordance with the CPR and the Delegated Act;
Quality Assessment Criteria	means the quality assessment criteria applied by EIF at the sole discretion of EIF to assess the suitability of the Applicant and/or the proposed Financial Instrument(s) according to the business standards of EIF and which are listed in Annex 2 hereof;
Selection Criteria	means the Eligibility Criteria and the Quality Assessment Criteria;

Small and Medium-sized Enterprises or SMEs

means a micro (including individual entrepreneurs and self-employed persons), small or medium-sized enterprise as defined, as applicable, in the Commission Recommendation 2003/361/EC of 6 May 2003, as amended from time to time concerning the definition of micro, small and medium-sized enterprises.

2. CZFoF description

According to the Funding Agreement, the European Investment Fund, based at 37B Avenue JF Kennedy, L-2968 Luxembourg, was appointed by MIT to act as its agent to manage the amounts made available under the Funding Agreement in the form of the FoF pursuant to Article 38(4)(b)(i) of the CPR.

3. Eligible Financial Intermediaries

The EIF shall select one or more Financial Intermediaries to implement (an) Accelerator & Seed Capital Fund(s) and/or Venture Capital Fund(s) in accordance with the procedure described below. The selection of Financial Intermediaries shall be made based on the funding available from time to time, and shall be based on the Selection Criteria.

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. Furthermore, in the case of cross-border Financial Instruments where the relevant support is not reserved for operations, projects or activities implemented in the same jurisdiction where the concerned Financial Intermediary is incorporated, Financial Intermediaries (and sub-intermediaries) shall not be incorporated in Non-Cooperative Jurisdictions. Each applying Financial Intermediary may inquire about the status of a particular jurisdiction with EIF.

Financial Intermediaries shall acknowledge the EIF Anti-Fraud Policy (http://www.eif.org/attachments/publications/about/Anti_Fraud_Policy.pdf) which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing and shall take appropriate measures (as may be further specified in the Operational Agreements) to facilitate implementation of such policy.

4. Description of the activities expected from the selected Financial Intermediaries

The selected Financial Intermediary(ies) shall implement the Financial Instrument(s) as provided for in Articles 37 and 38 of the CPR.

The FoF will have an initial amount to allocate of up to EUR 50 million to the Financial Instrument(s). This amount will include up to EUR 10 million of EIF co-investment. Financial Intermediaries may express their interest for a contribution of up to the full amount indicated.

The combined resources of FoF and co-investment by EIF will not necessarily be allocated to each of the Financial Instruments detailed in the Annexes, nor according to any predefined split or relative allocation. This is to ensure maximum flexibility and responsiveness to the market.

Financial Instrument	Indicative capital range	Applicable Annexes
Accelerator & Seed Capital Fund	up to 20 million EUR	Annex 2 (Financial Instrument: Description and Selection Criteria)
Venture Capital Fund	up to 30 million EUR	Annex 2 (Financial Instrument: Description and Selection Criteria)

The indicative capital allocated to any single Financial Instrument, as well as the amounts available for contribution by the FoF to the selected Financial Intermediary(ies), may be changed as necessary, at EIF's sole discretion subject to applicable approvals, particularly if the available funding changes during the FoF implementation process or the demand for the Financial Instrument(s) so requires. It is in fact envisaged that a further contribution of EUR 12.5 million for the Prague region may materialise during the timeframe of this Call, in which case an update to this Call will be published in the same manner and place as this original. Financial Intermediaries cannot rely on this additional funding materialising and EIF gives no assurance in that respect.

Also, during implementation process of the particular Financial Instrument, EIF may, at its sole discretion, decide to propose to increase/decrease its commitment to a particular Financial Intermediary or consider any Financial Intermediary for any Financial Instrument(s) under the Call. With a view to maximising the efficient use of the resources of the FoF, EIF shall have sole discretion to allocate any available amounts to Financial Intermediaries that out-perform initial expectations on the build-up of the relevant portfolio. For the avoidance of doubt, any fully committed capital to the Financial Instrument(s) shall be governed by the terms of the relevant Operational Agreement(s).

For a general guidance regarding the operations of the Financial Instrument, Financial Intermediaries should also refer to the Support Programme – VENTURE CAPITAL, adopted by the Government of the Czech Republic on 12 September 2016 and attached herewith as ANNEX 3. For the avoidance of doubt, Technology Transfer funds² shall not be supported.

5. Expression of Interest

A template for the Expression of Interest is attached hereto as Annex 1.

The Expression of Interest shall include the Applicant's identification, the Business Plan, the supporting identification documents and the Declaration of Honour.

No later than **3 April 2017**, the Applicants may request clarifications regarding this Call for Expression of Interest or the nature of the Financial Instrument(s). Such requests must indicate the Call for Expression of Interest reference number and the name of the Applicant and shall be submitted in English via e-mail to:

Mandate Management
European Investment Fund
info.rbd@eif.org

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to relevant requests for clarifications received within the relevant deadline will be published together in a Clarification Document to be posted on the website www.eif.org, at the latest on **10 April 2017**.

EIF will, in principle, not contact any Applicant prior to the Deadline, unless it considers it necessary to clarify issues of a mere technical nature. However, should EIF discover any errors, inaccuracies, omissions or any other type of clerical defect in the text of the Call for Expression of Interest before the Deadline, EIF will correct the text and inform accordingly.

The Expressions of Interest, including the submitted documents, shall be in English only.

² Funds focusing their activities mainly or wholly towards investments in Technology Transfer.

EIF, under its sole discretion, reserves the right to launch any number of subsequent Calls for Expression of Interest that are in line with the objectives of this call.

6. Submission of Expression of Interest

The Expressions of Interest shall be submitted on or before the Deadline **both** by (i) e-mail **and** (ii) registered mail or professional courier service. The Expressions of Interest sent by registered mail or professional courier service shall consist of a closed single package, and shall contain the Expression of Interest, together with its attachments, in paper form and in removable electronic storage medium (e.g. CD-ROM or USB stick).

The Deadline for the submission of Expressions of Interest is 1 May 2017.

The Deadline applies (i) in case of e-mails, to the 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 Expressions of Interest shall indicate the reference number of the Call (**Call for EoI - CZFoF 2017/01**) and the name of the Applicant and shall be sent to the following address:

Postal Address:

European Investment Fund
Attention: Mandate Management
37B, avenue J.F. Kennedy
L-2968 Luxembourg
LUXEMBOURG

The outer envelope (package) shall indicate the following:
"Expression of Interest – **Call for EoI – CZFoF 2017/01** – Not to be opened by the reception – To be passed without opening to Mandate Management".

The electronic version of the Expression of Interest shall be sent to: info.rbd@eif.org, stating in the subject of the email: "**Call for EoI – CZFoF 2017/01**: [name of the Applicant]".

Prior to the Deadline and in the same manner as specified above, the Applicants may change or amend their Expressions of Interest by clearly indicating the parts to be changed or amended.

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 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 (ii) a letter to the above-mentioned addresses.

7. Selection process

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 OP, the criteria laid down in the CPR and

the Delegate Act and Article 140(1), (2) and (4) of Regulation 966/2012, and the experience and financial capacity of the Applicants.

In addition, the Expressions of Interest will be examined by the EIF on a comparative basis, using professional analysis and judgment, based on the Selection Criteria.

Following the receipt of the Expression of Interest, 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 shall decide whether or not to approve the signature of an Operational Agreement with the pre-selected Applicant, in accordance with its internal rules and procedures, under the FoF.

The contractual negotiation process may not be considered concluded prior to the approval of the signature of the Operational Agreement in accordance with EIF's internal rules and procedures, 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 from section 7.1 to section 7.3.

Applicants who are not initially considered for contractual negotiations may, subject to the EIF's discretion, be included on a reserve list, which unless cancelled or extended in writing by EIF shall be valid up to 31 December 2022, following notification of inclusion in the reserve list (hereinafter, "**Reserve List**").

In any phase of the selection process before entering into an Operational Agreement with an Applicant, EIF reserves full discretion to consider or not Applicants (and participating entities, in case of joint Expressions of Interest), and no Applicant or participating entity may have any claim or other right or may expect to be ultimately selected as Financial Intermediary. The negotiation of terms and conditions of the Operational Agreement does not entail any obligation for EIF to enter into such Operational Agreement with the relevant Applicants.

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

Those Applicants, whose Expression of Interest is rejected, shall have the right to submit a written complaint about the selection process 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 within the framework and in accordance with the EIB Group complaints policy (for further information visit http://www.eib.org/attachments/strategies/complaints_mechanism_policy_en.pdf).

7.1 Pre-selection

Expressions of Interest will be assessed by the EIF for pre-selection on a comparative basis. When assessing the Expressions of Interest, EIF will use its professional analysis and judgment.

The pre-selection comprises:

1. Pre-selection stage 1: Eligibility assessment of the Expressions of Interest;
2. Pre-selection stage 2: Quality assessment of the Expressions of Interest.

7.1.1 Eligibility assessment of the Expressions of Interest

EIF will assess whether the Expressions of Interest for the Financial Instrument have been prepared in accordance with the provisions of this Call and comply with the Eligibility Criteria.

The Expressions of Interest that do not comply with the Eligibility Criteria will be rejected. Financial Intermediaries, whose application is rejected because of non-compliance with any of the elements reflected in the Declaration of Honour (Appendix 4 to the Expression of Interest), may not present themselves for consideration in subsequent Calls for Expression of Interest unless it is specifically evidenced that the reason for the exclusion no longer exists.

7.1.2 Quality assessment of the Expressions of Interest

After completing assessment of the Eligibility Criteria, and after having obtained any additional information or clarifications from Applicants, if and as needed, the EIF will perform the quality assessment of the Expressions of Interest according to the Quality Assessment Criteria. The assessment of Expressions of Interest at this stage will be conducted under competitive terms.

7.2. Due diligence

Top-ranked pre-selected Expressions of Interest will be followed up with the due diligence process, carried out in accordance with the EIF's internal rules and procedures, where financial and operational matters relating to the Financial Instrument implementation shall be analysed in more detail.

The aim of the due diligence is to assess, inter alia, the ability to generate a qualitative deal flow, undertake an appropriate and relevant investment/divestment strategy, the commitment of the Applicant, the experience, systems and ability, etc. to comply with the reporting requirements. The due diligence normally comprises an on-site visit, which shall be at the discretion of the EIF. The due diligence process does not comprise legal negotiations.

7.3. Selection

Based on the pre-selection outcome and the outcome obtained following the due diligence, the EIF will decide either:

- 1) To select the Applicant, by way of EIF Board approval;
- 2) To put the Applicant into a Reserve List;
- 3) To reject the proposal from the Applicant.

Subject to satisfactory outcome of the due diligence, EIF may request its Board approval to enter into an Operational Agreement with the selected Financial Intermediary. EIF has no obligation to enter into an Operational Agreement with the selected Applicant.

If an Applicant is selected, the EIF can agree with an Operational Agreement, subject to (i) successful commercial and legal negotiations (ii) the EIF internal approval of the transaction according to EIF own rules and procedures.

8. Publishing of information on the Financial Intermediaries

EIF may publish, from time to time, on its website a list of Financial Intermediaries, which may include the name and the registered addresses of the Financial Intermediaries, types of the contract entered into and the FoF contribution. EIF may also publish a list of Final Recipients (SMEs) benefiting from the assistance by the Applicant as provided for in the Operational Agreement(s).

A Financial Intermediary may, prior to receiving financial support under the instrument, notify EIF in writing detailing its inability to comply with and/or be subject to the publication requirement if it risks harming its commercial interests or risks threatening the rights and freedoms of

individuals concerned as protected by the Charter of Fundamental Rights of the European Union. In addition, such publication shall not be required if it would be illegal under the applicable laws and regulations. However, such publication shall be determined by applicable laws, regulations and Operational Programmes.

ANNEXES

- Annex 1. Expression of Interest and relevant Appendixes templates
- Annex 2. Financial Instrument: Description and Selection Criteria
 - Part 1.2.a Financial Instrument: Accelerator & Seed Capital Fund
 - Part 1.2.b Financial Instrument: Venture Capital Fund
- Annex 3. Support Programme – VENTURE CAPITAL
- Annex 4. Conditions for declaration of ownership structure of investees and exclusion of subjects based in tax havens

ANNEX 1 – EXPRESSION OF INTEREST

To:

European Investment Fund
Attention: Mandate Management
37B, avenue J.F. Kennedy
L-2968 Luxembourg

Call for Expression of Interest No.:	Call for EoI – CZFoF 2017/01
Deadline for the submission of the Expression of Interest:	1 May 2017
Expression of Interest for Financial Instrument:	<instrument name>
Applicant submitting the Expression of Interest:	_____, _____ (company name, registration number / standard identification code, if applicable)

Sir/madam,

Herewith we are submitting our Expression of Interest on behalf of [Applicant] in response to the Call for Expression of Interest No. CZFoF 2017/01 in the framework of the FoF implemented through EIF acting as agent of the Ministry of Industry and Trade of the Czech Republic. Capitalised expressions utilised herein shall have the meaning attributed to them in the above-mentioned Call for Expression of Interest.

The undersigned, duly authorised to represent the [Applicant], 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], 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 <instrument name> 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 <instrument name> Agreement. The [Applicant] acknowledges and agrees, if selected, to be audited by Member State audit bodies, the Commission and the European Court of Auditors.

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

Yours sincerely,

Signature(s):

Stamp of the Applicant (if applicable):

Name and position in capitals:

Applicant's name:

Place:

Date (day/month/year):

Appendixes to be submitted with the Expression of Interest:

Applicant Identification (Appendix 1)

Business Plan (based on elements listed in Appendix 2)

Applicant Documents (listed in Appendix 3)

Declaration of Honour (based on template in Appendix 4)

Appendix 1 to EXPRESSION OF INTEREST

APPLICANT IDENTIFICATION

1.1. Applicant identification

INFORMATION REQUIRED	
APPLICANT NAME	
CONTACT DETAILS	Address: Telephone: E-mail:
LEGAL FORM	
COMMERCIAL REGISTER , ETC. – REGISTRATION DETAILS	Denomination of register: Date of registration: Country of registration: Standard identification code / registration number, if applicable:

1.2. Person authorised to submit the Expression of Interest on behalf of the Applicant and appropriate evidence of such authorisation

INFORMATION REQUIRED	
TITLE	Mr/Ms/Dr/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: E-mail:

1.3. Contact person (if different from 1.2)

TITLE	Mr/Ms/Dr/other (delete or complete as appropriate)
NAME	Surname: Forename(s):
FUNCTION	
CONTACT DETAILS	Address: Telephone: Fax: E-mail:

Appendix 2 to EXPRESSION OF INTEREST

BUSINESS PLAN

Applicants are asked to provide an outlined investment proposal (“**Business Plan**”) in relation to the Financial Instrument. The Business Plan should provide concise information on the following items:

Market

- Detailed description of the targeted market segment;
- Description of competitors;
- Co-operation with main participants in the relevant market segments (including, if relevant, universities, science hubs, business incubators and entrepreneurship initiatives);
- Marketing strategy of the instrument (including, inter alia, the marketing mix to be used for promoting the Financial Instrument in the targeted segments as well as envisaged measures to develop entrepreneurship in the Czech Republic);
- For the Accelerator & Seed Capital Fund, strategy to attract foreign entrepreneurs to develop their businesses in the Czech Republic (including, inter alia, promotion of the Financial Instrument abroad, cooperation with relevant foreign partners, and assistance with establishing business in the Czech Republic).

Investment strategy

- Minimum/Target/Maximum fund size and rationale for it;
- Fund focus, including product(s) (minority/majority equity, mezzanine, hybrid, etc.), stage and sector, investment criteria, geographical focus, number of deals/ticket sizes at varying fund sizes and their justification, timing of follow-on investments and targeted returns;
- Strategy for generation of deal flow, strategy for post-investment adding-value to investee companies and exit strategy;
- How the investment strategy is linked to the Czech Republic and how it contributes to the development of the Czech economy.

In addition, in relation to Accelerator & Seed Capital Fund, if applicable:

- Breakdown of funds allocation between Acceleration and Seed compartments;
- Separate investment criteria for Acceleration stage and Seed stage;
- Description of the envisaged competitive application windows to be held, in order to attract entrepreneurs to participate in the Acceleration stage, their frequency and application requirements;
- Description of the envisaged selection process in the Acceleration stage (including, inter alia, the specific sub-stages, timeline of each stage, scoring systems to be applied, rejection rate);
- Strategy for mentoring and adding value to investee companies in the Acceleration stage, including access to mentors, business plan development support, business model evaluation as well as networking and presenting opportunities;
- Proposal and justification of the range of the investment amount within which prospective SMEs could apply for financing in the Acceleration stage.

Period (after signature)	Y1	Y2	Y3
Number of application windows /				

calls for proposals				
Number of applications received at Acceleration stage				
Number of total investments into SMEs at Acceleration stage, EUR m				
Number and total investments at Seed stage into Acceleration stage graduates, EUR m				
Number and total investments into SMEs at Seed stage other than Acceleration stage graduates, EUR m				

Management

- Fund Manager team profile (current composition and expansion plans at varying fund sizes), detailing who would be full-time dedicated to the fund and who would be part-time (with % dedication in the Acceleration stage and in the Seed stage, if applying for this Financial Instrument), describing side activities for the part-time team members;
- List of joiners and leavers of the team, their date of arrival/departure, position at arrival and current title;
- Relevant team members' CVs (outlining for example main academic, professional and other relevant experience, age, nationality, current place of living);
- Relevant team members' track record in risk capital transactions (incl. names of investee companies, dates of investment/divestment, investment size, exit multiples, role of team member in each transaction, provide references; where the track record involves formal funds, net fund level returns should be indicated);
- Description of the joint experience of the team members;
- List all board seats (if any) of the team members and how current activities will impact the operations of the fund;
- Planned location of team members, and their ability to communicate in English and Czech;
- Timeline for finalization of the team and establishment of office in the Czech Republic, if relevant;
- Description of governance and legal structure for all fund related entities foreseen (incl. governing laws);
- Information on members of the investment and advisory committees to be established (including, inter alia, involvement and decision making procedure, separately for the Acceleration stage and Seed stage in case of applying for this Financial Instrument);
- For the Accelerator & Seed Capital Fund, description of the investees' advisers/pool of mentors structure to be put in place (involvement, viability, commitment and incentivisation scheme as well as CVs of all relevant experts to be part of that structure);
- Applicant's risk management methodology, procedures and systems;
- Details of the shareholder base/ownership of the Applicant and the envisaged shareholder base for the fund management company, if it is planned to set up a new entity as a Fund Manager;
- Details of the carry allocation;
- Details of the history of the Applicant and its previous/existing business activities, particularly of any activity having potential of conflicts of interest with the planned fund;
- Description of any linkages restricting full independence of the management team and the Fund Manager;

- Measures proposed to deal with potential conflicts of interest;
- At least three to four references (including telephone numbers) for each team member (including where possible related to transactions relevant to the proposed strategy: CEOs of investees, co-investors, other).

Terms and conditions

- Main economic terms, including management costs and fees (base remuneration, operational budget of the fund, fee offset policy) and proposed incentive structure (performance-based remuneration);
- Indicative investment from the fund management company and the management team into the fund;
- Indicative investment requested under this Call;
- Winding-up provisions of the Financial Instrument, including the return of resources from the fund to the FoF;
- Request for non-pari-passu terms, if sought for and applicable under the relevant Financial Instrument term sheet, and justification;
- Private investor commitment details, if applicable under the relevant Financial Instrument term sheet (envisaged commitment and stage of discussion).

The Business Plan should be consistent with the indicative term sheet of the relevant Financial Instrument and Selection Criteria.

There is no set expectation on the document's length, but the Applicants are encouraged to be concise.

Appendix 3 to EXPRESSION OF INTEREST

LIST OF APPLICANT DOCUMENTS TO ATTACH³

- 1) Copy of Applicant's registration certificate, if applicable;
- 2) Copy of identity card, passport or any other document which can be used for identification purposes, for the Applicant's representative;
- 3) Appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant (signatory powers).

³ Copies of original documents as well as uncertified translations in English would be sufficient.

Appendix 4 to EXPRESSION OF INTEREST

DECLARATION OF HONOUR

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

full official name:

official legal form:

full official address:

VAT registration number:

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

- a) the Financial Intermediary 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 Financial Instrument. 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)

ANNEX 2 – Financial Instrument: Description and Selection Criteria

Part I: Description of the Financial Instrument

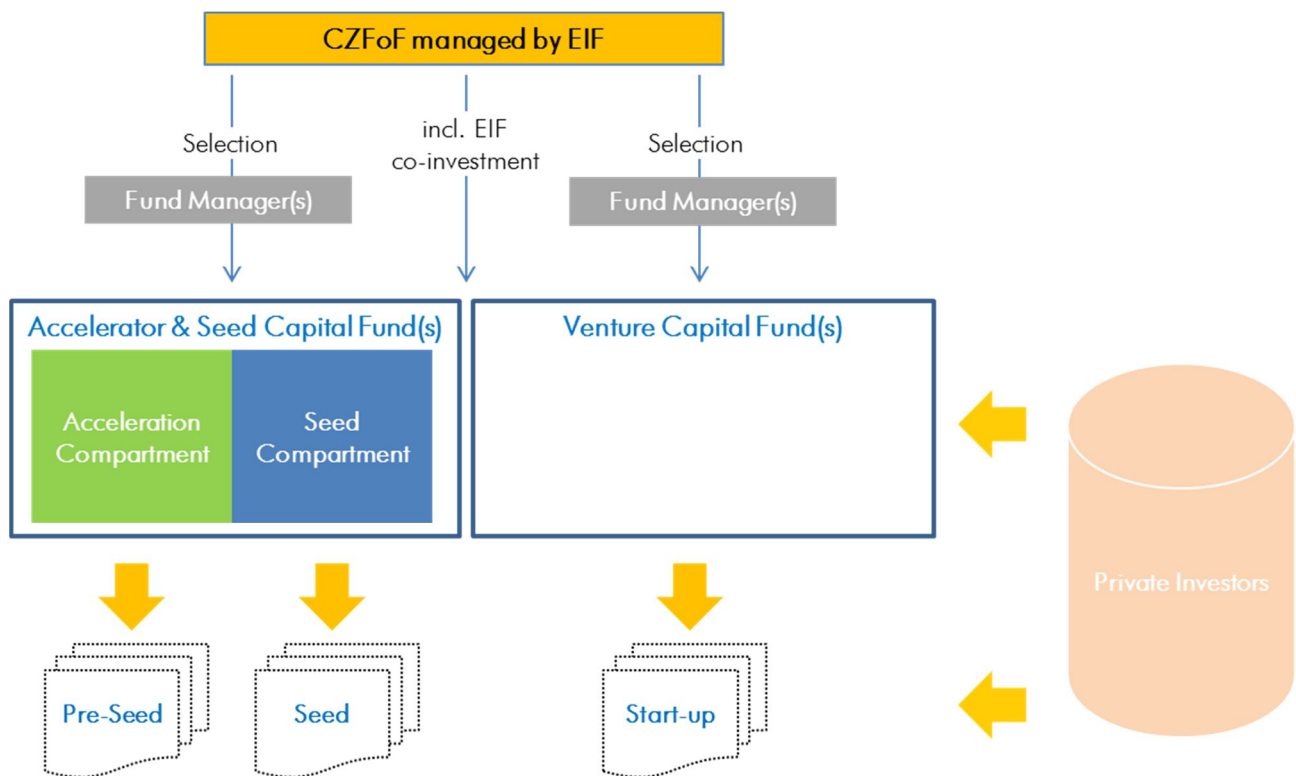
Capitalised expressions utilised herein shall have the meaning attributed to them in the above mentioned Call for Expression of Interest, unless otherwise defined below or the context requires otherwise. Unless the contrary intention appears, words in the singular include the plural and words in the plural include the singular.

1 Rationale

The purpose of the Financial Instruments is to support SMEs by providing funding in the form of either equity or quasi-equity in the Czech Republic.

2 The Financial Instrument – indicative term sheet

See separate files with Accelerator & Seed Capital Fund and Venture Capital Fund term sheets.



Part II: SELECTION CRITERIA for the Financial Intermediary

1.	ELIGIBILITY CRITERIA	System of appraisal
		Yes/No
1.1.	The Expression of Interest is submitted within the Deadline;	
1.2.	The Expression of Interest is submitted both by registered mail and e-mail;	
1.3.	The Expression of Interest is completed and submitted in English;	
1.4.	The Expression of Interest is duly signed;	
1.5.	The Expression of Interest is prepared substantially in accordance with Annex 1 to the Call for Expression of Interest. All necessary supporting documents are provided;	
1.6.	The Declaration of Honour (Appendix 4 to Expression of Interest) is attached and duly signed;	
1.7.	Applicant's commitment for own investment in the Fund as requested in the Description of the Financial Instrument;	
1.8.	Applicant has acknowledged and agreed, if selected, to be audited by Member State audit bodies, the Commission and the European Court of Auditors.	

2.	QUALITY ASSESSMENT CRITERIA	WEIGHTING
2.1.	<p>Project Relevance, Quality and Coherence</p> <p>2.1.1. Evaluation of the fund focus and proposed investment strategy, including viability of fund's size;</p> <p>2.1.2. Evaluation of the Fund Manager team profile, stability and ability to implement the Financial Instrument;</p> <p>2.1.3. Assessment of operational, financial, technical and early stage investment competences;</p> <p>2.1.4. Track record of the Fund Manager team;</p> <p>2.1.5. Capability as members of boards and/or committees of an investment and/or advisory nature;</p> <p>2.1.6. Evaluation of Applicant's investment processes, including deal-flow generation, ability to invest, ability to build companies and add value, and exit strategy;</p> <p>2.1.7. Ability to demonstrate additional activity in comparison to present activity (only applicable to existing teams).</p>	60 points
2.2.	<p>Project Maturity</p> <p>2.2.1. Applicant's own investment in the fund;</p> <p>2.2.2. Demonstration of ability to source deals in the Czech Republic;</p> <p>2.2.3. Demonstration of ability to raise private financing.</p>	20 points

2.3.	Institutional Capacity & Sustainability 2.3.1. Fund Manager long-term viability; 2.3.2. Assessment of the robustness and credibility of the envisaged methodology/procedures for identifying and appraising investees; 2.3.3. Assessment of the investees' advisers/pool of experts' structure to be put in place (where applicable); 2.3.4. Assessment of legal structures and independence; 2.3.5. Terms and Conditions, including management costs and fees, and proposed incentive structure/profit share calculation methodology; 2.3.6. Assessment of the alignment of interests between the Fund Manager and the FoF, and of the measures to mitigate possible conflicts of interest; 2.3.7. Assessment of Reporting Procedures; 2.3.8. Terms and conditions applied in relation to financing provided to investees, including pricing.	20 points
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3.	ADDITIONAL CRITERIA UNDER QUALITY ASSESSMENT	System of appraisal
		Yes/No
3.1	Applicant is or will be entitled to carry out relevant implementation tasks under European Union and national law;	
3.2	Applicant has adequate economic and financial viability;	
3.3	Applicant has adequate capacity to implement the Financial Instrument, including organisational structure and governance framework;	
3.4	Applicant has an effective and efficient internal control system;	
3.5	Applicant has or adequately demonstrates that it will establish accounting system providing accurate, complete and reliable information in a timely manner.	