







Call for Expression of Interest to select Financial Intermediaries for Alternative Lending for Sustainable Development Instrument

Reference number: Call for EoI – No. RRFSpain-2024/2025

Introduction

The objective of this Call for Expression of Interest ("Call" or "CEoI"), launched by the European Investment Fund ("EIF"), is to select eligible financial institutions to become Financial Intermediaries managing Alternative Lending for Sustainable Development Instrument under the Recovery and Resilience Facility (hereinafter "RRF") as further described below. All applications submitted to the EIF should conform to the Call.

The RRF was established by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 ("RRF Regulation")¹, aiming to mitigate the economic and social impact of the coronavirus pandemic and to make European economies and societies more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions.

The addendum of Spain's Recovery and Resilience Plan (the "RRP"), as approved by the European Commission (the "EC") on 2 October and formalised in the Council Implementing Decision (the "CID") on 17 October 2023, foresees an allocation under the RRP Loan Facility of EUR 19.5bn to the Fondo de Resiliencia Autonómica ("FRA", or the "Facility") intended to support Spanish regions through the implementation of financial instruments by the EIB Group (the "EIBG"). In addition, the RRP envisages, among others, a EUR 200 million contribution to an Alternative Lending for Sustainable Development Instrument (the "ALSD Instrument") to support Financial Intermediaries.

The ALSD Instrument's main objective is to provide alternative source of business financing, complementing traditional bank finance, and contributing to increase access to finance and diversification of funding opportunities. Financing will be provided through the Underlying Funds in the form of flexible medium-long term financing for growth and development, alternative and complementary to the banking system, focusing on Debt Instruments and with potential exposure to (hybrid-debt) equity financing.

This Call is addressed to those interested in receiving resources as Financial Intermediaries (as defined below) for the implementation of the RRF. Such activities shall be carried out in accordance with the contractual agreement(s) to be entered into by the EIF and the selected Financial Intermediary and its Underlying Fund. Interested Financial Intermediaries should express their interest by completing and submitting an Expression of Interest (as defined below),

¹ https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0241

a template of which is attached hereto as Annex I, in the manner provided in this Call and meeting the conditions hereunder. For the avoidance of doubt, new investment teams are encouraged to apply under this Call.

Interested Financial Intermediaries are informed that alongside funding provided under the RRF as per this Call, the EIF may, at its full discretion, decide to use other additional sources of funding managed or advised by the EIF in respect of which the requirements applicable to such other sources of funding will apply in addition to those provided for in this Call (please see section 8 below for further details).

1. Definitions and Interpretation

In this Call, 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;
Business Day	means a day during which EIF Luxembourg office is open, and banks are open for general business in Luxembourg;
Business Plan	has the meaning set forth in Annex I;
Call	has the meaning set forth in the introduction;
Commitment Agreement(s)	means the agreement(s) (including, without limitation, the side letter) to be entered into by the EIF with the Underlying Funds and/or the Financial Intermediaries, as applicable, in order to provide them funding under the RRF and to determine the terms and conditions of such investments, on the basis of this Call for Expression of Interest and the selection process;
Deadline	means 31 March 2026;
DNSH	means the principle of 'do no significant harm' within the meaning of Article 17 of Regulation (EU) 2020/852 ² ;
EIF	has the meaning set forth in the introduction;
EIB Group	means the European Investment Bank (EIB) and the European Investment Fund (EIF);
Expression of Interest	means a proposal sent by an Applicant in response to this Call, within the Deadline, to be drafted in accordance with the template attached hereto;
Final Beneficiary(ies)	means a legal person receiving financial support from an Underlying Fund;

² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Financial Intermediary	means a financial institution, fund manager or other legal entity managing or advising an Underlying Fund responsible for providing the resources made available from the RRF to Final Beneficiaries in accordance with the relevant Commitment Agreement;
MA	Means the Kingdom of Spain.
Non-Compliant Jurisdictions (NCJ)	means a jurisdiction:
	 a) listed in Annex I of the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes;
	b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards;
	c) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies;
	d) rated as "partially compliant" or "non-compliant", including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request;
	e) included in the Financial Action Task Force statement "High risk Jurisdictions subject to a Call for Action"); and/or
	f) included in the Financial Action Task Force statement "Jurisdictions under Increased Monitoring",
	(1) in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.
	(2) Please refer to the EIB's website ³ for an FAQ containing the most updated reference lists of NCJs or enquire with the EIF for confirmation of NCJ status.
	The Financial Intermediary shall not be established in an NCJ, unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions

 $^3\ \underline{https://www.eib.org/en/about/compliance/tax-good-governance/faq}$

	that contribute to Targeted Activities under the EIB Group NCJ Policy;
Recovery and Resilience Facility or 'RRF'	means the Facility established by the European Parliament and the Council as per the RRF Regulation;
Recovery and Resilience Plan or 'RRP'	means the Recovery and Resilience Plan for the Kingdom of Spain negotiated and agreed between the MA and the EC, in accordance with the RRF Regulation;
RRF Regulation	means Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021;
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;
Small Mid-Cap	means an entity with fewer than 500 full-time equivalent employees that is not an SME;
Underlying Fund(s) or Fund(s)	means the investment vehicle(s) (including dedicated vehicles) that are set up by the Financial Intermediary(-ies) to provide financing to Final Beneficiaries pursuant to the Commitment Agreement(s).

2. Alternative Lending for Sustainable Development Instrument

According to the relevant Instrument Agreement signed between the MA represented by the Ministry of Economy, Trade and Business and the European Investment Fund, the MA authorities have appointed the EIF to act for and on behalf of, and at the risk of, the MA to actively manage and deploy EUR 200 million of resources made available under the RRP.

Applicants may express their interest for a contribution of any amount provided that the EIF reserves full discretion to decide on the specific contribution to each Fund after the conclusion of the selection process under this Call.

3. Eligible Financial Intermediaries

The EIF shall select one or more Financial Intermediaries to implement the ALSD Instrument in accordance with the procedure described below.

In order to be considered for selection under the ALSD Instrument, Financial Intermediaries, including the managers thereof, shall:

- a. represent that **they are not in any of the Exclusion Situations**, as further described in the Declaration of Honour (Appendix 4 to the Expression of Interest);
- b. **comply with relevant international and EU standards and legislation**, as applicable, on the prevention of money laundering, the fight against terrorism, tax fraud, tax

evasion and artificial arrangements aiming at tax avoidance and shall not perform any illegal activities;

- c. **not be established in a Non-Compliant Jurisdiction** unless the operation is physically implemented in the relevant Non-Compliant Jurisdiction and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy⁴; and
- d. not be subject to Restrictive Measures as defined in Annex II⁵.

4. Compliance and integrity principles

Policies and guidelines to consider when submitting an application

The EIB Group Anti-Fraud Policy⁶, the EIB Group Policy towards Weakly Regulated, Non-transparent and Non-cooperative Jurisdictions and Tax Good Governance⁷ (EIB Group NCJ Policy), the EIB Group Anti-Money Laundering and Combating Financing of Terrorism Policy⁸ (EIB Group AML-CFT Policy), the EIF Transparency Policy⁹, the Guidelines on EIF Restricted Sectors ¹⁰, the EIF Environmental, Social and Corporate Governance (ESG) Principles¹¹ and the EIB Group Whistleblowing Policy¹², shall apply to the investments made in the context of this Call.

The EIB Group is committed to continue maintaining a stringent policy against tax fraud, tax evasion, tax avoidance as well as money laundering and terrorism financing.

All EIF Operations are assessed in line with the standards of the due diligence process promoted by the EIB Group AML-CFT Policy and the EIB Group NCJ Policy. Operations with NCJ links are subject to enhanced due diligence to determine whether:

⁴ Targeted Activities under the EIB Group NCJ Policy, which means (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e., tax fraud and tax evasion) and (ii) tax avoidance practices (i.e., wholly artificial arrangements aimed at tax avoidance).

⁵ As part of its due diligence process, EIF will analyse and exclude any applicant if it or any of its key persons, including ultimate beneficial owners, are subject to EU/UN/US/UK restrictive measures (sanctions), including but not limited to sanctions related to the invasion of Ukraine by the Russian Federation.

⁶EIB Group Anti-Fraud Policy

⁷EIB Group Policy towards weakly regulated, non-transparent and non-cooperative jurisdictions and tax good governance

⁸ https://www.eib.org/en/publications/eib-group-anti-money-laundering-and-combatting-the-financing-of-terrorism-policy

⁹ https://www.eif.org/news_centre/publications/EIF_Transparency_policy

https://www.eif.org/attachments/publications/about/2010 Guidelines on restricted sectors.pdf - to be replaced by the EIF Policy on Exclusions and Restrictions, once published.

¹¹ https://www.eif.org/news_centre/publications/esg-principles.htm

¹² European Investment Bank Group Whistleblowing Policy (eib.org)

- (i) the levels of transparency and integrity of the relevant operation are satisfactory to the EIB Group (in particular the contracting counterparty/ies and their beneficial owners must be clearly identified),
- (ii) the contracting counterparty/ies can provide plausible justifications for the NCJ location link, or
- (iii) there is a risk that the operation is (or may be) misused for Targeted Activities under the EIB Group NCJ Policy⁴.

The enhanced due diligence may consider, on a risk-sensitive basis and as applicable, relevant elements of the Anti-Tax Avoidance Toolbox in Appendix 1 to the EIB Group NCJ Policy.

All Applicants are therefore hereby notified that in the course of the EIF tax integrity due diligence process, information on contracting counterparty's full ownership diagram, including all direct/indirect 10% (or more) Ultimate Beneficial Owners (or deemed controlling), may be requested and that additional questions may arise as part of this process.

For more information, please refer to the FAQ on the EIB Group NCJ Policy³.

5. Key terms for the selected Financial Intermediaries

Annex II sets out in detail the key terms and requirements applicable to the Financial Intermediaries and the Underlying Funds in respect of the ALSD Instrument.

The selected Financial Intermediaries will be expected to be registered and/or authorised as applicable by a recognised supervisory body and must comply with laws and regulations concerning the management of its investment vehicle(s) and operations. At all times it is expected to apply and adhere to professional market standards. For the avoidance of doubt, the intended Underlying Fund structure and all related entities (such as but without limitation, the general partner, the carried vehicle (if any), the investment advisor or the investment manager) must be described (i.e., legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the Expression of Interest. Establishment of the Financial Intermediary and the Underlying Fund will be needed at the time of execution by the EIF of the Commitment Agreement.

All operations concerning the Financial Intermediary, the Underlying Fund and the Final Beneficiaries shall be constantly recorded and monitored to enable regular reporting to investors in accordance with market standards. This may be through a combination of in-house expertise or third-party support. Regular monitoring and subsequent reporting to investors shall provide accurate and up to date information.

Investors in the Underlying Fund are not responsible for any underlying investment decisions or ongoing management of the Final Beneficiaries. An advisory committee representing investors is typically set-up and convened to oversee operations of the Financial Intermediary and the Underlying Fund and opine on specific matters requiring advice or consent (e.g., conflicts of interest, cause events, key person events, etc.).

The indicative capital allocated to the Underlying Fund may be changed as necessary, at EIF's sole discretion subject to applicable approvals, particularly if the funding available changes

during the implementation process or the demand for the Underlying Fund so requires. Also, during implementation process of the particular Underlying Fund, EIF may, at its sole discretion, decide to propose to increase / decrease its commitment to the Underlying Fund. With a view to maximising the efficient use of available resources, EIF shall have sole discretion to allocate any available amounts to Financial Intermediary(-ies) that out-perform initial expectations on the build-up of the relevant portfolio of the Underlying Fund. For the avoidance of doubt, any committed capital to the Underlying Fund shall be governed by the terms of the relevant Commitment Agreement.

6. Expression of Interest

The Expression of Interest shall include the Applicant's identification, the Business Plan, the supporting identification documents and the Declaration of Honour. A template for the Expression of Interest is attached hereto as Annex I.

Applicants may request clarifications regarding this Call or the nature of the Underlying Fund. Such requests must indicate the Call reference number ($Call\ for\ EoI-No.\ RRFSpain\ ALSD-XXXX/XX$) and the name of the Applicant and shall be submitted in English via e-mail to:

Mandate Origination & Relationship Management European Investment Fund RRFSpain@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, ("Clarification Document"). The EIF reserves the right to update the Clarification Document from time to time as and when it regards appropriate.

EIF will, in principle, not contact any Applicant, 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 before the Deadline, EIF will correct the text and inform accordingly.

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

The EIF reserves the right, at any time, to:

- make changes to this Call, the selection process or associated terms, dates and deadlines,
- replace this Call with another Call for Expression of Interest, or
- cancel this Call in its entirety.

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.

7. Submission of Expression of Interest

The Expressions of Interest shall be submitted before the Deadline or on the day of the Deadline by 18:00 CET solely by e-mail with a confirmation of delivery to EIF. The deadline applies to the reception of the application by the EIF.

The Deadline for the submission of Expressions of Interest is 31 March 2026.

The Deadline applies to the receipt of the e-mail by EIF. No paper applications will be accepted.

The Expressions of Interest shall be prepared in English. They shall indicate the reference number of this Call (*Call for EoI – No. RRFSpain ALSD-XXXX/XX*) and the name of the Applicant.

The Expression of Interest shall be sent to: <u>RRFSpain@eif.org</u>. 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 that have been changed or amended (including a table with history of changes).

An acknowledgement of receipt will be sent by EIF to the relevant Applicants 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 an email to the aforementioned email address.

8. 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, and taking into account the selection criteria and principles underpinning the EU regulations, 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, taking into account the terms set out in the Underlying Fund Term Sheet of the CEoI (Annex II)

Following the receipt of the Expressions 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.

Each of these three steps is described in more detail below from section 8.1 to section 8.3.

The Applicants will be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination, in compliance with EIF's policies, rules, procedures and statute and in conformity with best business and market practices.

The contractual negotiation process may not be considered concluded prior to the signature of the Commitment Agreement in accordance with EIF's internal rules and procedures, and until EIF and the Applicants have agreed on all relevant terms and conditions.

In any phase of the selection process before entering into a Commitment 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 Commitment Agreement does not entail, by any means, any obligation for EIF to enter into such Commitment Agreement with the relevant Applicants.

Those Applicants, whose Expression of Interest is rejected, shall have the right to submit a written complaint about the selection process by e-mail to the same address used for the submission of the Expressions of Interest above, within the timeline provisioned within the relevant EIB Group complaints policy. Any complaints will be dealt within the framework and in accordance with the EIB Group complaints policy (for further information visit https://www.eib.org/en/publications/complaints-mechanism-policy).

Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement (EIF statement on the processing operations of Applicants and Financial Intermediaries' personal data) as published on the EIF's website and the Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies offices and agencies and on the free movement of such data, as amended from time to time.

The EIF reserves the right at any time to request written clarifications or the submission of additional or supplementary written information in respect of any application, and/or verify with any Applicant or with a third party any information set out in any application.

8.1. Pre-selection

Expressions of Interest will be assessed by the EIF on a comparative basis. Expressions of Interest will be assessed on a rolling basis (i.e., EIF will not wait until the Deadline to start assessing the proposals received). When assessing the Expressions of Interest, EIF will use its professional analysis and judgment.

8.2. Due diligence

Top-ranked pre-selected Expressions of Interest may 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's 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, and comply with the reporting requirements, as well as the commitment, experience and operational capability of the Applicant. The due diligence normally comprises an on-site visit or video conference call, which shall be at the discretion of the EIF. The due diligence process does not comprise formal legal negotiations while it will typically discuss and explain certain terms and conditions.

8.3. 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(s);
- 2) To put the Applicant(s) into a Reserve List;
- 3) To reject the proposal from the Applicant(s).

Subject to satisfactory outcome of the due diligence, EIF may request its Board's approval to enter into a Commitment Agreement with the selected Financial Intermediary and the Underlying Fund. EIF has no obligation to enter into a Commitment Agreement with the selected Applicant that will ultimately be subject to agreeable commercial and legal negotiations and conditions.

9. Publishing of information on the Financial Intermediaries

Within the spirit of the EIF Transparency Policy and in line with EIF's transparency obligations, 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 EIF contribution. EIF may also publish a list of Final Beneficiaries benefiting from the assistance by the Applicant as provided for in the Commitment 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 and regulations at EU and national level.

10. Terms of Confidentiality

In the context of this Call, certain Financial Intermediaries applying for the CEoI and the EIF will make available certain information of a non-public, confidential and proprietary nature to one another. This paragraph ("Terms of Confidentiality") sets out how Confidential Information provided in this context will be dealt with by each of the EIF and the Financial Intermediaries applying for the CEoI (as applicable).

1. Confidentiality undertaking – each of the Financial Intermediary and the EIF will:

- a) keep the Confidential Information confidential and not disclose it to anyone except as provided for by paragraph 2 below and ensure that such Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information;
- b) use the Confidential Information only for the Permitted Purpose; and
- c) use all reasonable endeavours to ensure that any person to whom they pass any Confidential Information (unless disclosed under paragraph 2(b), (c), (d) or (f) below) acknowledges and complies with the provisions of these Terms of Confidentiality as if that person was subject to these Terms of Confidentiality.
- 2. Permitted disclosure each party may, however, disclose Confidential Information:
 - a) to its managing bodies, affiliates, officers, directors, employees, representatives, professional advisers, and (with respect to disclosure by the EIF) service providers and the ALSD Instrument Investment Board, to the extent necessary for, or in connection with, the Permitted Purpose and to its auditors;
 - b) with respect to disclosure by the EIF, to the European Commission, the European Investment Bank, the European Court of Auditors, and/or the European Anti-Fraud Office (OLAF) and to their respective affiliates, officers, directors, employees and professional advisers to the extent necessary for the Permitted Purpose and to their respective auditors;
 - c) with respect to disclosure by the EIF, to the European Investment Bank and to its respective affiliates, officers, directors, employees and professional advisers, to the extent that any such Confidential Information is relevant in the context of any current or future know-your-customer controls, verifications or activities under the EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy (the "EIB Group AML-CFT Policy"), whether or not related to the Proposed Transaction;
 - d) (i) where requested or required by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body or administrative order, (ii) where required by its statutory documents, internal policies and procedures or in accordance with the relevant treaties, (iii) where required by the laws or regulations of any country with jurisdiction over its affairs, or (iv) where required in connection with and for the purposes of any litigation, arbitration, administrative or other investigations, proceedings or disputes or in order to protect its interests in the course of any legal or arbitration proceedings;
 - e) with the other party's prior written consent, not to be unreasonably withheld; or
 - f) with respect to disclosure by the EIF, within the framework of the EIF's Transparency Policy pursuant to which EIF may publish on its website the minutes of its Board of Directors (including a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources of the Proposed Transaction), unless the Financial Intermediary has specifically objected to such disclosure as set out in the Call.

The party disclosing any information shall have the onus to prove that the disclosure of such information is permitted under this Terms of Confidentiality.

- 3. Notification of Required or Unauthorised Disclosure the disclosing party will (to the extent permitted by law and by its statutory documents) inform the other party of the full circumstances of any disclosure under paragraph 2(d) or upon becoming aware that Confidential Information has been disclosed in breach of the Terms of Confidentiality.
- 4. Termination The Terms of Confidentiality will cease to apply to Confidential Information on the earlier of (a) the date of the signature of the Proposed Transaction containing a confidentiality undertaking in the same or similar terms as the Terms of Confidentiality, and (b) two years following the date on which such Confidential Information was provided.
- 5. Definitions In these Terms of Confidentiality:

"Confidential Information" means any information marked as confidential relating to the EIF, the Financial Intermediary and the Proposed Transaction, provided to a party by the other party or any of its affiliates or advisers, in whatever form, and includes any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- a) is or becomes public knowledge (other than as a result of any breach by a party of the Terms of Confidentiality), or
- b) in relation to information regarding the Financial Intermediary only, is not marked as confidential by such Financial Intermediary at the time of delivery, or
- c) in relation to information regarding the Financial Intermediary only, is known by the EIF before the date the information is disclosed to EIF by such Financial Intermediary or any of its affiliates or advisers, or
- d) in relation to information regarding the Financial Intermediary only, is lawfully obtained by EIF, other than from a source which is connected with such Financial Intermediary and which, in either case, as far as EIF is aware, has not been obtained in violation of, and is not otherwise subject to, any obligation of confidentiality;

"Permitted Purpose" means (a) (with respect to disclosure by the EIF) considering and assessing whether or not to enter into the Proposed Transaction or another transaction with the same Financial Intermediary, (b) any related legal or regulatory or (with respect to disclosure by the EIF) rating review and/or related reporting obligations, and/or (c) (with respect to disclosure by the EIF) any internal procedure of EIF or the European Investment Bank, including but not limited to, any current or future know-your-customer controls, verifications or activities under the EIB Group AML-CFT Policy (regardless of whether or not such procedures are related to the Proposed Transaction); and

"Proposed Transaction" means an agreement between the EIF and the Financial Intermediary.

6. Governing law and jurisdiction – The Terms of Confidentiality, and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, Luxembourg law. Any disputes arising out of or in

connection with the Terms of Confidentiality will be subject to the jurisdiction of the courts of Luxembourg-City.

ANNEXES

Annex I. Expression of Interest and relevant Appendices templates

Annex II. Underlying Fund Term Sheet









ANNEX I – Expression of Interest and relevant Appendices templates

To: European Investment Fund

Re: Alternative Lending for Sustainable Development Instrument

Call for EoI No. RRFSpain ALSD – XXXX/XX

Attention: Mandate Origination & Relationship Management

37B avenue J.F. Kennedy

L-2968 Luxembourg

RRFSpain@eif.org

Call for Expression of Interest No.:	Call for EoI – RRFSpain ALSD -20XX/XX		
Deadline for the submission of the Expression of Interest:	31 March 2026		
Expression of Interest for Financial Instrument:	Alternative Lending for Sustainable Development		
Applicant submitting the Expression of Interest:	(company name, registration number / standard identification code, if applicable)		

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. RRF Spain ALSD -20XX/XX in the framework of the Facility implemented through EIF acting as agent of the Kingdom of Spain. 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 and declares 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 Policy¹³ and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the ALSD instrument 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 a Commitment Agreement. The (Applicant) acknowledges and agrees, if selected, to be audited by Member State audit bodies and, potentially, other audit bodies.

The undersigned, duly authorised 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):	

Appendices 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)

¹³ https://www.eib.org/en/publications/anti-fraud-policy

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:	
DETRIES	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:
DETAILS	Telephone:
	Fax:
	E-mail:

Appendix 2 to EXPRESSION OF INTEREST

BUSINESS PLAN

Applicants are asked to provide an outline investment proposal ("Business Plan") in relation to the Financial Instrument. The Business Plan shall provide concise information on the following items:

Management team

- Relevant experience;
- Composition of the team, track record, balance of skills and stability;
- Composition of the investment committee of the fund;
- Ability to provide relevant added value;
- Ability to provide adequate commitment for the life of the fund;
- Decision making and governance;
- Screening of management team members in accordance with standard market practice and with specific attention to issue related to corrupt, fraudulent, coercive or collusive practices or criminal convictions concerning their professional conduct;
- Disclosure of fund manager's key people and ultimate beneficial owners and their respective tax domiciles as per the European AML regulation and the EIB Group AML-CFT Framework and Policy towards weakly regulated, non-transparent and noncooperative jurisdictions and tax good governance;
- Details of the planned carried interest split among the team members of the fund;
- Details of the history of the applicant and its previous/existing business activities, particularly describing any activity having potential of conflicts of interest in relation to the fund;
- Description of appropriate measures to avoid conflicts of interests and align the interests of the fund, its managers and its investors, such measures to be in line with market practices;
- Description of potential conflicts of interest between fund manager and any entity to which the fund manager has outsourced or will outsource any services (including, for the avoidance of doubt, evaluation of investments).

Market

- Targeted market segment(s) and market needs;
- Feasibility of origination, and strategy given track record;
- Competitors in targeted market segment(s), including other sources of financing;
- Differentiation vis-à-vis competitors and unique selling proposition.

Deal Flow

- Track record of access to deals;
- Volume of deal flow;
- Quality of deals and relevance of deal flow to strategy;
- Sources of deal flow;
- Credibility of plans to develop deal flow.

Investment Strategy

- Fund stage, sector and geographical focus;
- Number of targeted investments and portfolio / capital allocation model;
- Appropriateness of the investment strategy to the market, including the average holding period;
- Risk management methodology;
- Identification of suitable and achievable exit routes for targeted investments.

Fund Size

- Fund size (minimum, target and maximum);
- Balance between fund size, strategy and expected deal flow;
- Adequacy of provision for follow on investments.

Proposed terms

- Main economic terms, including all management or similar fees, establishment costs, hurdle rate/preferred return, carried interest, catch-up, policy on any monitoring, transaction and similar fees and respective offset with the management fee;
- Operational budget of the fund;
- Indicative investment from the fund management company and/or the management team into the fund;
- Indicative capital commitments from other investors at the level of the fund;
- Legal and tax structure.

Expected returns

• Evidence that the fund is to be run on a commercial basis and that it can be expected to be financially viable.

Investor base

- Pari-passu ranking (i.e., like risk, like reward) of market-oriented investors¹⁴;
- Evidence of support from other investors;
- Co-investment strategy and rationale;
- Screening and monitoring of co-investors to the extent the information is made available to the EIF and in accordance with standard market practice;
- Expected timing of first and final closing.

¹⁴ Market oriented investors mean investors operating in circumstances corresponding to the market economy investor principles, irrespective of the legal nature and ownership structure of these investors, being so-called normal economic operators in market economies.

Appendix 3 to EXPRESSION OF INTEREST

LIST OF APPLICANT DOCUMENTS TO ATTACH - Know Your Customer ("KYC")

The EIB Group has in place a counterparty due diligence process¹⁵ which takes into account, among others, factors including the type of counterparty (including sector), business relationship, product, service or transaction and country(ies) of operation. Through the EIB Group NCJ Policy¹⁶ and its implementing procedures, the EIB Group takes into consideration jurisdictions classified by one or more Lead Organisations for not having made sufficient progress towards satisfactory implementation of EU and/or internationally agreed standards in connection with AML-CFT and/or tax transparency/tax good governance standards. The EIB Group entities apply the counterparty due diligence measures to an extent determined on a risk-sensitive basis.

Please attach as part of the initial counterparty due diligence (or "KYC") measures (to be completed later during the application process) the following documents with your application:

1. An excel and pdf-copy of the signed and dated Integrity Questionnaire (including ownership structure) in the form below:



- 2. Copy of extract of commercial register or equivalent, if applicable;
- 3. Copy of extract of beneficial ownership ("UBO") register or equivalent, if applicable.

 $[\]frac{15}{\text{https://www.eib.org/en/publications/eib-group-anti-money-laundering-and-combatting-the-financing-of-terrorism-policy}$

¹⁶ EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy

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:

- 1. The Applicant is not in any of the situations below:
 - it is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under Union or national law;
 - it has been established by a final judgment or a final administrative decision that it is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
 - it has been established by a final judgment or a final administrative decision that it is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which it belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:
 - i. fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the implementation of the legal commitment;
 - ii. entering into agreement with other persons or entities with the aim of distorting competition;
 - iii. violating intellectual property rights;
 - iv. attempting to influence the decision-making of the authorising officer responsible during the award procedure;
 - v. attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
 - it has been established by a final judgment that it is guilty of any of the following:

- i. fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council (44) and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995 (45);
- ii. corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or active corruption within the meaning of Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997 (46), or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA (47), or corruption as defined in other applicable laws;
- iii. conduct related to a criminal organisation as referred to in Article 2 of Council Framework Decision 2008/841/JHA (48);
- iv. money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council (49);
- v. terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA (50), respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
- vi. child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council (51);
- it has shown significant deficiencies in complying with main obligations in the implementation of a legal commitment financed by the budget which has:
 - i. led to the early termination of a legal commitment;
 - ii. led to the application of liquidated damages or other contractual penalties; or
 - iii. been discovered by an authorising officer, OLAF or the Court of Auditors following checks, audits or investigations;
- it has been established by a final judgment or final administrative decision that it has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95 (52);
- it has been established by a final judgment or final administrative decision that it has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations in the jurisdiction of its registered office, central administration or principal place of business; or it has been established by a final judgment or final administrative decision that it has been created with such intent.
- 2. The Applicant is duly authorised if applicable to carry out financing activities in accordance with applicable laws and regulations;
- 3. The Applicant does not perform activities, which are illegal according to the applicable legislation;

- 4. The Applicant complies with relevant international and EU standards and legislation, as applicable, on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion and artificial arrangements aiming at tax avoidance.
- 5. The Applicant is not subject to Restrictive Measures¹⁷.

For the purpose of the EIF Transparency Policy, as further specified in Appendix 5 below, and subject to the approval of the relevant operation by the EIF, the [Applicant], by signing this form:

[Please tick as appropriate]

confirms that the Applicant agrees with the disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) in accordance with the EIF Transparency Policy, listed in Appendix 5;

OR

declares that (i) the Applicant requests the non-disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) and (ii) such disclosure would undermine the protection of commercial interests relevant to the operation.

and,

acknowledges and agrees (i) to the terms of the Terms of Confidentiality as provided in this Call, and (ii) that each of the Applicant and the EIF shall process Confidential Information (as defined under the Terms of Confidentially) in accordance with the terms thereunder.

Full name Signature(s) Date (day/month/year):

¹⁷ As part of its due diligence process, EIF will analyse and exclude any applicant if it or any of its key persons, including ultimate beneficial owners, are subject to EU/UN/US/UK restrictive measures (sanctions), including but not limited to sanctions related to the invasion of Ukraine by the Russian Federation.

Appendix 5 EIF Transparency Policy

Within the framework of the EIF's Transparency Policy¹⁸ (the "EIF Transparency Policy"), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.

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

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

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

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

If the EIF has not received such declaration confirming that an Applicant does not agree to the publication of the aforementioned operational overview, EIF will consider that publication is acceptable to the Applicant, if applicable, and will proceed with publication.

¹⁸ EIF Transparency Policy









ANNEX II – Alternative Lending for Sustainable Development

Capitalised expressions utilised herein shall have the meaning attributed to them in the 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.

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

Any reference to legal and regulatory framework, including State aid regime(s), shall be to the applicable version as amended, supplemented or replaced from time to time.

1. Rationale

The ALSD Instrument's main objective is to provide alternative source of business financing, complementing traditional bank finance, and contributing to increase access to finance and diversification of funding opportunities. Alternative Lending for Sustainable Development Instrument targets investment funds providing alternative sources of flexible, tailor-made debt financing for SMEs and Small Mid-Caps in Europe.

This market emerged in response to the retrenchment of banks and other traditional lenders after the global financial crisis. Today it provides businesses flexible medium-long term financing for growth and development, alternative and complementary to the banking system; as well as offering investors an asset class that links institutional savings with real economic growth.

2. Terms of reference

Financial Instrument	Alternative Lending for Sustainable Development (the "ALSD Instrument")
Type of financing	Debt Instruments; quasi-equity and/or equity
Underlying Fund duration	Typically, 10 + 1 + 1 years (with extensions being subject to the Fund's investors or advisory committee prior approval)
Underlying Fund Investment period	The period for the Financial Intermediaries to build up a portfolio of newly originated financing to Target Final Beneficiaries shall be specified in the Commitment Agreement. Typically, financial intermediaries have an investment period of 3-4 years.
Investment Strategy	The ALSD Instrument's main objective is to facilitate flexible medium-long term financing for Final Beneficiaries through Underlying Funds. The financing provided by Underlying Funds to Final Beneficiaries will take the form of Debt Instruments and with potential exposure to hybrid-debt/equity financing. The ALSD Instrument will prioritise investments in Underlying Funds predominantly targeting non-contractually subordinated debt investments.
	Each Underlying Fund shall procure to invest an amount equal to at least the EIF's commitment to such Underlying Fund financed by the ALSD Instrument into New Financings for the benefit of Target Final Beneficiaries before 31 August 2026. Underlying Funds shall not invest, finance, guarantee and/or otherwise provide financial and/or other support, directly or indirectly, to Final Beneficiaries that are not deemed economically viable according to internationally accepted standards.
	Final Beneficiaries shall not receive support from other European Union instruments or programmes to cover the same cost. For the avoidance of doubt, the ALSD Instrument resources can be invested in an Underlying Fund in a complementary manner alongside other European Union funding, such as ESIF or InvestEU resources.
	The selection of the Final Beneficiaries shall be transparent, non-discriminatory and justified by the Fund Manager on objective grounds and that such selection shall not give rise to any conflict of interest that is not properly mitigated.
Debt Instrument	means senior or subordinated, non-distressed, secured or unsecured, debt instruments in any legal form including, but not limited to, facilities in the form of loan, bond, unitranche and asset-based financing
New Financing	means any financing flowing, directly or indirectly, into Final Beneficiaries for any purpose other than the refinancing of an existing indebtedness

RRF Climate Objectives	The ALSD Instrument shall invest in a portfolio of Underlying Funds that undertake to invest in the aggregate an amount equal to at least 50% of the EIF's commitments financed by the ALSD Instrument directly or indirectly into Final Beneficiary transactions that contribute to the RRF Climate Objectives, as calculated in accordance with the methodology for climate tracking described in Annex VI to the RRF Regulation ¹⁹ . Each Financial Intermediary will classify the underlying investments according to the methodology for climate tracking described in Annex VI to the RRF Regulation. The Financial Intermediary will justify the selection of the intervention field of each underlying investment and will report to the EIF the relevant climate change objectives contribution. Each Financial Intermediary may be requested a minimum contribution to the climate objectives. Such contribution will be defined during the negotiations of the Commitment Agreement.
Target Final Beneficiary	means a Final Beneficiary established and/or operating in the Kingdom of Spain that, at the moment of the Underlying Fund's initial investment in such Final Beneficiary, qualifies as an SME or a Small Mid-Cap.
Financial Intermediary or Fund Manager	A financial institution, fund management company or other legal entity selected by EIF to manage or advise the Fund responsible for providing the resources made available from the RRF to Final Beneficiaries in accordance with the relevant Commitment Agreement.
	The Fund Manager will be expected to be independent, i.e., to be in a position to take management and co-investment decisions independently, including background and other checks on its co-investors (so-called "whitelisting", see below), in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.
	The Fund Manager will be expected to be comprised of a team of experienced professionals, acting with the diligence of a professional manager and in good faith, operating according to best industry practices, complying with professional standards issued by the Invest Europe, ILPA or another equivalent organisation.
	The selected Fund Manager will be expected to draw on their networks of relevant industry and market contacts to aid the development of their Final Beneficiaries. For example, while not a pre-requisite, they may establish a formal or informal structure from which relevant industry experts could be engaged on an ad hoc basis by the Final Beneficiaries (the form, size, industry concentration, commitment and incentivisation scheme of the structure would remain at the full discretion of the Fund Manager).

¹⁹ <u>eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0241</u> (Pages 47-56)

Fund Manager's commitment	The Fund Manager shall contribute an adequate minimum percentage of the total size of the Fund (i.e., its total commitments) as a limited partner of the Fund. The required commitment size will be assessed against and aligned with the Fund economics and the broader financial position of the Fund Manager's team to provide a relevant alignment of financial interest with investors.
Management fee	Typically paid on the net invested capital (acquisition cost of the portfolio of the Fund reduced by the acquisition costs of the Fund's investments that have been sold, written-off or written-down). Alternatively, other schemes (e.g., a fixed fee for the post-investment period) could be considered. The proposed management fee shall be supported by the Fund Manager's budget and corresponding fund model.
Fund's establishment and operating expenses	The establishment and operating costs caps will be expected to include any fees, expenses and costs necessary to set up, manage and wind-up the Fund including transaction costs, as applicable.
	For the avoidance of doubt, the management company will be expected to pay its own operating expenses (such as office rental and employees), its own tax expenses as well as costs that are not attributable to the Fund in accordance with market standards.
Additional features of the Fund Manager	The Fund Manager will be expected to manage the Fund based on commercial principles, making investment decisions based on its due diligence and each investment's commercial merit and business plan, which should contain product description, turnover and profitability calculations and forecasts, previous assessment of project viability, as well as each investment's clear and real exit strategy and other necessary points (such as potential conflict of interest).
	EIF representative(s) shall be appointed on appropriate advisory committee structures to review, inter alia, conflicts of interest.
	In the management of the Fund, the Fund Manager will be expected to apply best practices, inter alia considering guidelines developed by Invest Europe and ILPA, and to perform controls as required by the public nature of the Fund's investment and further communicated to the Fund Manager.
Data Protection Statement	Means EIF's Data Protection Statement on the processing of personal data of Applicants and Fund Managers, as published on the EIF website and as amended from time to time: eif data protection statement financial intermediaries due diligence en.pdf
Addressing Climate Action and Environmental Sustainability	The contribution of the Fund Manager transactions to EIF's Climate Action and Environmental Sustainability ("CA&ES" or "green") objectives shall be determined, if applicable/relevant/indicated by the EIF, in accordance with the latest EIF Climate Action and Environmental Sustainability Guidelines ²⁰ published on EIF's website and applicable at the time of the Commitment Agreement. The contribution percentage will be reflected in the Commitment Agreement(s) as relevant.

²⁰ Guideline on the EIF's criteria for Climate Action and Environmental Sustainability (CA&ES)

Compliance and KYC Each Applicant shall be subject to ex ante verification of pre-defined criteria, including background and reputation checks. Clear checks ("whitelisting") procedures for KYC/AML and integrity checks on the Applicant and management of potential conflicts of interest shall be implemented by the Applicant in line with requirements of national legislation, EU legislation and conditions set out by the RRF, the Spanish RRP and its legal framework, as applicable, as well as best practices. The Applicant shall acknowledge the EIB Group Anti-Fraud Policy²¹ which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing as amended from time to time, and shall take appropriate measures (as may be further specified in the relevant agreement) to (i) facilitate implementation of such policy as well as to (ii) undertake to support investigations performed by the EIF or the European Investment Bank, the European Public Prosecutor's Office (EPPO), or the European Anti-Fraud Office (OLAF), or the European Court of Auditors (ECA) in connection with actual or suspected prohibited conduct. Independent **Private** means any of the following persons: Investors a. majority privately owned financial institutions investing at their own risk and from own resources; b. funds of funds that (i) are classified as alternative investment funds according to the AIFMD²², (ii) are managed or advised by the independent management teams and (iii) whose majority sponsors are not Member States, national promotional banks or institutions, the EIF or the EIB; private endowments and foundations; family offices and business angels (including joint investment vehicles set-up by or with business angels); majority privately owned corporate investors; insurance companies; pension funds; private individuals; and academic institutions, including private research institutions and universities, investing out of their own resources stemming from their commercial activities to the extent that they do not receive any public incentive for the purpose of their investment in the relevant Underlying Fund. means state aid as described in Articles 107 and 108 of the Treaty on the Functioning of the European Union together with all State aid other rules or regulations relating to the provision of state aid as adopted from time to time by the European Union or, as the case may be, communicated to the EIF by the MA.

²¹ https://www.eib.org/en/publications/anti-fraud-policy

²² Alternative Investment Fund Managers Directive 2011/61/EU

Γ	
Reporting	The Fund Manager shall provide EIF with quarterly information in a standardised form and scope as per Invest Europe guidelines for reporting to be specified in the Commitment Agreement.
	The Fund Manager will also be requested to regularly send information on the companies or persons that receive financing (ultimate beneficial owners' information) directly to the responsible authority(ies) within the Kingdom of Spain, notably in order to comply with the reporting requirements under the RRF Regulation as well as the Spanish RRP and the binding requirements for its implementation; details will be defined in the Fund documentation.
	Finally, it is important to note that RRF and State aid reporting rules may require the Fund Manager to provide data points which typically are not being tracked and a higher granularity of data. Furthermore, the Fund Manager should report any additional data that may be required under or derive from future changes to the RRF or State aid regulations. More detailed reporting requirements will be set out in the Fund documentation.
Monitoring and audit	The Fund Manager and the Final Beneficiaries shall agree to keep records and to allow and provide access to documents related to the Financial Instrument for the representatives of the European Commission (including the European Anti-Fraud Office (OLAF), the Court of Auditors of the European Communities, the EIF, the European Investment Bank (the "EIB"), the Kingdom of Spain and any other authorised bodies duly empowered by applicable law to carry out audit and/or control activities. The Fund Manager and the Final Beneficiaries shall provide all information that may be reasonably requested by these bodies and otherwise enable these bodies to discharge their duties with respect to monitoring, control and auditing of the correct use of the Investments. These controls may include on-the-spot controls of the Fund Manager and the Final Beneficiaries. To that effect, appropriate provisions shall be included in each Commitment Agreement.
	The Fund Manager shall ensure that compliance with eligibility requirements applicable to Final Beneficiaries is verified at the latest on the date of signature of any investment in the relevant Final Beneficiary. The Commitment Agreement(s) shall describe the monitoring, audit and control requirements that the Fund Manager shall implement.
Visibility	The Fund Manager, in line with applicable law and RRF rules, shall carry out adequate marketing and publicity campaigns aimed at making the public contribution known, as to be specified through the Commitment Agreement. To this respect, the Fund Manager shall:
	i. explicitly inform the portfolio companies that financing is made possible through the support of the Fund with the financial backing of the Government of the Kingdom of Spain under the RRF Regulation and the National Recovery and Resilience Plan (<i>Plan de Recuperación Transformación y Resilencia</i>). Such information needs to be prominently included either in the contractual documentation and/or in an accompanying cover letter;
	ii. ensure the visibility of European Union funding, by informing Final Beneficiaries and the public of the support received from the RRF and by displaying in Commitment Agreement(s) and relevant publicity materials, if applicable, (brochures,

	website, banners, social media, billboards, posters etc.) the European Union flag and the statement 'funded by the European Union – NextGenerationEU', and other publicity obligations for publicity of the Spanish RRP, in accordance with a text to be included in the Commitment Agreement; iii. include in any press release or other marketing action that the Fund Manager may choose to make with regard to the operation that the Fund Manager has benefited from the support of the ALSD Instrument under the RRF. More detailed visibility requirements may be set out in the Fund documentation.
Transfer	Under the Funding Agreement, under certain circumstances EIF may be substituted in its role as the ALSD Instrument manager. In the event of such substitution, the Kingdom of Spain, or the entity designated by the Kingdom of Spain as the new ALSD Instrument manager, will assume the full discretion and responsibility to perform the tasks of the ALSD Instrument and to implement the ALSD Instrument operations in the Kingdom of Spain. The Commitment Agreement will provide for the possible substitution of EIF, in order to allow the transfer of the Commitment Agreement(s) to the successor entity.
Targeted Activities under the EIB Group NCJ Policy	Means (i) criminal activities such as money laundering, financing of terrorism, tax crimes (i.e., tax fraud and tax evasion) and (ii) tax avoidance practices (i.e., wholly artificial arrangements aimed at tax avoidance).
NoA	means the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (C/2016/2946, OJ C 262, 19.7.2016), as amended or replaced from time to time.
Non-Compliant Jurisdictions (NCJ)	 Means a jurisdiction: a) listed in Annex I of the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes; b) included in the OECD/G20 list of jurisdictions that have not satisfactorily implemented the tax transparency standards; c) listed in the Annex of the Commission Delegated Regulation (EU) 2016/1675 of 14 July 2016 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies; d) rated as "partially compliant" or "non-compliant", including corresponding provisional ratings, by the Organisation for Economic Cooperation and Development and its Global Forum on Transparency and Exchange of Information for Tax Purposes against the international standard on exchange of information on request; e) included in the Financial Action Task Force statement "High risk Jurisdictions subject to a Call for Action"); and/or
	e) included in the Financial Action Task Force statement "High risk Jurisdictions subject to a Call for Action"); and/or

	A included in the Financial Action Tests France statement "Issued intime and a Issued Mediteria"?
	f) included in the Financial Action Task Force statement "Jurisdictions under Increased Monitoring",
	in each case as such statement, list, directive or annex may be amended and/or supplemented from time to time.
	Please refer to the EIB's website ²³ for an FAQ containing the most updated reference lists of NCJs or enquire with the EIF for confirmation of NCJ status.
	The Fund Manager shall not be established in an NCJ, unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy.
Polluting Vehicles	means any vehicle that is not supported under the EIB Group Paris Alignment Framework ²⁴ , as amended from time to time.
Restrictive Measures	Means, without limitation, restrictive measures adopted pursuant to the Treaty on European Union (TEU) or to the Treaty on the Functioning of the European Union (TFEU).
Other requirements	The Fund Manager shall ensure compliance with applicable law, including but without limitation rules covering the RRF and all relevant national law and regulations, State aid and money laundering, the fight against terrorism and tax fraud, as applicable. The Fund Manager, may, in line with its internal rules and procedures and particularly in the cases where fraudulent behaviour is suspected, be required to perform monitoring checks at the level of the Final Beneficiaries.
	The Fund documentation may also include provisions in terms of the Fund's cash flow management, as deemed necessary.
	The Fund shall not be established in a NCJ unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy.
	The Commitment Agreement(s) will include provisions, the objective of which will be to provide appropriate remedies for protecting EIF's and ALSD instrument's interest in Fund in case an investment does not comply or no longer complies with the agreed eligibility criteria.
	The Fund Manager and the Final Beneficiaries:
	• shall not be established in a NCJ unless the operation is physically implemented in the relevant NCJ and does not present any indication that it supports actions that contribute to Targeted Activities under the EIB Group NCJ Policy,

²³ <u>https://www.eib.org/en/about/compliance/tax-good-governance/faq</u>

²⁴ Paris Alignment Framework – Low carbon Version 1.1 (eib.org)

- shall undertake to comply with all applicable laws and regulations and the relevant applicable international and European
 Union standards and legislation on the prevention of money laundering, the fight against terrorism, tax fraud, tax evasion
 and artificial arrangements aimed at tax avoidance; and, therefore, not support actions that contribute to tax evasion or
 finance artificial arrangements aimed at tax avoidance,
- shall acknowledge the EIB Group Anti-Fraud Policy which sets out the policy of EIF for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing as amended from time to time, and shall take appropriate measures (as may be further specified in the relevant agreement) to (i) facilitate implementation of such policy as well as to (ii) undertake to support investigations performed by the EIF or the European Investment Bank, the European Public Prosecutor's Office (EPPO), or the European Anti-Fraud Office (OLAF), or the European Court of Auditors (ECA) in connection with actual or suspected prohibited conduct,
- shall ensure via contractual provisions that no funds or economic resources are made available directly or indirectly to, or for the benefit of, persons or entities designated by Restrictive Measures²⁵.

3. State aid framework

Investments in Final Beneficiaries by the Underlying Funds shall be made in accordance with the NoA and applicable State Aid requirements, as amended or replaced from time to time.

The ALSD Instrument is expected to meet the market economy operator test (MEOT), as described in recitals 86 and 87 of the NoA based on the presence of Independent Private Investors under pari passu conditions (as outlined below).

At the moment of the EIF's investment into an Underlying Fund, the Financial Intermediary shall undertake that the EIF's investment into the Underlying Fund will rank pari passu with Independent Private Investors investing in such Underlying Fund. An EIF's investment shall be considered to rank pari passu with Independent Private Investors when:

- a) it is made under the same terms and conditions (i.e., they share the same risks and rewards and have the same level of subordination in the same risk class) as the Independent Private Investors' investment;
- b) the EIF and Independent Private Investors intervene simultaneously; and
- c) the Independent Private Investors' intervention is of real economic significance.

²⁵ As part of its due diligence process, EIF will analyse and exclude any applicant if it or any of its key persons, including ultimate beneficial owners, are subject to EU/UN/US/UK restrictive measures (sanctions), including but not limited to sanctions related to the invasion of Ukraine by the Russian Federation.

The Independent Private Investors' intervention will be considered of real economic significance if at least 30% of the total commitments of the Underlying Fund at any closing are made by Independent Private Investors.

By investing in Underlying Funds with a commercial investment strategy established by the relevant Financial Intermediary for the purpose of, inter alia, obtaining profits, the starting position of the EIF and the Independent Private Investors shall be considered fully comparable with regard to the fulfilment of the criterion of recital 87(d) of the NoA

4. Application of "Do No Significant Harm" Principle

1. <u>EIF Policy on Exclusions and Restrictions</u>

The Financial Intermediaries and/or the Underlying Funds shall undertake not to invest in Final Beneficiaries restricted or excluded under the EIF Policy on Exclusions and Restrictions²⁶ in force as at the date on which the EIF's investment in the relevant Underlying Fund is signed by the EIF.

2. Polluting Vehicles

The Financial Intermediaries and/or the Underlying Funds shall undertake not to invest in Final Beneficiaries with a substantial focus on the production, rental or sale of Polluting Vehicles, unless such Final Beneficiaries have adopted and published green transition plans in line with Article 19a (2)(a)(iii) of Directive 2013/34/EU prior to the Underlying Fund's initial investment in the relevant Final Beneficiary.

For the purpose of this Section Error! Reference source not found., a Final Beneficiary shall be considered to have a substantial focus on the production, rental or sale of Polluting Vehicles if such Final Beneficiary derived more than 50% of its revenues during the preceding financial year from the production, rental or sale of Polluting Vehicles.

The production, rental or sale of Polluting Vehicles shall include any activity that concerns:

- (a) the manufacture of combustion engine vehicles (sub-activity of NACE 29.10);
- (b) the wholesale and retail trade of polluting vehicles (sub-activities of NACE codes 45.11 and 45.19); and/or
- (c) rental and leasing of polluting vehicles (sub-activities of NACE 77.11 and 77.12).

²⁶ "EIF Policy on Exclusions and Restrictions" means the EIF's Policy on Exclusions and Restrictions published on the EIF's website, as amended from time to time.

3. Activities and Assets Relating to Fossil Fuels

The Financial Intermediaries and/or the Underlying Funds shall undertake not to invest in Final Beneficiaries which main activity falls under the EIF's restrictions stemming from the EIB Group Paris alignment framework in relation to fossil fuel-based energy production and related activities, as follows:

- (a) coal mining, processing, transport and storage;
- (b) oil exploration & production, refining, transport, distribution and storage;
- (c) natural gas exploration, production, liquefaction, regasification, transport, distribution and storage; and
- (d) electric power generation, exceeding the Emissions Performance Standard of 250 grams of CO2e per kWh of electricity, applicable to fossil fuel-fired power and cogeneration plants, geothermal and hydropower plants with large reservoirs, provided that this restriction does not apply to biomass power plants.

4. Downstream Use of Fossil Fuels

The Financial Intermediaries and/or the Underlying Funds shall undertake not to provide financing to Final Beneficiaries in the form of loans, project bonds or equivalent instruments to finance activities and assets related to the downstream use of fossil fuels except for (a) assets and activities in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01) and (b) activities and assets for which the use of fossil fuels is temporary and technically unavoidable for the timely transition towards a fossil fuel free operation.

5. <u>EU Emission Trading System</u>

The Financial Intermediaries and/or the Underlying Funds shall undertake not to invest in Final Beneficiary Transactions in the form of loans, project bonds or equivalent instruments to finance activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks set out in the Commission Implementing Regulation (EU) 2021/447.

6. Waste Disposal

The Financial Intermediaries and/or the Underlying Funds shall undertake not to invest in Final Beneficiary Transactions in the form of loans, project bonds or equivalent instruments to finance activities and assets related to:

(a) waste landfills and incinerators, provided that this restriction shall not apply to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such

- actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants, for which evidence shall be provided at plant level; and/or
- (b) mechanical biological treatment plants, provided that this restriction shall not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants, for which evidence is provided at plant level.

7. <u>Green Transition Plans</u>

Notwithstanding the foregoing, the Financial Intermediaries and/or the Underlying Funds shall be entitled to invest in equity, quasi equity, corporate bonds or equivalent instruments (but, for the avoidance of doubt, not in loans, project bonds or equivalent instruments) issued by a Final Beneficiary engaging in any of the activities referred to in Sections Error! Reference source not found. 4, Error! Reference source not found. and Error! Reference source not found. Beneficiary derived more than 50% of its revenues during the preceding financial year from the activities referred to in Sections Error! Reference source not found. A, Error! Reference source not found. above, the relevant Financial Intermediary shall cause such Final Beneficiary to adopt and publish green transition plans in line with Article 19a (2)(a)(iii) of Directive 2013/34/EU.

8. Environmental Legislation

The Financial Intermediaries and the Underlying Funds shall commit under the relevant Commitment Agreement to comply, and to cause any Final Beneficiary receiving financial support from them to comply, with the EU and national environmental and climate laws and regulations to which they are subject.