Date: 26 February 2013

Call for Expressions of Interest (“EoI”) to select Financial Intermediaries that will receive resources from the European Investment Fund acting through the JEREMIE Holding Fund for the Campania Region to implement a JEREMIE funded Financial Instrument with an embedded risk sharing element.

Reference number: Call for EoI No. JER-007/4

Introduction

The JEREMIE initiative is a framework programme providing a series of coherent actions to promote increased access to finance for micro, small and medium-sized enterprises.

The JEREMIE initiative in the Campania Region is organised through the European Investment Fund (hereinafter, “EIF”) acting through the JEREMIE Holding Fund (hereinafter, “JHF”). Through the JHF, the EIF manages funds made available from the European Regional Development Fund (hereinafter, “ERDF”) and related public expenditure awarded for utilisation under the JEREMIE initiative.

As part of the Regional Operational Programme ERDF 2007-2013 (“Programma Operativo Regionale Campania FESR 2007-2013”)1 the competent regional authorities have agreed to dedicate resources to the implementation of the JEREMIE initiative with the EIF, in accordance with Article 44 of the Council Regulation (EC) No. 1083/20062 (hereinafter, “Reg. 1083/2006”) and in accordance with the provisions of the Funding Agreement (hereinafter, “Funding Agreement”) entered into on 1 December 2008 between the Campania Region (hereinafter, “Campania Region”) and the EIF. Relevant rules for implementing Reg. 1083/2006 are set out in the Commission Regulation (EC) No. 1828/20063 (hereinafter, “Reg. 1828/2006”).

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The cooperation between the Campania Region and the EIF acting through the JHF is governed by the Funding Agreement, which defines the type of cooperation and the operational modalities of the JHF financing expenditure in respect of an operation, as this term is defined in Reg. 1083/2006 (hereinafter, “Operation”) comprising contributions to support financial engineering instruments. The EIF acting through the JHF is advised by the Investment Board, members of which are nominated by the authorities of the Campania Region (hereinafter “Investment Board”). The EIF in its capacity, acting through the JHF, acts on the basis of its usual business principles and an investment strategy and planning for the implementation of the JEREMIE initiative.

The JEREMIE initiative is funded by the following Operational Programme for the period 2007-2013, as described in particular in the table below:

<table>
<thead>
<tr>
<th>Operational programme name</th>
<th>Priority axis name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational Programme for the Campania region for 2007-2013 co-financed by European Regional Development Fund (ERDF)</td>
<td>Priority 2: Competitiveness of the region’s productive economy (Operational Objective 2.4: Innovative credit and finance) [Asse 2: “Competitività del sistema produttivo regionale” (Obiettivo Operativo 2.4: Credito e finanza innovativo)]</td>
</tr>
</tbody>
</table>

This Call for Expression of Interest targets financial engineering instruments referred to in Article 44 of Reg. 1083/2006 and is addressed to bodies or firms, whether public or private, which are interested in receiving resources out of the JHF for the activities in respect of Operations (hereinafter “Financial Intermediaries”). Such activities shall be carried out in accordance with the contractual agreements to be entered into by the JHF and the selected Financial Intermediaries (hereinafter, “Operational Agreement(s)

The Financial Intermediaries should express their interest by completing and submitting an Expression of Interest, a template of which is attached hereto as Annex 1.

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:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant</td>
<td>means a Financial Intermediary applying to this Call for Expression of Interest which has to be a credit institution authorized to carry out business in Campania Region under the applicable regulatory framework or joint ventures/consortia of such credit institutions;</td>
</tr>
<tr>
<td>Deadline</td>
<td>means 30 April 2013; (deadline extended from 10.4.2013 to 30.04.2013 and communicated deadline has been extended from 10.04.2013 to 30.04.2013 with communication on this website posted on</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>5.04.2013; on EIF website on 05.04.2013</strong>;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Instrument</strong></td>
</tr>
<tr>
<td><strong>Eligibility Criteria</strong></td>
</tr>
<tr>
<td><strong>Expression of Interest</strong></td>
</tr>
<tr>
<td><strong>EIB Group</strong></td>
</tr>
<tr>
<td><strong>JEREMIE</strong></td>
</tr>
<tr>
<td><strong>JHF</strong></td>
</tr>
<tr>
<td><strong>Operational Agreement</strong></td>
</tr>
<tr>
<td><strong>Quality Assessment Criteria</strong></td>
</tr>
<tr>
<td><strong>Selection Criteria</strong></td>
</tr>
<tr>
<td><strong>Small and Medium-sized Enterprises or SMEs</strong></td>
</tr>
</tbody>
</table>

2. **Holding Fund manager**

15 avenue J.F. Kennedy, L-2968 Luxembourg, T:(+352) 24851, F:(+352) 248581

Under the Funding Agreement, the EIF may be substituted in its role as JHF. In the event of such substitution, the Campania Region, or the entity appointed by the Campania Region as new JHF, will assume the full discretion and responsibility to perform the tasks of the JHF and to implement the Operations in the Campania Region, and may take over the Financial Instruments. The Operational Agreements will provide for the possible substitution of the EIF, in order to allow the transfer of the Operational Agreements to the successor entity.

3. **Description of the activities expected from the selected Financial Intermediaries**
The selected Financial Intermediaries will have to implement a financial engineering instrument briefly described in the table below (hereinafter, “Financial Instrument”). A Financial Instrument shall either be set up as an independent legal entity governed by agreements between the co-financing partners or shareholders or as a separate block of finance within a Financial Intermediary. As provided by Reg. 1828/2006, a separate block of finance shall be subject to specific implementation rules within the Financial Intermediary, stipulating, in particular, that separate accounts are kept which distinguish the JHF resources invested in the Financial Instrument, including those contributed by the Operational Programme, from those initially available in the Financial Intermediary. It is planned to allocate out of the JHF an initial amount of up to EUR 7 million to the Financial Instrument.

See below list of indicative allocation and the relevant Annex setting out the Selection Criteria and the description of the Financial Instrument.

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Indicative initial capital allocation (millions EUR)</th>
<th>Applicable Annexes</th>
</tr>
</thead>
<tbody>
<tr>
<td>JEREMIE Funded Financial Instrument</td>
<td>7</td>
<td>Annex 2 (Financial Instrument: Description and Selection Criteria)</td>
</tr>
</tbody>
</table>

Under this Call for EoI, additional capital may be allocated from time to time to the Financial Instrument until 31 December 2015, at the EIF’s sole discretion, on the basis of additional funds becoming available at JHF level, and which the EIF intends to deploy in accordance with the objectives and features of this Call for EoI.

To this extend, the Financial Intermediaries shall clearly express their interest for a capital allocation (in terms of amounts requested) and may express their interest for a capital allocation higher than the total initial amount allocated by the JHF to the Financial Instrument.

To be noted that joint ventures and/or consortia can express their interest as long as (i) at least one member of the joint venture and/or consortia is a credit institution authorised to carry out business in the Campania Region under the applicable regulatory framework, and (ii) they indicate/nominate one coordinating entity (credit institution) as a contractual counterpart for the EIF for the entire term of the Operational Agreement (in case of selection), and (iii) all members of the joint venture and/or consortia assume joint and several liability for all applicable obligations. Such Applicants are required to submit one, joint Expression of Interest.

4. Expression of Interest

A template for the Expression of Interest is attached hereto as Annex 1, and can also be found at the following addresses: www.eif.org/calls_for_expression_of_interest/index.htm, www.regione.campania.it. The Expression of Interest includes the Applicant’s identification, the project description, the supporting documents, the declaration of absence of conflict of interest and the statement regarding situations of exclusion.

Until no later than 15 March 2013, the Applicants may request clarifications regarding the Call for Expression of Interest or the nature of the Financial Instrument. 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 email to:

European Investment Fund - Regional Business Development Unit
info.rbd@eif.org

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to all 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.

The 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 the 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, the EIF will correct the text and inform accordingly.

5. Language

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

6. Submission of Expression of Interest

The Expressions of Interest shall be submitted on or before the Deadline both by (i) e-mail (no more than 10 mega bytes per email) 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, USB Memory Stick).

The Deadline for the submission of Expressions of Interest is 10 April 2013.

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 (No. JER-007/4) and the name of the Applicant and shall be sent to the following address:

Postal Address:
European Investment Fund
Attention: Regional Business Development Unit
15 avenue J.F. Kennedy
L-2968 Luxembourg

The outer envelope (package) shall indicate the following:
“Expression of Interest - Reference number of the Call (No. JER-007/4) - Not to be opened by the reception – To be passed without opening to Regional Business Development Unit”).
E-mail Address:
Attention: Regional Business Development Unit: info.rbd@eif.org

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.

Prior or after the Deadline and in the same manner as specified above, the Applicants may withdraw their Expressions of Interest.

After the Deadline, an acknowledgement of receipt will be sent to the relevant Applicants by EIF via e-mail, which shall state the following:

- Reference number of the Call for Expression of Interest;
- Unique proposal identifier (Expression of Interest number);
- Confirmation that the Expression of Interest was received before the Deadline.

The acknowledgement of receipt shall not be construed as a declaration of completeness of the Expression of Interest and the documents submitted therewith, nor any kind of assessment of the same.

7. Selection process

When selecting Financial Intermediaries, the EIF is committed to respect fundamental principles, such as:

i) equal treatment,
ii) non-discrimination,
iii) confidentiality, and
iv) transparency.

The Expressions of Interest will be examined by the EIF, on a comparative basis, using professional analysis and judgment, according to the Selection Criteria.

The EIF will reject those Expressions of Interest which do not comply with the Eligibility Criteria. Financial Intermediaries, whose application is rejected because of non-compliance with any of the elements reflected in the statements regarding situations of exclusion (Appendices 4 and 5 to Annex 1 hereto), may not present themselves for consideration in subsequent Calls for the Expression of Interest unless it is specifically evidenced that the reason for the exclusion no longer exists.

The expiration of the Deadline shall not prevent EIF, in limited cases if deemed necessary, from requesting and receiving from Applicants clarifications on issues of a mere technical or formal nature, provided that such clarifications shall neither provide an opportunity to the respective Applicants to unduly improve their applications nor otherwise distort the competition between the Applicants.

Applicants who are not excluded according to the Eligibility Criteria will go through the EIF selection process based on the Quality Assessment Criteria, as explained in the attached Explanatory notes relating to the evaluation of the Quality Assessment Criteria (cf. Annex 2, Part II). The selection based on the Quality Assessment Criteria, and the due diligence process if any, follows the standard procedures and guidelines applied by the EIF to its business. The
evaluation of proposals at this phase will be conducted under competitive terms and one or more Applicants may be selected.

To be noted that in the context of the evaluation procedure, the EIF may take negotiation positions, which view specifically at the improvement of the access to finance for the benefit of the final beneficiary SMEs.

In any phase of the selection process, the EIF reserves itself full discretion to consider Financial Intermediaries and no Applicant has any claim or other right or may expect to be ultimately selected for financial support by the JHF. Any negotiation of terms and conditions of Operational Agreements by no means entails any obligation for the EIF and/or the JHF to enter into such Operational Agreements with the relevant Financial Intermediaries.

Financial Intermediaries which do not receive contributions from the JHF are informed accordingly; the reasons for their Expression of Interest being rejected will be clearly communicated to them upon request.

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. Any complaints will be dealt within the framework and in accordance with the EIB Group Complaints Mechanism Policy (for further info please visit www.eib.org/about/cr/complaints/reporting/index.htm).


The Financial Intermediaries, with which Operational Agreements will be eventually signed, shall be required to comply with the EIF anti-fraud policy, available on the website of EIF (www.eif.org), and with the relevant monitoring, reporting, publicity and auditing obligations required by the EU regulations, applicable to ERDF, and by the Funding Agreement. Such obligations are briefly described in the relevant Financial Instrument description documents, and will be defined in the relevant Operational Agreement.

ANNEXES
Annex 1 Expression of Interest
Annex 2 JEREMIE Funded Financial Instrument: Description and Selection Criteria
ANNEX 1 to the Call for Expression of Interest No. JER-007/4

To: European Investment Fund
Attention: Regional Business Development Unit
15 avenue J.F. Kennedy
L-2968 Luxembourg

EXPRESSION OF INTEREST

Call for Expression of Interest No.: JER-007/4

Deadline for the submission of the Expression of Interest: 30 April 2013

Expression of Interest for JEREMIE Funded Financial Instrument

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) in response to the Call for Expression of Interest No. JER-007/4 in the framework of JEREMIE initiative implemented through EIF acting as JEREMIE Holding Fund (“JHF”). 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 certifies/certify that the (Applicant) is not in one of the situations which would exclude it from taking part in this Call for Expression of Interest listed out in Appendices 4 and 5 to this Expression of Interest. The undersigned shall, upon request, provide all evidence to that extent.

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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4 In case of consortia or joint ventures to be completed by coordinating entity.
Appendices
Appendix 1 Applicant Identification
Appendix 2 List of Documents Attached
Appendix 3 Declaration of Absence of Conflict of Interest
Appendix 4 Statement Regarding Situations of Exclusion - 1
Appendix 5 Statement Regarding Situations of Exclusion - 2: Declaration of Compliance with EU and National Rules and Policies
1.1. Applicant identification

<table>
<thead>
<tr>
<th>INFORMATION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANT NAME</td>
</tr>
</tbody>
</table>
| CONTACT DETAILS      | Address:  
|                      | Telephone:  
|                      | Fax:  
|                      | Email:  |
| LEGAL FORM           |
| COMMERCIAL REGISTER , ETC. – REGISTRATION DETAILS | Denomination of register:  
|                      | Date of registration:  
|                      | Country of registration:  
|                      | Registration number:  |
| VAT                  | Registration number or Statement of exemption issued by the national VAT authority dated……enclosed under reference….. Issued by…… |

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

<table>
<thead>
<tr>
<th>INFORMATION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE</td>
</tr>
</tbody>
</table>
| NAME                 | Surname:  
|                      | Forename(s):  |
| FUNCTION             |
| CONTACT DETAILS      | Address:  
|                      | Telephone:  
|                      | Fax:  
|                      | Email:  |

1.3. Contact person (if different from 1.2)

<table>
<thead>
<tr>
<th>INFORMATION REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE</td>
</tr>
</tbody>
</table>
| NAME                 | Surname:  
|                      | Forename(s):  |
| FUNCTION             |
| CONTACT DETAILS      | Address:  
|                      | Telephone:  
|                      | Fax:  
|                      | Email:  |

5 In case of consortia or joint ventures to be completed by all participating entities.
Appendix 2 to Expression of Interest

LIST OF DOCUMENTS ATTACHED

1) Project proposal:

a) Description of the Applicant:
   
   (aa) Description of the Applicant’s institution (date of establishment, number of employees, shareholders etc.), legal status, and applicable regulatory framework;
   
   (bb) Geographical area of operations and branch network in the Campania Region.
   
   (cc) Description of Applicants governing and management bodies and corporate governance structure.

b) Information on the Applicant’s present activities:

   (aa) Commitment to SME lending in the Campania Region:
   
   i) Overall strategy of the Applicant in general and SME lending strategy in particular, positioning vis-à-vis competitors in SME lending segment, product range offered in the SME lending segment, expected impact of current market environment on SME lending (e.g. tighter lending criteria, etc.);
   
   ii) Volume and number of SME loans outstanding on a yearly basis for the last three completed financial years (in addition to data available for the current financial year), as per table below;

<table>
<thead>
<tr>
<th>SME loans outstanding</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

   iii) Volume and number of new SME loans\(^8\) over the last three completed financial years (in addition to data available for the current financial year), as per table below;

<table>
<thead>
<tr>
<th>New SME loans</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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\(^6\) In case of consortia or joint ventures to be completed by the coordinating entity

\(^7\) SME related data and information to be provided in accordance with the definition of SMEs as presented in section 1 “Definitions and Interpretation”, under Call for EoI, page 3.

\(^8\) Excluding re-financing
Current pricing and collateral policy for comparable loans (in terms of maturity, purpose, collateral, etc.) to a similar target group, including:

i. Interest rate (split into base rate and margin (of which risk-related margin));
ii. Up-front fees and any other non-interest payments.

Information to be provided in accordance with the framework of the Table 1 and Table 2 presented below, under Section c.

c) Information on the implementation of the Financial Instrument by the Applicant:

(aa) General implementation strategy (e.g. absorption capacity and time required for full drawdown of the amount requested to Eligible SMEs, how the Financial Instrument will be promoted regionally, publicity strategy, procedures for allocation of loans, etc);

(bb) Indicative average expected maturity of the newly granted loans under the Financial Instrument, taking into consideration the provisions of Annex 2 and the objective to provide longer loan maturities to Eligible SMEs;

(cc) Lending criteria, proposed pricing and collateral requirements, including the proposed minimum and maximum pricing (i.e. pricing to be submitted in ranges) to be applied on the new loan portfolio (on the 40% portion funded by the Financial Intermediary’s resources) to be established under this Financial Instrument - submitted in accordance with the tables that follow:

Table 1: Proposed collateral and interest rate to be charged on loans to be included in the new SME loan portfolio (on the 40% portion funded by the Financial Intermediary’s resources) originated under the Financial Instrument

<table>
<thead>
<tr>
<th>Pricing and Collateral requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requested maximum level of Collateral (%)</td>
</tr>
<tr>
<td>- For Investment loans</td>
</tr>
<tr>
<td>- For Working Capital loans</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate (including applicable base rate):</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Base rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Margin (bp)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(of which risk-related margin(bp))</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Applicants are requested to submit an offer (on the basis of the table above) specifying the requested level of collateral after haircuts, in line with the internal Credit Risk Policy of the Applicant and the corresponding interest rate that will be charged to Eligible SMEs under this Financial Instrument.
The offer will form part of the Quality Assessment Criterion 2.3, presented in Annex 2, Part II, section 2, it will be evaluated on the basis of the methodology explained in attached Explanatory notes relating to the evaluation of the Quality Assessment Criteria (cf. Annex 2, Part II), and will become a contractual obligation for the Applicant, if selected.

**Table 2: Fees to be applied on loans to be included in the new SME loan portfolio originated under the Financial Instrument**

<table>
<thead>
<tr>
<th>Nature of fees</th>
<th>Value</th>
<th>Single payment</th>
<th>Monthly</th>
<th>Annual</th>
<th>Comments and remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration fee</td>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Fee for the loan granting, loan maturity extension, increase in the loan amount</td>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Fee for amendment of terms under the loan agreement terms</td>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>Other fees, if any (please provide details)</td>
<td></td>
<td>□</td>
<td>□</td>
<td>□</td>
<td></td>
</tr>
</tbody>
</table>

Applicants are requested to provide their fees policy to be applied on loans under this Financial Instrument.

(dd) Estimate of the expected timing for initiation of operations following the signature of the Operational Agreement and also estimate of the full drawdown of the Financial Instrument to Eligible SMEs.

(ee) The operational budget of the Financial Instrument:
(i) Amount of Applicant’s own co-financing offered in addition to JHF funding, in accordance with specifications of Annex 2 (i.e. 40%);
(ii) Description of the origin of the sources of co-financing to be contributed by the Applicant in this Financial Instrument (e.g. Applicant’s own resources raised in capital markets through bond issues);
(iii) Level of annual Management Fees requested for their origination and servicing of the portfolio- The Management Fees shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by the EIF acting through the JHF) of the average outstanding amount (i.e. disbursed and not repaid) of the
SME loan portfolio, and shall, in accordance with applicable rules\(^9\), not exceed 3% per annum.

2) Information on the Applicant’s IT systems, reporting mechanisms, monitoring procedures and controls, currently utilised in its normal activity (also to be utilised for the implementation of the Financial Instrument);

3) Annual reports for the last three financial years, including audited financial statements;

4) Certified copy of banking license or other requisite license or, if not available, other proof of the Applicant’s authorisation allowing for the implementation of the Financial Instrument in the Campania Region;

5) In the case where Financial Intermediaries are externally rated, information on the actual external rating of Applicant including the relevant rating report(s), provided by at least one of the following rating agencies: (i) Moody’s Investor Service Limited, (ii) Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. or (iii) Fitch Ratings Ltd. on the Applicant or its mother company. Further, information on any change of the rating within the last two years;

6) Appropriate evidence of the representative’s authorisation to act for and on behalf of the Applicant (signatory powers);

7) Declaration on absence of conflict of interest as per template provided in Appendix 3, duly signed;

8) Statement regarding situations of exclusion - 1 as per template provided in Appendix 4, duly signed;

9) Statement regarding situations of exclusion - 2 as per template provided in Appendix 5, duly signed.

The Applicant(s) selected for the second stage of the evaluation process (cfr. Explanatory Notes relating to the evaluation of the Quality Assessment Criteria - Annex 2, Part II), will be requested to submit additional information to complement its Expression of Interest before the due diligence process. This will indicatively include inter alia:

A. Detailed information on the Applicant’s operating principles and procedures applied to SME lending:

   I. Origination;
   II. Risk assessment procedures (internal rating / scoring system);
   III. Delegation, Loan approval procedures and disbursement process;
   IV. Collateral requirements (valuation, haircuts);
   V. Pricing policy (including analysis of cost of funding, administrative costs and risk related margin);
   VI. Monitoring and early warning signals;

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VII. Recovery procedures (what steps are taken and when; which departments are involved);
VIII. Risk management: methods utilised for loss forecasting, provisioning and credit risk management on portfolio level;
IX. Summary of changes to the Financial Intermediary’s operating principles and procedures due to the current financial crisis.

B. Information on the Applicant’s total lending portfolio over the last 5 years:
   I. Composition and concentration of the outstanding loan portfolio (sector, internal rating/scoring system, etc.);
   II. Non-performing loans (outstanding non-performing loans /outstanding loan amount as of the end of each financial year and year to date data for the current year for the past five financial years - both in terms of number and volume;
   III. Defaults vintage analysis, net losses and bad debt provisions;
   IV. Recoveries vintage analysis and recovery timing.

C. JEREMIE portfolio expected composition:
   I. Composition by SME type;
   II. Composition by sector (NACE);
   III. Composition by geographical area (for each Campania province)
   IV. Composition by loan type, internal rating, expected maturity and average life.
Appendix 3 to Expression of Interest

DECLARATION OF ABSENCE OF CONFLICT OF INTERESTS

The undersigned declares that neither (i) the Applicant nor (ii) he/she/they personally as authorised representative(s) of the Applicant have a direct or indirect interest of such a nature and scale that may affect the performance of the tasks assigned to the Applicant under any Operational Agreement referred to in the Call for Expression of Interest No. JER-007/4.

The undersigned is/are aware that a conflict of interest could arise in particular as a result of economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest.

The Applicant will inform EIF, without delay, of any situation constituting a conflict of interest or which could give rise to a conflict of interest.

Furthermore, the Applicant and the undersigned in his/her/their capacity as duly authorised representative(s) of the Applicant confirm to have read the EIF Anti-Fraud Policy and declare not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the Operational 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 Operational Agreement.

Yours sincerely,

Signature:       Stamp of the Applicant’s (if applicable):
Name and position in capitals: Applicant’s name
Place:                                                              Date (day/month/year):
Appendix 4 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 1

The undersigned certifies/certify that the (Applicant) is not in any of the situations which would exclude it from taking part in this Call for Expression of Interest and accordingly declare(s) that the (Applicant):

i) has never been the subject of a conviction by final judgment for one or more reasons listed below:
   • participation in a criminal organisation, as defined in Article 1 of the Council Framework Decision 2008/841/JHA of 24 October 200810;
   • corruption, as defined in Article 2 (1) of the Council Framework Decision 2003/568/JHA of 22 July 200311;
   • fraud within the meaning of Article 1 of the Convention drawn up on the basis of Article K.3 of the Treaty on European Union, on the protection of the European Communities financial interests as annexed to the Council Act of 26 July 199512;
   • money laundering as defined in Article 1(2) and terrorist financing as defined in Article 1(3) of the Directive 2005/60/EC13 of 26 October 2005;

ii) has not performed any act which may be qualified as prohibited practices in the meaning of the terms of the EIF Anti-Fraud Policy;

iii) is not bankrupt or is being wound up, where its affairs are not being administered by the court, where it has not entered into an arrangement with creditors, where it has not suspended business activities or is not in any analogous situation arising from a similar procedure under national laws and regulations;

iv) is not the subject of proceedings for a declaration for bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;

v) is not “a firm in difficulty” within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and restructuring firms in difficulty14;

vi) has not and no Board member or member of its senior management has been convicted of any offence as a consequence of a judgment which has the force of res iudicata, in accordance with the legal provisions of the country;

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14 Communication from the Commission – Community Guidelines on State aid and restructuring firms in difficulty (Official Journal of the European Union C 244 of 1.10.2004), as amended or substituted by future Union guidelines from time to time.
vii) has not and no Board member or member of its senior management has been guilty of grave professional misconduct;
viii) has fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which it is established and in the countries where it operates, as applicable;
vii) has fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which it is established and in the countries where it operates, as applicable;
x) is not found to have provided serious misrepresentation in supplying the information required in accordance with the Call for Expression of Interest or has supplied such information.
xii) there is no court decision in force regarding the violation of the contract on the allocation of other assistance to the Applicant from the resources of the EU budget or the State budget of Italy

The Applicant and the undersigned in his/her/their capacity as duly authorised representative of the Applicant commit to provide all evidence to the above, upon request by the JHF or EIF.

Signature: Stamp of the Applicant (if applicable):
Name and position in capitals: Applicant’s name
Place: Date (day/month/year):
Appendix 5 to Expression of Interest

STATEMENT REGARDING SITUATIONS OF EXCLUSION - 2

DECLARATION OF COMPLIANCE WITH EU AND NATIONAL RULES AND POLICIES

The undersigned certifies/certify that the (Applicant) is not in any of the situations which would exclude it from taking part in this Call for Expression of Interest and accordingly declare(s) that the (Applicant):

i) Complies with all EU and National rules and policies in relation to Competition and confirms its willingness and readiness to undertake its responsibility for ensuring that loans originated under this Financial Instrument respect the provisions of De Minimis Regulation\(^\text{15}\) (as specified in Annex 2);

ii) Complies with all EU and National rules and policies in relation to the goal of protecting and improving the environment and promoting sustainable development;

iii) Complies with all EU and National rules and policies in relation to gender equality and non-discrimination;

iv) Confirms its willingness and readiness to respect the information and publicity provisions applicable to this Financial Instrument.

v)

Yours sincerely,

Signature:       Stamp of the Applicant’s (if applicable):
Name and position in capitals:  
Applicant’s name  
Place:                                                              Date (day/month/year):

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ANNEX 2 to the Call for Expression of Interest No JER-007/4

JEREMIE Funded 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.

1. Rationale
The purpose of the Financial Instrument is twofold. It:
   1. provides funding to the Financial Intermediary to support new SME lending; and
   2. shares the risk of new SME loans.

SME loan portfolios to be established on the basis of the Financial Instrument are geared towards Eligible SMEs which are within the normal credit risk spectrum of SMEs in the Campania Region (i.e. bankable SME risk).

With the objective of strengthening entrepreneurship in the Campania Region, the Financial Instrument will be allocated with priority towards SMEs operating in the fields of handicraft, ICT, personal care and cultural services.

2. Structure
JEREMIE Holding Fund funds will be provided by the EIF (acting in its own name but on behalf of the Campania Region) to selected Financial Intermediaries pursuant to individual Operational Agreements. Subject to the risk-sharing element set out below, the Financial Intermediary undertakes to repay to the EIF the disbursed amount and any interest accrued thereon.

The Financial Intermediary further undertakes to originate a new SME loan portfolio partly funded from the initially disbursed funds\textsuperscript{16}. The origination, due diligence, documentation and execution of the SME loans will be performed by the Financial Intermediary in accordance with a pre-set origination model agreed with the EIF but otherwise applying all normal standard procedures of the Financial Intermediary.

In this context, the Financial Intermediary shall have the sole direct client credit relationship with each SME.

Each Financial Intermediary will be responsible (in compliance with its internal operating guidelines) for the handling of payments, the ongoing monitoring, the reporting to EIF as well as the management and realisation of collateral backing the newly originated SME loan portfolio.

EIF’s repayment claim under the Operational Agreement will be decreased, contingently on losses occurring under the originated SME portfolio (under agreed conditions and at a predetermined ratio), thereby providing a risk-sharing element to the Financial Intermediary.

\textsuperscript{16} Repaid amounts will be returned to the Holding Fund.
3. **Summary description of JEREMIE Funded Financial Instrument:**

JEREMIE funds may be provided to Financial Intermediaries either ex-ante in tranches or ex post. In the situation of ex-ante financing, for as long as the JEREMIE funds remain undrawn to Eligible SMEs, they shall be remunerated on the basis of a commercial deposit rate agreed between the EIF and the Financial Intermediary.

Once disbursed to SMEs, and hence the risk sharing element is activated, the JEREMIE funds shall be remunerated on the basis of the interest amounts actually paid by the SMEs on the SME Loans. The interest rate of the SME Loan shall be the weighted average of (i) the rate charged by the Financial Intermediary, in accordance to its submitted offer, and (ii) the interest rate required by the JHF (which will be 0%).

Repayments from SMEs are collected by the Financial Intermediary and, as regards the JEREMIE funded portion are transferred to the JHF on a periodic basis. For as long as such repayments remain deposited within the Financial Intermediary (awaiting transfer to the JHF) they shall be earning a deposit rate.

4. **Indicative Summary of Transaction Terms**

These indicative terms are an outline of the principal terms and conditions for the Financial Instrument described herein, which are subject to change and non-exhaustive. This document is intended to provide a basis for discussions and does not constitute an offer nor a binding commitment – either implicit or explicit – on the part of the EIF or any entity.

When used in this section, the term “EIF” means the EIF acting through the JHF.

<table>
<thead>
<tr>
<th>Structure</th>
<th>Funded financial instrument with a risk sharing element.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governing law and language</td>
<td>The terms of the JEREMIE Funded Financial Instrument shall be in the English language and shall be governed by the laws of England.</td>
</tr>
<tr>
<td>Form</td>
<td>Operational Agreement for co-funding of a loan portfolio and risk sharing thereof on a loan by loan basis.</td>
</tr>
<tr>
<td>Limitation of liability</td>
<td>Liability of the EIF vis-à-vis each Financial Intermediary will be limited to the amounts disbursed to such Financial Intermediary under the relevant Operational Agreement.</td>
</tr>
<tr>
<td>Co-financing rate</td>
<td>In addition to the funding provided through the JHF, the Financial Intermediary shall provide co-financing of 40% on a loan by loan basis.</td>
</tr>
<tr>
<td>Risk sharing</td>
<td>The EIF and the Financial Intermediary will share the risk on each loan financed by the facility on a pari passu basis (i.e. the EIF will cover 60% of the losses on an eligible SME loan).</td>
</tr>
</tbody>
</table>
| Eligible SMEs                    | Micro (including individual entrepreneurs/self employed persons), small and medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC, excluding “firms in difficulty” within the meaning of Art. 45 of Reg. 1828/2006 and within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and

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17 The EIF will decide on financing format of the transaction(s) on a case by case basis.
restructuring firms in difficulty (OJ C 244, 1.10.2004, p. 2), as amended, restated, supplemented and/or substituted from time to time.

A number of industries will be supported, except:

a. 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.

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

b. Tobacco and Distilled Alcoholic Beverages

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

c. Production of and Trade in Weapons and Ammunition

The financing of the production of and trade in weapons and ammunition of any kind.

d. Casinos

Casinos and equivalent enterprises.

e. 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 2. a to d 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.

f. 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; or

(ii) Genetically Modified Organisms ("GMOs"),

EIF will require from the EIF counterpart appropriate specific assurance on the control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or Genetically Modified Organisms;

g. Undertakings active in the fishery and aquaculture sectors, as covered by Council Regulation (EC) No 104/2000;

h. Undertakings active in the primary production of agricultural
products, as listed in Annex I to the Treaty on the functioning of the European Union;

In case the Financial Instrument is implemented within the scope of the De Minimis Regulation, the following additional excluded sectors will also apply:

i. Excluded sectors presented in Article 1 (c-g) of the De Minimis Regulation.\(^{18}\)

The eligible micro, small and medium enterprises must be established and/or operating in the Campania Region.

The Financial Instrument will be allocated with priority towards the SMEs operating in the fields of handicraft, ICT, personal care and cultural services.

<table>
<thead>
<tr>
<th>Eligible forms of SME financing</th>
<th>SME Loans shall be granted only in order to finance:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A. investments in tangible and in intangible assets; or</td>
</tr>
<tr>
<td></td>
<td>B. working capital related to development or expansion activities that are ancillary (and linked) to activities referred to in (A) above (which ancillary nature shall be evidenced, inter alia, by the business plan of the SME and the amount of the financing); and/or</td>
</tr>
<tr>
<td></td>
<td>C. working capital related to the establishment, strengthening or expansion of new or existing business activity of an SME (such as purchase of raw materials, stocks and other manufacturing inputs, labour, inventories and overheads, funding to finance trade receivables, non-consumer sales receivables); but in each case excluding pure financial activities or real estate development when undertaken as a financial investment activity or the provision of consumer finance.</td>
</tr>
<tr>
<td></td>
<td>Revolving facilities may be eligible.</td>
</tr>
<tr>
<td></td>
<td>Refinancing, restructuring, and/or partial disbursements of an existing committed loan is not eligible.</td>
</tr>
<tr>
<td></td>
<td>SME loans must finance expenditure which is eligible pursuant to Article 7 of EC regulation 1080/2006.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Currency of SME loans</th>
<th>Loans to be denominated in EUR only.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Loan Maturity</td>
<td>Minimum 12 months and maximum 10 years, including a grace period of up to 1/3 of the loan maturity (for capital repayment)</td>
</tr>
<tr>
<td>SME Loan Amount</td>
<td>The maximum loan amount per SME will in no case be greater than such a loan amount that would result to the Gross Grant Equivalent (“GGE”) to exceed EUR 200,000 per undertaking for a period of three consecutive years calculated in accordance with article 2, par. 4 (a)</td>
</tr>
</tbody>
</table>


Eligible SMEs could potentially apply more than once for loans allocated in the context of this Financial Instrument provided that the aforementioned Gross Grant Equivalent (“GGE”) limit is respected.

<table>
<thead>
<tr>
<th>SME Portfolio Criteria</th>
<th>The Financial Instrument will also foresee the definition of SME Portfolio Criteria (e.g. maximum single industry concentrations (expressed by NACE code – Rev.2.Division), maximum concentrations for bullet and/or balloon loans, etc.), aimed at ensuring a certain risk profile of the Financial Instrument.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Reference Loan Portfolio</td>
<td>The aggregate notional amount of newly originated loans that may be co-financed by the JHF and the Financial Intermediary and covered by the Financial Instrument, as agreed in the Operational Agreement.</td>
</tr>
<tr>
<td>Availability Period</td>
<td>From the date of signature of the Operational Agreement until not later than 31/12/2015.</td>
</tr>
<tr>
<td>Origination Model</td>
<td>Newly originated SME loans to be covered by the Financial Instrument are automatically included in the portfolio subject to pre-set loan inclusion criteria defined on a loan-by-loan basis.</td>
</tr>
<tr>
<td>Risk sharing arrangements</td>
<td>Cover of losses on a loan by loan and <em>pari passu</em> basis by the EIF acting through the JHF and the Financial Intermediary. EIF’s repayment claim under the Operational Agreement will be reduced accordingly.</td>
</tr>
<tr>
<td>Loss Cover</td>
<td>EIF will cover losses incurred by the Financial Intermediary on the SME loans co-financed by the Financial Instrument calculated under the risk sharing arrangement. At any time, the EIF’s liability for coverage of such losses shall not exceed the outstanding principal amount of the Financial Instrument at such time.</td>
</tr>
<tr>
<td>SME Loan Default definition</td>
<td>Default definition in line with Capital Requirements Directive.</td>
</tr>
<tr>
<td>Disbursement under the Operational Agreement</td>
<td>Disbursement in several tranches, either <em>ex ante</em> or <em>ex post</em>, based on actual utilisation. Decision on whether funding will be provided to the Financial Intermediary <em>ex ante</em> or <em>ex post</em> will be taken by EIF on the basis of EIF’s assessment regarding the credit ability of the selected Financial Intermediary (as concluded during the evaluation/due diligence process). In case of non or partial build-up of the SME loan portfolio, prepayment clauses shall apply.</td>
</tr>
<tr>
<td>Financial covenants and counterparty risk mitigants</td>
<td>On the basis of EIF’s assessment of the counterparty risk of the selected Financial Intermediary (as concluded during the evaluation/due diligence process), the EIF will request appropriate financial covenants and undertakings by the selected Financial Intermediary under the Operational Agreement. The EIF reserves the right to determine the collateral or risk mitigants to be provided by the selected Financial Intermediary under the Operational Agreement.</td>
</tr>
<tr>
<td><strong>Operational Agreement</strong>, including, subject to local law requirements, rating triggers, pledges or negative pledges.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Repayment under the Operational Agreement</strong></td>
<td>Repayments would occur regularly (e.g. quarterly) mirroring (i) principal repayments (on a pro rata basis on the basis of the co-financing rate) and (ii) any recovered amount (according to the risk sharing rate), of the underlying SME loans. EIF’s repayment claim will be reduced/written-off in proportion to the Losses occurring under the risk-shared portfolio (according to the co-financing rate).</td>
</tr>
<tr>
<td><strong>Loss Recoveries</strong></td>
<td>The Financial Intermediary shall take recovery actions (including enforcement of any security) in relation to each defaulted SME loan co-financed by the Financial Instrument in accordance with its internal guidelines and procedures. Recoveries with respect to losses on such SME loans by the Financial Intermediary shall be shared between the EIF and the Financial Intermediary according to the risk sharing arrangement.</td>
</tr>
<tr>
<td><strong>Pricing and collateral requirements</strong></td>
<td>SMEs Loans provided under this Financial Instrument will be offered to the Eligible SMEs on the basis of the pricing and collateral policy submitted by the selected Financial Intermediary under the Expression of Interest (c.f. quality assessment criteria). The JHF will not apply any interest rate on the amounts lent to the Financial Intermediary for as long as these amounts are on-lent to the SMEs (under the same condition, namely, no interest rate when on-lent to the SMEs) thereby proportionally reducing the overall interest rate to be charged to the Eligible SMEs.</td>
</tr>
<tr>
<td><strong>Additional interest due on the Financial Instrument</strong></td>
<td>The Financial Intermediary shall pay interest at a commercial interest rate, as agreed with the EIF under the Operational Agreement on the following funds provided under the Financial Instrument: 1. Funds disbursed to the Financial Intermediary, but not yet disbursed to SMEs (in the case of funding provided ex ante to the Financial Intermediary); 2. Repayments collected by the Financial Intermediary from SMEs but not yet transferred to the EIF.</td>
</tr>
<tr>
<td><strong>Other terms and conditions (if applicable)</strong></td>
<td>Other terms and conditions for the new SME loans originated under the Financial Instrument should be applied by the Financial Intermediary in accordance with the policies submitted under the Expression of Interest.</td>
</tr>
<tr>
<td><strong>Management Fees</strong></td>
<td>Financial Intermediaries might receive a Management Fee in accordance with applicable rules but not exceeding 3% on an annual basis for their origination and servicing of the portfolio.</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th><strong>The Management Fee</strong></th>
<th>The Management Fee shall be calculated as a percentage of the pro-rata share (i.e. on the co-funding contributed by the EIF acting through the JHF) on the average outstanding amount (i.e. disbursed and not repaid) of the SME loan portfolio.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reporting</strong></td>
<td>Financial Intermediaries shall provide the EIF with quarterly information in a standardised form and scope, which will be defined by EIF. An indicative reporting template is provided along this Call for information. Regular controls and verifications will be performed by EIF in order to ensure compliance with the specifications and provisions of this Financial Instrument.</td>
</tr>
<tr>
<td><strong>State Aid requirements</strong></td>
<td>In case the Financial Instrument is implemented within the scope of the De Minimis Regulation, the Financial Intermediaries shall be responsible for ensuring compliance of the underlying loans with the provisions of such regulation (taking into consideration existing National rules and procedures). In this context, they shall be responsible for the calculation of the Gross Grant Equivalent (&quot;GGE&quot;) and also for following the appropriate monitoring procedure as this is stipulated in article 3 of the De Minimis Regulation.</td>
</tr>
<tr>
<td><strong>Monitoring and Audit</strong></td>
<td>Financial Intermediaries and the relevant SMEs (final beneficiaries) shall agree to allow and to provide access to their premises and to documents related to the relevant Financial Instrument for the representatives of the Italian Republic, the European Commission (including the European Anti-Fraud Office (OLAF)), the Court of Auditors of the European Communities, the EIF and any other authorised bodies duly empowered by applicable law to carry out audit and/or control activities. To that effect, the Financial Intermediaries shall also include appropriate provisions in each agreement with the SMEs. Financial Intermediaries shall agree to comply with monitoring and audit controls and prescriptions contained in the specific manual called “Descrizione dei sistemi di gestione e controllo a norma dell’art. 21 del Regolamento (CE) n. 1828/2006 della Commissione dell’8 dicembre 2006”.</td>
</tr>
</tbody>
</table>
| **Publicity** | Financial Intermediaries, in line with applicable law and Structural Funds publicity provisions, shall carry out adequate marketing and publicity campaigns aimed at making the JEREMIE initiative known to the SMEs in the Campania Region. In particular, the selected Financial Intermediary will be contractually required to:  
- Product labelling: The name of the product should clearly point to JEREMIE (e.g. “JEREMIE Funded Financial Instrument for...”)

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### SMEs

- Promote JEREMIE and the Financial Instrument through its website;
- Insert a promotional billboard inside all branches promoting this Financial Instrument;
- Make at least two promotional publications in the five biggest newspapers and in the three biggest financial newspapers;
- Include promotional banner concerning the Financial Instrument in relevant TV advertisements;
- Comply with the Communication Plan of the Regione Campania (Piano di Comunicazione del POR Campania FESR 2007-2013 approvato con delibera di Giunta Regionale n. 1592 del 15/10/2008).
- All documents concerning this Financial Instrument, including amongst others, loan applications, SME loan agreements, promotional material to the SMEs, etc, will contain a statement mentioning that part of the financing comes from European Regional Development Fund (ERDF) and also national resources - Appropriate text and logos is envisaged to be provided to the selected Financial Intermediary during the phase of contractual negotiations;
- Financial benefit: any financial benefit to the SMEs should be identified at the time of signature of the loan contract and communicated to the SME. The financial benefit offered should also be used as a marketing tool from the Financial Intermediary;
- Publicity provisions relating to the Final Beneficiaries (i.e. Eligible SMEs) shall be described in the Operational Agreement.

### Additional Structural Fund requirements

This Financial Instrument is funded by EU structural funds and it is therefore subject to structural funds regulation and requirements, some of which have already being presented in this Annex, here above (e.g. Monitoring and Audit, Publicity, Reporting etc). It should be noted however that more detailed information on actions necessary to ensure compliance of operations linked to this Financial Instrument with all structural funds requirements (e.g. retention of documents, environmental protection, equality and non discrimination) will be provided to and discussed with the selected Financial Intermediaries during the contractual negotiations process.
Part II: Selection Criteria for the Financial Instrument

1. ELIGIBILITY CRITERIA

<table>
<thead>
<tr>
<th>System of appraisal</th>
<th>Yes/ No</th>
</tr>
</thead>
</table>

1.1. Credit institution authorised to carry out business in Campania Region under the applicable regulatory framework. To be noted that joint ventures and/or consortia can express their interest as long as (i) at least one member of the joint venture and/or consortia is a credit institution authorised to carry out business in the Campania Region under the applicable regulatory framework, and (ii) they indicate/nominate one coordinating entity (credit institution) as a contractual counterpart for the EIF for the entire term of the Operational Agreement (in case of selection), and (iii) all members of the joint venture and/or consortia assume joint and several liability for all applicable obligations. Such Applicants are required to submit one, joint Expression of Interest.

1.2. Ability to deliver in the Campania Region.

1.3. The Expression of Interest is prepared in accordance with Annex 1 to the Call for Expression of Interest. All necessary supporting documents are provided (in the form requested if specified).

1.4. The Expression of Interest is duly signed.

1.5. The Expression of Interest is completed and submitted in English.

1.6. The Expression of Interest is submitted both by registered mail and e-mail.

1.7. The Expression of Interest is submitted within the Deadline.

1.8. The Expression of Interest addresses all the items of the Financial Instrument, including any special conditions set out in the relevant parts of the Financial Instrument description (Part I of this Annex).
2. QUALITY ASSESSMENT CRITERIA

2.1. Quality of key financial ratios (a preliminary assessment of the financial standing and credit ability of the Financial Intermediaries will be performed on the basis of key financial ratios calculated from the audited financial statements submitted). In case of externally rated Financial Intermediaries, actual external ratings will be also considered.

2.2. Absorption capacity based on the project proposal and implementation strategy and track record in SME lending, including lending under EU programmes.

2.3. Pricing policy and collateral requirements of the Financial Intermediary, to be charged under the Financial Instrument, as submitted under the Expression of Interest (collateral and maximum interest rates, for the avoidance of doubt including applicable base rate, will be compared) – table 1 presented in Appendix 2 section 1 (to be automatically calculated in accordance with the methodology explained below).

2.4. Level of Management Fees requested by the Financial Intermediary.

2.5. Detailed assessment of the Financial Intermediary’s financial standing with regard to capital adequacy, provisions, liquidity, other financial ratios, its capacity to service outstanding loan portfolio, the quality of its existing SME loan portfolio and the rate of its non-performing loans, etc. Also assessment of the Financial Intermediary’s organisational structure and corporate governance.

2.6. Detailed assessment of the Financial Intermediary’s credit worthiness and risk management with regard to credit policy (internal procedures and guidelines), origination, risk assessment (rating/scoring), loan approval procedures, collateral requirement, recovery procedures, risk management and monitoring etc.

Assessment of the administrative capacity of the Financial Intermediary: Quality of IT systems, reporting mechanisms, monitoring procedures and controls and assessment of overall ability of the Financial Intermediary’s to comply with the Financial Instrument’s reporting and monitoring requirements.
Explanatory notes relating to evaluation of the Quality Assessment Criteria

Note 1 – Method of evaluation:

First stage:
Items 2.1-2.4 will be evaluated first. Applicants who score lower than 45 points will be automatically rejected. From those Applicants who score 45 points and higher, only the Applicant with the highest score will qualify to the second evaluation stage, subject to submission of the additional information requested as per Appendix 2 within the deadline determined by the EIF in a formal request. The remaining ones will form part of the Reserve List (valid till 31/12/2015) and will be informed accordingly.

Note: In the case where two or more Applicants score equally, priority will be given to the Applicant(s) with which no funds utilisation triggering events have occurred under any JEREMIE agreement with EIF (where applicable).

Second stage:
Items 2.5-2.6 will be subsequently evaluated in line with the EIF’s standard rules and procedures (i.e. “due diligence”).

The Applicant qualifying from EIF’s due diligence shall be accordingly selected for contractual negotiations of Operational Agreement.

The EIF reserves the right to decide on the allocation of funding available for this Financial Instrument, on the basis of the results of the evaluation procedure. This will consider, in particular, the willingness and ability to absorb the funding available (or the respective funding portion allocated) and will also consider, without limitation, assessment elements like the origination capacity in building up a new SME portfolio.

In case all the initial capital is not allocated to the Applicant qualified from EIF’s due diligence or if, for any reason, an Operational Agreement is not signed with the Applicant initially selected, the next Applicant in the Reserve List will be evaluated under the second stage procedure, subject to the timely submission of the additional information requested as per Appendix 2.

In case more funding becomes available until 31/12/2015, the EIF has the discretion to consider either:

(i) additional capital allocations to the Applicant(s) already selected for contractual negotiations or having signed an Operational Agreement with the EIF under the Financial Instrument or

(ii) proceeding to the second evaluation stage with the next Applicant included in the Reserve List taking into consideration the results of the evaluation procedure and the ranking formed.
To be noted that under point (i), the EIF will take into consideration specific funds utilisation milestones that will be set in the Operational Agreements with the selected Applicant(s) as well as the overall contribution/amount requested by the Financial Intermediaries under their Expression of Interest.

**Note 2 – Scoring of items 2.1-2.2**
Score for items 2.1-2.2 will be awarded on the basis of the qualitative analysis performed by the EIF.

**Note 3 – Scoring of item 2.3**
Step 1: All offers will be compared individually, for each financial parameter (maximum collateral and maximum interest rate), i.e. 2 different comparisons.
For each comparison, the lowest offer will be compared to each individual offer (i.e. Lowest offer of all Applicants/Offer of Applicant being measured), resulting to the best offer (i.e. lowest value) achieving a rating of 1. Inferior offers will hence score proportionately lower than 1.
The individual ratings of the 2 comparisons will be subsequently aggregated and the Applicants will be ranked in descending order – The one with the highest score ranking first.

Step 2: The aggregated results will define the score awarded for this Quality Assessment Criterion, in accordance with the following principle:
Rank 1: Awarded full points
Rank 2: Awarded 85% of the points
Rank 3: Awarded 70% of the points
Rank 4: Awarded 55% of the points
Subsequent rankings will apply the same logic with 15% marks being deducted for each lower ranking accordingly.

**Note 4 – Scoring of item 2.4**
Applicants will be ranked in descending order in accordance to their submitted offer. The Applicant with the lowest offer will receive maximum points. Subsequent rankings will receive points as follows:
Rank 2: Awarded 80% of the points
Rank 3: Awarded 60% of the points
Rank 4: Awarded 40% of the points
Subsequent rankings will apply the same logic with 20% marks being deducted for each lower ranking accordingly.