

ANNEX 2 to the Call for Expression of Interest No JER-001/2011/1

Funded Risk Sharing Financial Instrument for ICT: 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.

In particular, the Financial Instrument aims to support:

- a. the creation and expansion of SMEs in the ICT sector, and
- b. ICT related investments of SMEs in other industry sectors,

thereby fostering innovation, supporting entrepreneurship and employment creation, contributing to process efficiency and business modernisation and, hence, resulting to the enhancement of the competitiveness of the Greek economy.

2 Structure

JEREMIE Holding Fund funds will be provided by EIF (acting in its own name but on behalf of the Hellenic Republic) 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 EIF the disbursed amount and any interest accrued thereon.

The Financial Intermediary further undertakes to originate a new portfolio of SME loans partly funded from the initially disbursed funds¹. 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 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

¹ Repaid amounts will be returned to the Holding Fund.

predetermined ratio), thereby providing a risk-sharing element to the Financial Intermediary.

Summary description of Funded Risk Sharing Structure:

In the situation of ex-ante financing², the JEREMIE funds are provided to the Financial Intermediary in advance and in tranches. For as long as they 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 drawn 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 relevant interest rate 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 could be equal or lower to the rate (i)).

Repayments from SMEs are collected by the Financial Intermediary and, as regards the JEREMIE funded portion are regularly transferred to the JHF. For as long as such repayments remain deposited within the Financial Intermediary (awaiting transfer to the JHF) they shall be earning the same deposit rate as described here above for the funds not yet channelled to SMEs.

3 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 EIF or any entity.

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

Structure	Funded risk sharing financial instrument.
Governing law and language	The terms of the Funded Risk Sharing Financial Instrument for ICT shall be in the English language and shall be governed by the laws of England.
Form	Operational Agreement for co-funding of a SME loan portfolio and risk sharing thereof on a loan by loan basis.
Limitation of liability	Liability of EIF vis-à-vis the Financial Intermediary will be limited to the outstanding amount to such Financial Intermediary under the relevant Operational Agreement.
Co-financing	The Financial Intermediary shall provide co-financing of 50% on a loan by

² As described in the term sheet, ex post financing is also possible.

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rate	loan basis.
Risk sharing	EIF and the Financial Intermediary will share the risk on each SME loan financed by the facility on a <i>pari passu</i> basis (i.e. EIF will cover 50% of the losses on an eligible SME loan).
Eligible SMEs	<p>Micro (including individual entrepreneurs/self employed persons), small and medium 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 restructuring firms in difficulty (OJ C 244, 1.10.2004, p. 2), as amended, restated, supplemented and/or substituted from time to time.</p> <p>The Financial Instrument will be fully allocated to:</p> <p>i. SMEs in the ICT sector³ to support their creation, expansion and development,</p>

³ With the following eligible NACE (“Nomenclature statistique des activités économiques dans la Communauté européenne”) codes:

ISIC Rev. 4		NACE Rev. 2
	<i>ICT manufacturing industries</i>	
2610	Manufacture of electronic components and boards	26.1
2620	Manufacture of computers and peripheral equipment	26.2
2630	Manufacture of communication equipment	26.3
2640	Manufacture of consumer electronics	26.4
2680	Manufacture of magnetic and optical media	26.8
	<i>ICT trade industries</i>	
4651	Wholesale of computers, computer peripheral equipment and software	46.51
4652	Wholesale of electronic and telecommunications equipment and parts	46.52
	<i>ICT services industries</i>	
5820	Software publishing	58.2
6110	Wired telecommunications activities	61.1
6120	Wireless telecommunications activities	61.2
6130	Satellite telecommunications activities	61.3
6190	Other telecommunications activities	61.9
6201	Computer programming activities	62.01
6202	Computer consultancy and computer facilities management activities	62.02
6203	Computer facilities management activities	62.03
6209	Other information technology and computer service activities	62.09
6311	Data processing, hosting and related activities	63.11
6312	Web portals	63.12
9511	Repair of computers and peripheral equipment	95.11
9512	Repair of communication equipment	95.12
9511	Repair of computers and peripheral equipment	95.11
9512	Repair of communication equipment	95.12

	<p>ii. SMEs in all industry sectors to support investments in ICT projects.</p> <p>A number of industries will be supported, except:</p> <p>a. Illegal Economic Activities</p> <p><i>Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity.</i></p> <p><i>Human cloning for reproduction purposes is considered an Illegal Economic Activity.</i></p> <p>b. Tobacco and Distilled Alcoholic Beverages</p> <p><i>The production of and trade in tobacco and distilled alcoholic beverages and related products.</i></p> <p>c. Production of and Trade in Weapons and Ammunition</p> <p><i>The financing of the production of and trade in weapons and ammunition of any kind.</i></p> <p>d. Casinos</p> <p><i>Casinos and equivalent enterprises.</i></p> <p>e. IT Sector Restrictions</p> <p><i>Research, development or technical applications relating to electronic data programs or solutions, which</i></p> <p><i>(i) aim specifically at:</i></p> <p><i>(a) supporting any activity included in the EIF Restricted Sectors referred to under 2. a to d above;</i></p> <p><i>(b) internet gambling and online casinos; or</i></p> <p><i>(c) pornography,</i></p> <p><i>or which</i></p> <p><i>(ii) are intended to enable to illegally</i></p> <p><i>(a) enter into electronic data networks; or</i></p> <p><i>(b) download electronic data.</i></p> <p>f. Life Science Sector Restrictions</p> <p><i>When providing support to the financing of the research, development or technical applications relating to</i></p> <p><i>(i) human cloning for research or therapeutic purposes; or</i></p> <p><i>(ii) Genetically Modified Organisms (“GMOs”),</i></p> <p><i>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;</i></p> <p>g. Undertakings active in the fishery and aquaculture sectors, as covered by Council Regulation (EC) No 104/2000;</p> <p>h. Undertakings active in the primary production of agricultural products, as listed in Annex I to the Treaty on the functioning of the European</p>
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	<p>Community;</p> <p>In case the Financial Instrument is implemented within the scope of the De Minimis Regulation, the following additional excluded sectors will also apply:</p> <p>i. Excluded sectors presented in Article 1 (c-g) of the De Minimis Regulation.</p> <p>The seat of the eligible SMEs is in Greece.</p>														
<p>Geographical allocation</p>	<p>The JEREMIE funds will be geographically allocated as follows :</p> <table border="1" data-bbox="459 595 1334 1099"> <thead> <tr> <th>Regions</th> <th>Amount (in EUR m)</th> </tr> </thead> <tbody> <tr> <td>Attica</td> <td>18.20</td> </tr> <tr> <td>Central Macedonia</td> <td>6.20</td> </tr> <tr> <td>Western Macedonia</td> <td>4.25</td> </tr> <tr> <td>Southern Aegean</td> <td>2.75</td> </tr> <tr> <td>Continental Greece</td> <td>7.10</td> </tr> <tr> <td>Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.</td> <td>51.50</td> </tr> </tbody> </table> <p>Investment loans will be allocated on the basis of the location of the investment, while expansion loans will be allocated on the basis of the seat of the Eligible SMEs, as per the budget allocations presented in the table here above.</p> <p>The JEREMIE funds should be utilised for investments and/or expansion of the Eligible SMEs activity within Greece.</p>	Regions	Amount (in EUR m)	Attica	18.20	Central Macedonia	6.20	Western Macedonia	4.25	Southern Aegean	2.75	Continental Greece	7.10	Eastern Macedonia and Thrace, Thessaly, Epirus, Ionian Islands, Western Greece, Peloponnese, Northern Aegean, Crete.	51.50
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<p>Eligible forms of SME financing</p>	<p><u>For SMEs in the ICT sector:</u> Investment and/or expansion loans may finance tangible and intangible assets, as well raw materials, stocks, goods and services with the exception of salaries, rent and other operating costs.</p> <p>For the avoidance of doubt the following expenses are also eligible:</p> <ul style="list-style-type: none"> • Research and development of ICT technology, products and services, including its/their commercialisation, • ICT related patent development, registration and commercialisation. <p><u>For SMEs in other industry sectors:</u> Investment loans to support implementation, modernisation and upgrade of ICT related infrastructure (both hardware and software), including e-business practices and systems.</p> <p>The underlying SME loans need to have a fixed repayment schedule - i.e. revolving facilities are not eligible.</p> <p>Refinancing, restructuring, and/or partial disbursements of an existing</p>														

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	committed loan is not eligible.
Currency of SME-loans	SME loans to be denominated in EUR only.
SME Loan Maturity	Minimum 12 months and maximum 120 months, including a grace period of up to 1/3 of the loan maturity (for capital repayment). Only amortising loans are eligible.
SME Loan and Amount	The SME loan amount to an Eligible SME shall not be lower than EUR 25 000 and shall not exceed EUR 500 000. Eligible SMEs could potentially apply more than once for loans allocated in the context of this Financial Instrument provided that the maximum aggregated loan amount of EUR 500 000 is respected.
Portfolio composition	At least 10% of the new SME loan portfolio originated under the Financial Instrument shall be dedicated to Eligible micro enterprises (including individual entrepreneurs/self employed persons) (cf. Eligible SMEs). In accordance with the requirements of table 1 b presented in Appendix 2 section 1 and the offer submitted by the Financial Intermediary, at least 5% of the of the new SME loan portfolio originated under the Financial Instrument shall be composed of unsecured loans of up to EUR 40 000.
Availability period	Up to 24 months from the date of signature of the Operational Agreement.
Origination Model	Newly originated SME loans to be covered by the Financial Instrument are included in the portfolio subject to pre-set loan inclusion criteria defined on a loan-by-loan basis.
Risk sharing arrangements	Cover of losses on a loan by loan and <i>pari passu</i> basis by EIF acting through the JHF and the Financial Intermediary. EIF's repayment claim under the Operational Agreement will be reduced accordingly.
Loss Cover	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 outstanding principal amount of the Financial Instrument at such time.
SME Loan Default definition	Default definition in line with Capital Requirements Directive.
Disbursement under the Operational Agreement	Disbursement in one or several tranches, either ex ante or ex post, based on actual utilisation. Decision on whether funding will be provided to the Financial Intermediary ex ante or ex post will be taken by EIF on the basis of EIF's assessment regarding the credit ability of the selected Financial Intermediary. In case of non or partial build-up of the SME loan portfolio, prepayment

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	clauses shall apply.
Financial covenants and counterparty risk mitigants	<p>On the basis of EIF's assessment of the counterparty risk of the selected Financial Intermediary (as concluded during the evaluation/due diligence process), EIF will request appropriate financial covenants and undertakings by the selected Financial Intermediary under the Operational Agreement.</p> <p>EIF reserves the right to determine the collateral or risk mitigants to be provided by the selected Financial Intermediary under the Operational Agreement, including, subject to local law requirements, rating triggers, pledges or negative pledges.</p>
Repayment of the Financial Instrument under the Operational Agreement	<p>Repayments would occur regularly (e.g. quarterly) mirroring (i) principal repayments (on a pro rata basis on the basis of the co-financing rate), (ii) interest payments (on a pro rata basis relating to the risk sharing rate / co financing rate and also the pricing applied), as well as, (iii) any recovered amount (according to the risk sharing rate), of the underlying SME-loans.</p> <p>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).</p> <p>Re-utilisation of the JEREMIE funds is not possible.</p>
Loss Recoveries	<p>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.</p> <p>Recoveries with respect to losses on such SME loans by the Financial Intermediary shall be shared between EIF and Financial Intermediary according to the risk sharing arrangement.</p>
Pricing and Collateral requirements	<p>SME 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).</p> <p>To be noted that the JHF intends to apply a reduced pricing on the portion of the loan supported by JEREMIE resources thereby reducing the overall interest rate to be charged to the Eligible SMEs. The JHF reserves the right to decide at a later stage, and before the signature of the Operational Agreement with the selected Financial Intermediary, the level of such interest rate reduction.</p>
Additional interest due on the Financial Instrument	<p>The Financial Intermediary shall pay interest at a commercial interest rate as agreed with EIF under the Operational Agreement on the following funds provided under the Financial Instrument:</p> <ul style="list-style-type: none"> • Funds disbursed to the Financial Intermediary, not yet drawn down to SMEs (in the case of funding provided ex ante to the Financial Intermediary); • Repayments (principal, interest, recoveries) collected by the Financial Intermediary from SMEs but not yet transferred to the EIF.

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Other terms and conditions (if applicable)	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.
Management Fees	<p>Financial Intermediaries might receive a Management Fee in accordance with applicable rules⁴, but not exceeding 2% on an annual basis, for their origination and servicing of the portfolio.</p> <p>The Management Fee shall be calculated as a percentage of the pro rata share (i.e. on the co-funding contributed by EIF acting through the JHF) on the average outstanding amount (i.e. disbursed and not repaid) of the portfolio of SME loans.</p>
Reporting	<p>Financial Intermediaries shall provide EIF with quarterly information in a standardised form and scope, which will be defined by EIF.</p> <p>An indicative reporting template is provided along this Call for information.</p> <p>Regular controls and verifications will be performed by EIF in order to ensure compliance with the specifications and provisions of this Financial Instrument.</p> <p>Further to the quarterly reporting obligations the EIF reserves the right to request additional monthly reporting information.</p>
State Aid requirements	In the case where 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 ("GGE") and also for following the appropriate monitoring procedure as this is stipulated in article 3 of the De Minimis Regulation.
Monitoring and Audit	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 Hellenic Republic, the European Commission (including the European Anti-Fraud Office (OLAF)), the Court of Auditors of the European Communities, EIF and any other authorised bodies duly empowered by

⁴ In particular Article 43, para. 4, of the Commission Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L371 of 27.12.2006) as amended from time to time, including by Commission Regulation (EC) No 846/2009 of 1 September 2009 amending Regulation (EC) No 1828/2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (Official Journal of the European Union L250 of 23.09.2009).

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	<p>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.</p>
<p>Publicity</p>	<p>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 and in particular this Financial Instrument known to the SMEs in Greece.</p> <p>In particular, the selected Financial Intermediaries will be contractually required to:</p> <ul style="list-style-type: none"> • Product labelling: The name of the product should clearly point to JEREMIE (e.g. “JEREMIE Funded Risk Sharing Instrument for ICT”); • 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; • Make available promotional leaflets in all branches promoting this Financial Instrument; • All documents concerning this Financial Instrument, including amongst others, loan applications, 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 achieved through this financial instrument should be identified at the time of signature of the loan contract and formally communicated to the SME. The financial benefit achieved 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 within the Operational Agreement.
<p>Additional Structural Fund requirements</p>	<p>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.</p>

Part II: Selection Criteria for the Funded Risk Sharing Financial Instrument for ICT

System of
appraisal
Yes/ No

1. ELIGIBILITY CRITERIA

- 1.1. Credit institution authorised to carry out business in Greece under the applicable regulatory framework.
To be noted that joint ventures and also consortia can express their interest as long as (i) each of the joint venture or consortia members is a credit institution authorised to carry out business in Greece under the applicable regulatory framework, (ii) they indicate/nominate one coordinating entity 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 nationwide geographical coverage in Greece.
- 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 ASSESMENT CRITERIA	Max score
<p>2.1. In case of externally rated Financial Intermediaries, actual external rating 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, taking into account any change of the rating within the last two years.</p> <p>In case of other Financial Intermediaries, the 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).</p>	10
2.2. General quality of the project proposal and implementation strategy submitted under the Expression of Interest.	15
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	26
<ul style="list-style-type: none"> o of which offer relating to the proposed collateral and interest rates (maximum interest rates, for the avoidance of doubt including applicable base rate, will be compared) – table 1a presented in Appendix 2 section 1 (to be automatically calculated in accordance with the methodology explained below); 	22
<ul style="list-style-type: none"> o of which offer relating to the proposed fees – table 2 presented in Appendix 2 section 1 (to be awarded in accordance to EIF's assessment). <p>Further to the evaluation of this criterion in line with the methodology described below, a bonus of 4 additional points will be given to the Applicants that propose the application of a Cap to their pricing proposals.</p>	4
2.4. Pricing policy of the Financial Intermediary, to be charged under the Financial Instrument (maximum risk margins will be compared) on unsecured loans up to EUR 40 000, as submitted under the Expression of Interest – table 1b presented in Appendix 2 section 1 (to be calculated in accordance with the methodology explained below).	4
2.5. Level of Management Fees requested by the Financial Intermediary.	10
2.6. 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.	15
2.7. Detailed assessment of the Financial Intermediary's credit worthiness and risk management with regard to credit policy (internal procedures	20

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 2.1-2.5 will be evaluated first. Applicants who score lower than 45 points will be automatically eliminated. From those applicants who score 45 points and higher, the four highest will qualify to the second evaluation stage.

Second stage: Items 2.6-2.7 will be subsequently evaluated. Applicants who score lower than 70 points overall (first + second stage) will be automatically eliminated. The EIF may select up to three Applicants – those with the highest overall scores (scoring above the minimum acceptable score of 70 points) - and initiate contractual negotiations accordingly.

In case more than one Applicant is selected, the EIF reserves the right to decide on the proposed allocation of funding available for this Financial Instrument, on the basis of the results of the assessment 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.

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

Reserve list: Those Applicants who score more than 70 points but are not selected for contractual negotiations of Operational Agreements will form a reserve list (valid for 1 year following notification of inclusion in the reserve list).

In case more funding becomes available within 1 year from the launching of the Call for Expression of Interest, the EIF has the discretion to consider either (i) higher allocations to the Applicants with the highest overall scores (i.e. those initially selected for contractual negotiations of Operational Agreements) or ii) initiating contractual negotiations with any of the Applicant(s) included in the reserve list taking into consideration the results of the evaluation procedure and the ranking formed.

If, for any reason, no Operational Agreement is signed with any of the initially selected Applicant(s), the EIF reserves the right to consider either (i) increasing the amount

negotiated with the other Applicant(s) initially selected (in case more than one is selected) or (ii) approach one of the Applicants inserted in the reserve list.

Note 2 – Scoring of items 2.1-2.2 and 2.6-2.7

Score for items 2.1-2.2 will be awarded on the basis of the initial qualitative analysis performed by the EIF. Score for items 2.6-2.7 will be awarded on the basis of the detailed due diligence performed by the EIF.

Note 3 – Scoring of item 2.3

Step 1: All offers will be compared individually, for each Category of Eligible SMEs (1&2) and each financial parameter (collateral and maximum interest rate), i.e. 4 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 4 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

Step 1: All offers will be compared individually, for each Category of Eligible SMEs (1&2) and each financial parameter (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: 2 points

Rank 3: 1 point

Rank 4 or below: 0 points

Note 5 – Scoring of item 2.5

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.