



STATUTORY INSTRUMENTS.

**S.I. No. 367 of 2024**



FINANCE (STATE GUARANTEES, INTERNATIONAL FINANCIAL  
INSTITUTION FUNDS AND MISCELLANEOUS PROVISIONS) ACT 2024  
(SECTION 3) ORDER 2024

S.I. No. 367 of 2024

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INSTITUTION FUNDS AND MISCELLANEOUS PROVISIONS) ACT 2024  
(SECTION 3) ORDER 2024

I, JACK CHAMBERS, Minister for Finance, in exercise of the power conferred on me by section 3(1) of the Finance (State Guarantees, International Financial Institution Funds and Miscellaneous Provisions) Act 2024 (No. 3 of 2024), hereby order as follows:

1. This Order may be cited as the Finance (State Guarantees, International Financial Institution Funds and Miscellaneous Provisions) Act 2024 (Section 3) Order 2024.

2. The contribution agreement to be entered into between the State and the European Investment Bank in respect of the EU for Ukraine Fund, the terms of which are appended to this Order, is prescribed for the purposes of section 3 of the Finance (State Guarantees, International Financial Institution Funds and Miscellaneous Provisions) Act 2024 (No. 3 of 2024).



GIVEN under my Official Seal,  
22 July, 2024.

JACK CHAMBERS,  
Minister for Finance.

**APPENDIX**

Terms of prescribed contribution agreement to be entered into between the State and the European Investment Bank in respect of the EU for Ukraine Fund:

**CONTRIBUTION AGREEMENT**

Between

**IRELAND**

and

**EUROPEAN INVESTMENT BANK**

in respect of the

**EU FOR UKRAINE FUND**  
**Funded Contributions Compartment**

This contribution agreement (the “**Contribution Agreement**”) is entered into between: **Ireland**,

(the “**Contributor**”),

on the one hand, and

the **European Investment Bank**,

with its seat at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg,

(the “**Bank**” or “**EIB**”),

on the other hand,

(the Contributor and the Bank each referred to as a “**Party**” and together as the “**Parties**”).

WHEREAS:

(1) The EIB Board of Directors has approved the establishment of the EU for Ukraine Fund (the “**Fund**”).

(2) Each contributor to the Fund shall enter into an undertaking to make contributions to the Fund through their respective contribution agreements.

(3) The Fund is established at inception based on two compartments, as further developed in the Fund Description:

- (i) a compartment that will collect funded contributions from contributors (the “**Funded Contributions Compartment**”), and
- (ii) a compartment that will collect unfunded contributions, notably through guarantees, from contributors (the “**Unfunded Contributions Compartment**”, together with the Funded Contributions Compartment, the “**Compartments**” and each a “**Compartment**”).

The number of compartments in the Fund, as well as their scope, may be modified through the amendment of the Fund Description.

(4) The Funded Contributions Compartment of the Fund shall support the following Operations:

- (i) grant contributions, entered into for the account of the Fund, such as investment grants or interest rate subsidies (the “**Grant Operations**”).
- (ii) impact finance operations, entered into for the account of the Fund, for which the use of the Fund has been approved by the Contributors’ Committee (the “**Impact Finance Operations**”), in relation to which all credit, market and other risks are assumed by and will be borne by the Fund and by the contributors and not by the Bank, including by means of and in accordance with this Contribution Agreement; and

- (iii) own balance sheet operations for which the use of the Fund has been approved by the Contributors' Committee (the "**Own Balance Sheet Operations**"), in relation to which part of the credit, market and other risks (representing the first loss tranche of the portfolio (FLP), with EIB assuming the senior risk) are assumed by and will be ultimately borne by the Fund and by the Contributors in accordance with paragraph 10 of the Fund Description,

(the Own Balance Sheet Operations and the Impact Finance Operations, together, are hereinafter referred to as the "**Financing Operations**").

(5) No equalisation applies between the Funded Contributions Compartment and the Unfunded Contributions Compartment. Within the Funded Contributions Compartment, each Contribution will be added to the Cash Balance which will be used for the Operations approved under the Funded Compartment, as well as for paying costs, expenses and losses in accordance with the Fund Description.

(6) Any Operation to be entered into by EIB under the Fund is subject to approval for the use of the Fund in relation thereto through the Fund's applicable governance arrangements, as further described in the Fund Description, and to approval of such Operation by the EIB's governing bodies.

(7) The Bank may enter into a separate arrangement with the EIF in connection with Impact Finance Operations entered into by EIF in the context of the Fund (the "**EIB/EIF Arrangement**"). For the avoidance of doubts, the term "Impact Finance Operations" includes the EIB/EIF Arrangement. Further, certain Impact Finance Operations may be undertaken by EIB, in cooperation with the EIF, in the context of the Fund.

(8) The intention of the Parties is that in relation to all exposures to Impact Finance Operations and Grant Operations of EIB for the account of the Fund and/or in cooperation with EIF in the context of the Fund and the EIB/EIF Arrangement, all credit, market and other risks are assumed by and will be ultimately borne by the Fund and by the contributors and not by the Bank or the EIF. Consistently, the Bank will act in relation to Grant Operations and Impact Finance Operations for the account of the Fund.

(9) The Parties wish to document the terms and conditions applying to the Contributor's Contribution to the Fund, as well as related arrangements.

THE PARTIES HAVE AGREED AS FOLLOWS:

## **I. Definitions**

1. In this Contribution Agreement:

"**Business Day**" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on March 2023 (T2), or its successors is open for the settlement of payments in EUR.

“**Cash Balance**” means any sums held in cash by the Bank in relation to the Funded Contributions Compartment of the Fund.

“**Contributor**” means Ireland and “**contributor**” means, any or as the case may be, all contributors to the Fund from time to time or as the context requires the Contributors to the Funded Contributions Compartment or the Unfunded Contributions Compartment.

“**EIB/EIF Arrangement**” means the agreements or arrangements entered into between the Bank and EIF in relation to operations deployed in cooperation with the EIF in the context of the Fund as described in Recital (7).

“**EIBG AML-CFT Policy**” means as defined in paragraph 26.

“**EIB Group Anti-Fraud Policy**” means as defined in paragraph 25.

“**Financing Operation**” means as defined in Recital (4).

“**Fund**” means as defined in Recital (1).

“**Fund Description**” means as defined in paragraph 2.

“**Total Funded Contributions**” means as defined in paragraph 4.

“**Grant Operation**” means as defined in Recital (4).

“**Impact Finance Operation**” means as defined in Recital (4).

“**Operation**” means an operation entered into by the Bank with the support of the Fund which is eligible in accordance with the Platform Rules and the Fund Description.

“**Platform Rules**” means as defined in paragraph 2.

“**Own Balance Sheet Operation**” means as defined in Recital (4).

2. Subject to paragraph 22 below, capitalised terms used in this Contribution Agreement and not otherwise defined herein shall have the meaning given to such terms in the fund description (the “**Fund Description**”) included as Schedule 1, and the Partnership Platform Rules (as amended from time to time, the “**Platform Rules**”). The Fund is documented on the terms of the contribution agreements, the Fund Description, and the Platform Rules.

## **II. The Contribution**

3. The Contributor wishes to make a contribution, and the Bank (as administrator of the Fund) hereby accepts it, to the Funded Contributions Compartment of the Fund in the amount of EUR 7 000 000 (*seven million euro*) (the “**Contribution**”).

4. The Fund may receive additional contributions to the Funded Contributions Compartment of the Fund under similar terms and conditions (together with the Contribution, the “**Total Funded Contributions**”).

5. For the avoidance of doubt, the Fund may receive further contributions under its different compartments.

6. The Contribution shall be paid in EUR in full promptly following signature by the Bank and the Contributor of this Contribution Agreement.

7. The Contribution shall be paid in euros to the Bank, acting as administrator, into the following account:

Bank:	European Investment Bank
BIC Code	BEILLULLXXX
Account:	Direct via T2 (/RT)
IBAN:	LU92 9980 0000 0000 0001

The Contributor shall inform the back-office treasury of the Bank at least five (5) Business Days prior to the scheduled payment date by email to FI\_PRO\_BOT\_LPC\_CM@eib.org and FI-PRO/BOT/LPC/RECONCILIATION@eib.org (or to such other e-mail address as may be indicated by the Bank from time to time). The SWIFT message instruction shall include the remittance information (field 70 or 72): “EU4U funded – Ireland”. The Bank shall confirm to the Contributor the receipts of funds from the Contribution in the account.

### **III. Treasury Management**

8. Notwithstanding article 8.1 of the Platform Rules, the Contributor authorises the Bank to apply to the daily Cash Balance an interest rate (which may be negative), without any floor or ceiling, that is equal to (i) EURIBOR 3M (the euro wholesale funding rate known as the Euro Interbank Offered Rate provided by the European Money Market Institute, as the administrator of the benchmark (or any successor administrator)) for a period of three (3) months which appears on Reuters screen page EURIBOR01 (or any successor screen page) as of 11:00 a.m. Brussels time, on the day that is two (2) T2 Business Days (being any days on which the Trans-European Automated Real-time Gross settlement Express Transfer system (T2) is open) prior to the start of each calculation period of three (3) months (save that the first and last calculation periods may be shorter) (ii) minus 12.5 basis points (0.125%) (together the “Interest Rate”). With respect to a calculation period, the Bank shall multiply the daily Cash Balance with by the Interest Rate for each day in that period and divide the result by 360. The amount of interest (the “Interest Amount”) with respect to a calculation period shall be equal to the sum of the amounts of interest so determined and calculated by the Bank for each day in that period. If the Interest Amount for a calculation period is a positive number, the resources of the Cash Balance shall be increased by the Interest Amount. If the Interest Amount for a calculation period is a negative number, the resources of the Cash Balance shall be decreased by the absolute value of the Interest Amount.

The Contributor hereby agrees that the Cash Balance will not be segregated as described in article 3.2.4. of the Platform Rules.

The Contributor acknowledges that while there is not currently an expectation that the Euro Interbank Offered Rate will be discontinued, there is no guarantee that it will continue to be produced and published. If EURIBOR 3M is not published in respect of a day for which it is required (but its determination and publication is not permanently discontinued) the Bank shall replace it with another benchmark rate and any appropriate adjustment to the spread, day-count fraction and/or calculation period, which it will determine in good faith and in a commercially reasonable manner. If the determination and publication of EURIBOR 3M is permanently discontinued (or its permanent discontinuation is announced), the Bank shall enter into discussions with the Contributor with a view to its replacement with another benchmark rate and any appropriate adjustment to the spread, day-count fraction and/or calculation period.

#### **IV. Administration and Use of Contributions**

9. The Bank will administer the Fund and allocate the Contribution in line with the decisions taken by the Contributors' Committee, including (if applicable) decisions taken within the Contributors' Committee before the entering into force of this Contribution Agreement. The Contribution will not be traced through to specific Operations.

10. The Contribution shall be allocated, administered, and managed by the Bank in accordance with (i) the Bank's rules, policies, and procedures (save where adjustments to these rules, policies and procedures are applied in the context of the Fund and as further set out in the Fund Description), and (ii) this Contribution Agreement, including the Fund Description and Platform Rules, if applicable.

11. The Parties acknowledge and agree that in relation to Impact Finance Operations covered by the EIB/EIF Arrangement, the rules, policies, and procedures of EIF shall apply as relevant (save where adjustments to these rules, policies and procedures are applied in the context of the Fund and as further set out in the Fund Description).

12. The Contribution shall be used to finance the activities and for the instruments set forth in the Fund Description, including to meet any payment due under this Contribution Agreement.

13. The Contribution shall be added to the Cash Balance of the Funded Contributions Compartment of the Fund and, together with any Recoveries, shall be used by the Bank:



- (a) In relation to Grant Operations, to finance Grant Operations for which the use of the Fund has been approved within the Contributors' Committee;
- (b) In relation to the Own Balance Sheet Operations, to pay to the Bank the amount set out in the FLP Loss Notice, pursuant to paragraph 10.3 of the Fund Description;
- (c) In relation to Impact Finance Operations, to provide financing or to pay guarantee calls, as the case may be, in respect of Impact Finance Operations for which the use of the Funded Contribution Compartment has been approved within the Contributors' Committee; and/or
- (d) to pay the costs, charges and losses pursuant to paragraph 8 of the Fund Description.

14. The Contributor shall upon first demand indemnify and hold harmless the Bank if the Bank incurs or suffers any other form of loss, damage, expenses, claim or liability in the context of the Funded Contributions Compartment of the Fund (including in connection with the EIB/EIF Arrangement) which is not otherwise recoverable from the Cash Balance as set out in paragraph 8 of the Fund Description.

15. It is acknowledged and agreed that the Bank shall be entitled to make payments under this Contribution Agreement without reference to any other party and without any investigation or enquiry.

16. Repayments, revenues, and recoveries under Operations shall be allocated and applied in accordance with paragraph 10 of the Fund Description.

17. The liability of each Contributor to the Bank under this Contribution Agreement is limited to the amount of its commitment to make Contributions to the Funded Contributions Compartment from time to time.

## **V. Representations**

18. By signing this Contribution Agreement, the Contributor hereby represents, warrants and undertakes to the Bank that:

- (a) it has the legal capacity to contract and the performance of the obligations assumed hereunder and the execution and delivery of this Contribution Agreement by the Contributor have been duly authorised by the Contributor and that upon due execution and delivery, the Contribution Agreement will constitute valid, legally binding, irrevocable and enforceable obligations of the Contributor in accordance with its respective terms and will not infringe any laws or regulations affecting the Contributor;

- (b) all authorisations, approvals and consents required for this Contribution Agreement have been obtained and are in full force and effect, no further authorisations, approvals or consents are required in connection with entering into and performing its obligations under this Contribution Agreement and there are no restrictions or limitations on its ability to consummate the transactions contemplated by this Contribution Agreement (and any agreements and documents relating thereto);
- (c) the Contributor has obtained, complied with the terms of and has done all that is necessary to maintain in full force and effect all authorisations, approvals, licences, consents and/or budgetary laws required under the laws and regulations of its jurisdiction to enable it lawfully to enter into, to exercise its rights and perform its obligations under this Contribution Agreement and to ensure the legality, validity, enforceability and admissibility in evidence of this Contribution Agreement in its home jurisdiction;
- (d) the Contributor has delivered, registered and furnished such documents, instruments information and undertakings to and obtained a consent as may be reasonably necessary or advisable from time to time to comply with all relevant laws and regulations that are relevant to this Contribution Agreement and hereby authorises the Bank so to deliver, register and furnish such documents, instruments, information and undertakings and obtain such consents (at the expense of the Contributor and upon relevant documentary evidence); and
- (e) payments due from the Contributor under this Contribution Agreement can and will be made gross, free and clear of any withholding or deduction for or on account of tax, charges, duties, fees, expenses or impositions of whatsoever nature.

These representations are made on the date of signature of this Contribution Agreement and shall be deemed to be repeated on each date when a payment is made under this Contribution Agreement.

## **VI. Additional Provisions**

19. Except with respect to the deposit instructions described in paragraph 7 above, any notice, request or other communication to be given or made under this Contribution Agreement shall be in writing and delivered by mail, fax, e-mail or secure website to the respective party's address.

<b>For the Bank:</b>	<b>For the Contributor:</b>
<p>Address:</p> <p>European Investment Bank  EIB Global - Partnerships for  Impact Department  Co-financing and Partnerships  Division  98-100, Boulevard Konrad  Adenauer  L-2950 Luxembourg</p>	<p>Address:</p> <p>Government Buildings  Department of Finance  International Finance Division  Upper Merrion Street,  Dublin 2,  Ireland D02 R583</p>
<p>Email</p> <p>EU4U-Fund@eib.org</p>	<p>Email</p> <p>IFI@finance.gov.ie</p>

20. All schedules to this Agreement constitute an integral part of this Contribution Agreement, whose terms taken together shall constitute the entire agreement and understanding between the Contributor and the Bank.

21. This Agreement may be amended only by written amendment between the Bank and the Contributor; provided, however, that the Fund Description may be amended only in accordance with the Platform Rules.

22. In the event of any inconsistency or conflict between the terms of this Contribution Agreement and those of the schedules, the following order of priority shall apply:

- (i) this Contribution Agreement;
- (ii) the Fund Description; and
- (iii) the Platform Rules.

23. The Contributor shall co-operate with the Bank to complete such forms and other documentation as may be required by custodians and/or tax authorities to certify the Contributor's beneficial ownership of its pro-rata share in any securities or other assets held for the account of the Fund.

24. Upon termination or expiry of this Agreement, it is acknowledged and agreed by the Parties that the Bank and/or EIF shall be entitled to retain such amounts as may be required under this Agreement or the relevant Schedules for payment of any fees owed to them or to satisfy and discharge any accrued or

contingent obligations under Operations or operations which remain outstanding as may be further specified in the relevant Schedules.

25. The Contributor is aware of the EIB Group's policy on preventing and deterring prohibited conduct in European Investment Bank Group Activities ("**EIB Group Anti-Fraud Policy**") and agrees to cooperate and promptly inform the Bank of any allegations of prohibited conduct in relation to the Contribution.

26. The Contributor is aware of the EIB Group's Anti-Money Laundering and Combating Financing of Terrorism Framework (the "**EIBG AML-CFT Policy**") as published on the Bank's webpage. The Contributor represents and warrants that (i) in entering into this Contribution Agreement the Contributor acts in its own name and for its own account and (ii) the funds that are to be the source of the Contribution will not be of illicit origins and, in particular, will not be linked to Money Laundering and its predicate offences (such as fraud, corruption, drug trafficking, organised criminal activity etc.) or Terrorist Financing, both as defined in the EIBG AML-CFT Policy. The Contributor agrees to cooperate with the Bank in the Bank's due diligence and continuous monitoring activities pursuant to the EIBG AML-CFT Policy, including but not limited to the completion of questionnaires and other documentation and information requested by the Bank.

27. The Fund shall comply with State aid rules, if applicable. To that effect, the Contributor shall cooperate with the relevant competition authority and the Bank, if necessary.

28. If, at any time, any of the provisions under this Contribution Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Contribution Agreement nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

29. Personal data will be processed in accordance with the provisions of Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018.

30. The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Contribution Agreement in accordance with the objectives of the Fund as reflected in this Contribution Agreement.

For the purposes of any dispute arising in relation to this Contribution Agreement, the Parties hereby submit to the jurisdiction of the Court of Justice of the European Union.

This Contribution Agreement and any non-contractual obligations arising therefrom is governed by, and shall be construed in accordance with the general principles common to the laws of the Member States.

31. To the extent that the Contributor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Contributor, its assets or its revenues, the Contributor agrees, to the extent legally possible, not to claim and hereby irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

In witness hereof the Parties hereto have executed this Contribution Agreement in four (4) original copies, two (2) for the Bank and two (2) for the Contributor. Upon possession by the Bank of two originals of the fully signed Contribution Agreement, this Contribution Agreement shall become effective as of the date of the last signature.

Signed for and on behalf of  
IRELAND

Signed for and on behalf of  
EUROPEAN INVESTMENT  
BANK

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Jack Chambers.  
Minister for Finance

Date:

Date:

\_\_\_\_\_

Date:

## SCHEDULE 1

### Fund Description to the Contribution Agreement:

#### EU FOR UKRAINE FUND

This Schedule shall be applicable to and form an integral part of the Contribution Agreement for the EU for Ukraine Fund (the “EU4U Fund”, the “Fund”) between EIB and the Contributors to the Fund. It is made pursuant to the rules of establishment and administration of the PPF (“Platform Rules”), as amended from time to time.

Capitalised terms used in this Fund Description and not otherwise defined herein shall be interpreted in accordance with the meaning given to such terms in the Platform Rules, in the Contribution Agreement, and in the Guarantee Agreement.

### 1. Objectives

#### 1.1 The EU for Ukraine Initiative

The EU4U initiative has been developed by the European Investment Bank (“**EIB**”, the “**Bank**”) in response to the request by the European Council of 15 December 2022 to the Bank to step up its financial support to critical and urgent investments in Ukraine in coordination with the Government of Ukraine (“**EU4U Initiative**”). It comprises the following main founding elements:

- (i) An allocation, from the Bank’s own resources within the capital envelope of EIB Global for EIB own risk operations, mainly targeting critical public sector infrastructure and economic recovery investments in Ukraine;
- (ii) The setup of the EU4U Fund to enable the roll-out of own balance sheet operations and otherwise to support the public and private sector in Ukraine;
- (iii) An allocation, from the Bank’s own resources of an amount of up to EUR 100 million in total for technical assistance and advisory services for immediate needs as well as reconstruction efforts and accession support to Ukraine<sup>1</sup>; and
- (iv) A revision of the existing NDICI Investment Window 1 Guarantee Agreement between the European Union and the EIB to enable EIB to provide additional EUR 100 million of financing in Ukraine.

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<sup>1</sup> For the sake of clarity the technical assistance and advisory services envelope will also target operations and initiatives aimed at building resilience of and supporting Moldova’s EU accession process. The resources to be made available under this envelope will not be channelled via the EU4U Fund but disbursed directly by the Bank from its own budget on a needs-be basis.

## 1.2 EU4U Fund

The objective of the Fund is to strengthen the project-related part of EU support to Ukraine's reconstruction and recovery, complementing macro-financial support. It seeks to foster economic and social resilience, as well as sustainable infrastructure, with a view to revitalizing the economy and supporting Ukraine's efforts to progress on the path to EU accession.

The Fund will support both public and private sector projects through the following Operations:

- (i) grant contributions, entered into for the account of the Fund, such as investment grants or interest rate subsidies (the "**Grant Operations**");
- (ii) impact finance operations, entered into for the account of the Fund, for which the use of the Fund has been approved by the Contributors' Committee (the "**Impact Finance Operations**"), in relation to which all credit, market and other risks are assumed by and will be borne by the Fund and by the Contributors and not by the Bank, including by means of a professional payment guarantee provided under the Guarantee Agreement; and
- (iii) a portfolio of own balance sheet operations for which the use of the Fund has been approved by the Contributors' Committee, in relation to which part of the credit, market and other risks (representing the first loss tranche of the portfolio (FLP), with EIB assuming the senior risk), are assumed by and will be ultimately borne by the Fund and by the Contributors, including by means of a professional payment guarantee provided under the Guarantee Agreement, as further set out in this Fund Description and notably paragraph 10 below (the "**Own Balance Sheet Operations**")

The Own Balance Sheet Operations together with the Impact Finance Operations being the "**Financing Operations**" and the term "**Operations**" is used to refer to the "Financing Operations" together with the "Grant Operations").

1.3 The Fund is established at inception based on two compartments:

- (i) The compartment that will collect funded contributions from contributors (the "**Funded Contributions Compartment**"), and
- (ii) The compartment that will collect unfunded contributions, notably through guarantees, from contributors (the "**Unfunded Contributions Compartment**", together with the Funded Contributions Compartment, the "**Compartments**" and each a "**Compartment**").

The number of compartments, as well as their scope, may be modified through an amendment of this Fund Description.

The Fund is designed to be a high-risk, high-impact intervention of a temporary nature.

## 2. Eligible Contributors and Types of Contributions

Any Member State of the European Union and the European Commission can make contributions to the Fund.

Contributors can provide both funded and unfunded contributions in EUR into the Fund, both to the Funded Contributions Compartment and to the Unfunded Contributions Compartment. In case of unfunded contributions, EIB expects to provide a suitable level of liquidity into the Fund (“**Liquidity Facility**”) to allow for timely payments of amounts due by the Contributors. Both Financing Operations and Grant Operations can be supported under the Funded Contributions Compartment whereas solely Financing Operations can be supported under the Unfunded Contributions Compartment. In case of deployment of funded Impact Finance Operations by EIB (and through the EIB/EIF Arrangement, by EIF) under the Unfunded Contributions Compartment, EIB expects to provide funding lines to the Unfunded Contributions Compartment which will be drawn on by EIB acting for the account of the Fund for an amount equal to the amount disbursed under the relevant Impact Finance Operation (the “**Funding Line(s)**”). Interest accruing on Liquidity Facility advances and funding costs accruing on the Funding Lines will be paid by the Contributors to the Unfunded Contributions Compartment, in accordance with paragraph 8 below.

Additional potential contributors, including like-minded countries such as EFTA Countries and/or potential private donors (“**Ancillary Contributors**”), can also make funded contributions to the Fund. Acceptance of contributions from the European Commission and Ancillary Contributors will be subject to approval by EIB governing bodies and by the Contributors’ Committee and is expected to involve the creation of a new compartment.

## 3. Eligible operations

Operations shall be eligible for support under the Fund if they are in line with the eligibility criteria, as set out below and updated from time to time (“**Eligible Operations**”).

### 3.1 General

The Fund shall operate in accordance with EIB’s and EIF’s respective rules, policies, and procedures<sup>2</sup>, save where otherwise provided in paragraph 12 below. Without prejudice to paragraph 12 below, all operations shall undergo an ex-ante due diligence or equivalent processes performed in accordance with EIB’s and EIF’s rules, policies and procedures, as applicable.

### 3.2 Expected types of products, promoters/borrowers and beneficiaries

The below table presents the expected types of products, promoters/borrowers and beneficiaries to be supported under the EU4U Fund. The Contributors’

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<sup>2</sup> As amended, modified or waived at any point in time.



Committee, upon proposal by the EIB, may approve the use of the Fund for Operations involving other products, promoters or beneficiaries not included in the table. Therefore, the table below is indicative only.

In relation to Own Balance Sheet Operations and Grant Operations, the expected type of products, promoters/borrowers, and beneficiaries, are as follows:

Type of Products	Eligible Promoters	Eligible Beneficiaries
<ul style="list-style-type: none"> <li>• Senior loans to sovereigns</li> <li>• Senior loans to sub-sovereigns</li> <li>• Senior loans to state-owned financial institutions</li> <li>• Sovereign-guaranteed loans to privately owned financial institutions</li> <li>• Senior loans to municipalities</li> <li>• Senior loans to sub-sovereigns with sovereign guarantee</li> <li>• Senior loans to sub-sovereigns without sovereign guarantee</li> <li>• Senior loans to state owned enterprises with sovereign guarantee</li> <li>• Senior loans to state owned enterprises without sovereign guarantee</li> </ul>	<ul style="list-style-type: none"> <li>• Sovereigns</li> <li>• Sub-sovereigns</li> <li>• State-owned financial institutions</li> <li>• Municipalities</li> <li>• SPVs</li> <li>• State owned enterprises</li> <li>• Companies owned by sub-sovereigns</li> </ul>	<ul style="list-style-type: none"> <li>• Sovereigns</li> <li>• Sub-sovereigns</li> <li>• Municipalities</li> <li>• SMEs</li> <li>• Mid-Caps</li> <li>• State owned enterprises</li> <li>• Companies owned by sub-sovereigns</li> <li>• Housing associations (formal or de facto)</li> </ul>

<ul style="list-style-type: none"> <li>• Senior loans to companies owned by sub-sovereigns with sub-sovereign guarantee</li> </ul>		
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In relation to the Impact Finance Operations the expected type of products, promoters/borrowers, and beneficiaries, are as follows:

Type of Products	Eligible Promoters	Eligible Beneficiaries
<ul style="list-style-type: none"> <li>• Capped Portfolio Guarantees</li> <li>• Equity operations targeting professionally managed closed-ended VC and private equity investment funds investing in equity and/or quasi-equity</li> <li>• Senior loans to corporates</li> <li>• Senior loans to Financial Institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Institutions</li> <li>• Commercial banks</li> <li>• Venture capital funds</li> <li>• Private equity funds</li> <li>• Micro-finance institutions</li> <li>• State-owned Financial Institutions</li> <li>• State-owned Enterprises</li> <li>• Corporates (mid caps to large caps) and Joint Ventures</li> <li>• SPVs</li> <li>• Leasing companies</li> <li>• Private credit funds</li> <li>• Alternative lenders</li> <li>• Crowd-lenders</li> <li>• Guarantee societies</li> </ul>	<ul style="list-style-type: none"> <li>• SMEs</li> <li>• Mid-Caps</li> <li>• Corporates</li> <li>• Joint ventures</li> <li>• SPVs</li> </ul>

### 3.3 Currency of Operations

Only Operations in EUR will be supported under the Fund.

### 3.4 Geographical Eligibility

Operations will be carried out in Ukraine in the territories remaining under the control of the Government of Ukraine at the time of approval and signature of each relevant Operation. Counterparts for certain Operations may be domiciled outside Ukraine.<sup>3</sup>

### 3.5 Approval Period

Operations may be approved by the Contributors Committee by (i) 31 December 2025 or (ii) a later date as may be approved unanimously, at EIB proposal, by the Contributors Committee (the “Approval Period”).

For the sake of clarity, the signature, allocation or disbursement periods will be defined on a project/operation basis depending on the evolving operational needs and constrains in Ukraine, given the high uncertainty of the situation on the ground.

## 4. Permitted Instruments

### 4.1 Permitted Instruments – Financing Operations

Within the Financing Operations of the EU4U Fund, the following instruments are eligible for support from the Fund:

- (i) Credit enhancement for Own Balance Sheet Operations, through the Fund FLP Amount coverage on a portfolio of Own Balance Sheet Operations, as further set out below;
- (ii) Impact Finance Operations, characterised by the risk of full loss and the lack of risk commensurate return, in relation to which all credit, market and other risks are assumed by and will be ultimately borne by the Fund and by the Contributors and not by the Bank.

As set out above, the list of the products and instruments is non-exhaustive considering the need to keep a certain level of flexibility of the EU4U Fund to react to market needs in Ukraine.

The Fund may deploy Financing Operations in both funded (e.g. loans, equity) and unfunded (e.g. guarantees) form.

### 4.2 Permitted Instruments – Grant Operations

Within the Grant Operations of the EU4U Fund, the following instruments are eligible for support from the Fund:

- (i) Investment Grants - non-reimbursable contribution to finance tangible or intangible components of an infrastructure project or venture, in joint or parallel co-

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<sup>3</sup> The geographical eligibility would be further described in proposals to be submitted to the Contributors Committee for approval.

financing with other investors. In particular, the investment grants may decrease the investment costs for the beneficiary through financing part of the investment or through an increase of the concessionality of the financing package of a given project. They may also target specific project components which have substantial demonstrable social or environmental benefits or which can mitigate negative environmental or social impacts; and

- (ii) Interest Rate Subsidies - the provision of a grant amount to make long-term finance available in flexible ways that reduce the total amount of debt service to be paid by the borrower. Such subsidies can be applied upfront or over time.

#### 4.3 Attribution of Contributions

No earmarking of contributions is foreseen. No ex-ante limits will apply to amounts allocated to Financing Operations and Grant Operations. Contributions will not be traced through to specific Operations. To the extent possible, taking into account the size of each Compartment and the indicative pipeline of Operations, each Impact Finance Operation will be financed under one Compartment only. Own Balance Sheet Operations shall be covered by the Fund FLP Amount which may be composed of Funded Contributions and Unfunded Contributions in accordance with the allocation principles in 10.3 below.

### 5. Indicative Results Framework

A results framework for the activities financed by the Fund shall be prepared by EIB (“**Results Framework**”) in accordance with the EIB’s respective rules, policies and procedures, as applicable and to the extent possible.

### 6. Evaluation

EIB may perform an evaluation of the Fund and/or the Operations carried out under it. Such evaluation will aim at making the Fund and the operations funded thereunder accountable to the Contributors and at promoting lessons learnt. The evaluation should be shared with the Contributors’ Committee. EIB may also participate in external evaluations of the Fund.

### 7. Decision-making arrangements

A Contributors’ Committee shall be set up for the Fund in accordance with Article 5.4 of the Platform Rules.

Notwithstanding the provisions of Articles 6.3 and 6.4 of the PPF Rules, the Contributors’ Committee shall be responsible for approving the use of funds for each Operation and for taking other decisions that may be necessary to contribute

to the achievement of the objectives of the Fund, in accordance with Article 5.8 of the Platform Rules,<sup>4</sup> based on proposals from the Bank.

Unless otherwise exceptionally agreed by the Contributors' Committee upon proposal by the EIB in relation to operations approved by EIB Board of Directors before the execution of the first contribution agreement(s) under the Fund, the decision from the Contributors' Committee shall be sought before the relevant, if applicable, EIB Board of Directors' approval in relation to the Operation. For the avoidance of doubt, EIB Board of Directors' approval may be obtained under rules of delegation established by the EIB governing bodies.

In Contributors' Committee meetings, each Contributor shall be represented by its member in the Contributors' Committee, in accordance with the Platform Rules, while its alternate member may participate as an observer with no voting rights. Each Contributor to the Fund, irrespective of the number of Contribution Agreements signed with the Bank whether it has contributed to one or more Compartments, will have only a single vote (weighted in accordance with its contribution) for all decisions of the Contributors' Committee.

For the avoidance of doubt, the majorities and weighting of the votes, as reflected in Article 5.8 of the Platform Rules, are calculated by reference to the contributions of each Contributor to the whole Fund, i.e., the aggregate of all (initially both) Compartments (even if there is a Contribution to one Compartment only), including with respect to any decisions of the Contributors Committee which concern only one of the Compartments, i.e. no separate voting arrangements, majorities or weighting shall be established per compartment. Any decision complying with the applicable majority requirements shall be binding for all Compartments and all Contributors.

In relation to the decision-making process in accordance to the tacit procedure, as reflected in Article 5.8 of the Platform Rules, only one representative of each Contributor, either the member or the alternate<sup>5</sup>, as the case may be, is authorized to communicate to the Bank the potential rejection of such Contributor in relation to operations and other issues on which the approval may be sought.

In relation to a decision sought from the Contributors' Committee for an Impact Finance Operation under the Unfunded Contributions Compartment that triggers the use of Funding Line(s), the Contributors' Committee shall be informed, before it adopts its decision, about the proposed use of a Funding Line in relation to the Operation and the reasons that would justify the implementation of such Operation under the Unfunded Contributions Compartment.

Notwithstanding Article 5.8 of the Platform Rules, in relation to a decision sought from the Contributors' Committee for an Impact Finance Operation under the Unfunded Contributions Compartment that triggers the use of Funding

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<sup>4</sup> For the avoidance of doubt, references to Contributions Paid within Article 5.8 of the Platform Rules should be understood to include contributions committed by contributors to the Fund, including unfunded contributions committed through a guarantee agreement, or funded contributions to be paid in tranches.

<sup>5</sup> In case of the alternate, acting under a specific delegation from the member.

Line(s), the decision of the Contributors' Committee should be adopted on an unanimous basis.

One representative of the European Commission may be invited to participate in meetings of the Contributors Committee as observer with no voting rights.

#### 8. Fees, costs, gains, negative interest losses, and buffer

Contributions made by the Contributors to the Fund are expected to be allocated by the Bank to Operations save for, without limitation, applicable fees, costs, charges, negative interest losses and a buffer, if relevant.

For the sake of clarity, references in this Fund Description to:

- (i) Fees refers to the Administrative Fee, as defined below;
- (ii) Costs include (a) recovery and restructuring costs, and (b) in the case of the Unfunded Contributions Compartment, the costs of the Liquidity Facility and funding costs of the Funding Line(s), and (c) audit costs;
- (iii) Negative interest losses comprise the losses resulting from negative interest rates, without any floor.

The Bank shall charge the following fees to the Fund:

##### 8.1 Administrative Fees

The Contributors agree to pay an administrative fee of 2.94 per cent on the total Contributions to the Fund (the "**Administrative Fee**").

In the case of the Funded Contributions Compartment, the Administrative Fee shall be deducted by the Bank from the relevant Contribution, following receipt thereof (either on a lump basis or, where envisaged under the relevant Contribution Agreement, in instalments).

In the case of the Unfunded Contribution Compartment, the Administrative Fee shall be debited to the Dedicated Register of each Contributor to the Unfunded Contributions Compartment (either on a lump basis or, where envisaged under the relevant Contribution Agreement, in instalments). For the avoidance of doubt, the Administrative Fee is not subject to equalisation and hence shall not be included in the calculation of the Adjustment Payment.

##### 8.2 Costs

Costs of the Liquidity Facility:

The Contributors to the Unfunded Contributions Compartment agree that the advances made available to them under their Liquidity Facility together with the Interest Rate accrued on the Liquidity Facility (as defined therein) will be debited immediately to their Dedicated Register and repayable on the relevant Advance Repayment Date.

Costs of the Funding Line(s):

The Contributors to the Unfunded Contributions Compartment agree that the following Funding Costs on the Funding Line(s) made available by the Bank to the Fund along with the Bank's standard commitment fee to compensate for the

costs constituting a buffer of liquidity will be debited to their Dedicated Register on a quarterly basis, based on the outstanding amounts disbursed under the Funding Lines at such time, pro rata to their Contributions in the Unfunded Contributions Compartment.

Where “Funding Cost” means the sum of (a) interest determined at the rate of: (i) EURIBOR 3 month for operations in EUR (as defined under Schedule 2 (EURIBOR) to the Fund Description) plus (ii) a spread (which can be a positive or negative number of basis points) calculated following EIB's standard pricing methodology in order to recover e.g. EIB's cost of funding on the capital markets; (b) the Bank's standard costs associated with the Funding Lines such as associated indemnities, expenses, prepayment option spread, internal derivative pricing and other incidental charges; and (c) administrative costs of 12 (twelve) bps, with no floor applicable to this type of operations; with the amount in (a) floored at zero.

#### Recovery and Restructuring Costs:

By way of cost contribution for the EIB's services to the Contributors performed in the recovery of the Contributions used in relation to the Financing Operations, or in relation to restructuring of Financing Operations, the Contributors shall pay to EIB flat-fee for internal recovery costs per Financing Operation at the rate of 1 per cent (1%) of the outstanding commitments of the affected Financing Operation (the “Recovery Fees”). The Recovery Fees shall be payable upon the EIB's governing bodies approval on undertaking a recovery or restructuring action for a Financing Operation, as applicable.

In respect of Recovery Fees attributable to a Financing Operation:

- (i) under the Funded Contributions Compartment, EIB will deduct the Recovery Fee from the Cash Balance of the Funded Contributions Compartment; and
- (ii) under the Unfunded Contributions Compartment, EIB is authorised to debit the relevant Dedicated Register of each Contributor in respect of the Recovery Fees pro-rata to each Contributor's share in the Fund.

#### Audit costs:

The Contributors agree that the costs of the external auditors incurred in the context of the preparation of the financial statement of the Fund (the “Audit Costs”) shall be covered by each of the Contributors of the Fund. The Audit Costs will be split across the Compartments pro rata to their size at such time.

In respect of the Audit Costs attributable to the Funded Contributions Compartment, EIB will deduct the Audit Cost from the Cash Balance of the Funded Contributions Compartment.

In respect of Audit Costs attributable to the Unfunded Contributions Compartment, EIB is authorised to debit the relevant Dedicated Register of each Contributor in respect of the Audit Costs, pro-rata to each Contributor's share in the Unfunded Contributions Compartment.

### 8.3 Gains and Losses

Any gains resulting from treasury management of the Cash Balance of the Funded Contributions Compartment should be credited to the Funded Contributions Compartment and increase the Cash Balance available for Operations under the Funded Contributions Compartment. Potential losses resulting from negative interest rates should be debited to the Cash Balance of the Funded Contributions Compartment without any floor.

Any gains resulting from treasury management of the Cash Balance of the Unfunded Contributions Compartment should be credited pro-rata to each Contributor in the Dedicated Register. Losses due to negative interest, including on cash disbursed and losses in respect of the Cash Balance of the Unfunded Contributions Compartment will be covered by the Contributors to the Unfunded Contributions Compartment, pro rata to their Contributions and debited in their Dedicated Register.

### 8.4 Buffer

A portion of the total Contributions may be reserved by the Bank as a buffer to cover fees, costs and losses.

## 9. Allocation Principles

The following allocation principles apply in the context of the Fund (the "**Allocation Principles**"):

### 9.1 Grant Operations

Grant Operations will be supported only under the Funded Contributions Compartment to the extent that amounts are available under the Funded Contributions Compartment for such Grant Operations.

### 9.2 Impact Finance Operations

To the extent possible, each Impact Finance Operation will be supported under one Compartment only<sup>6</sup>, taking into account the amount of Contributions made to each Compartment and the pipeline of Operations.

Subject to the sufficient size of each Compartment, the following allocation principles will apply to the Impact Finance Operations:

- (i) funded Impact Finance Operations will be supported under the Funded Contributions Compartment;
- (ii) unfunded Impact Finance Operations will be supported under the Unfunded Contributions Compartment.

In case of insufficient size of any or both Compartments, a given Impact Finance Operation may be supported under a different Compartment than the one specified in these Allocation Principles.

Losses arising under or in connection with the Impact Finance Operations (including, Covered Amounts under the Unfunded Contributions Compartment)

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<sup>6</sup> In some cases, an Impact Finance Operation may be split such that one Impact Finance Operation will be proposed under the Funded Contributions Compartment and a second Impact Finance Operation will be proposed under the Unfunded Contributions Compartment.



together with repayments of principal, Proceeds and Recoveries will be allocated by EIB, acting for the account of the Fund to the Compartments under which such Financing Operations were supported.

### 9.3 Own Balance Sheet Operations.

The credit enhancement for the Own Balance Sheet Operations shall be allocated between the Unfunded Contributions Compartment and the Funded Contributions Compartment in accordance with the following principles:

The Compartments shall cover the risk on the portfolio of Own Balance Sheet Operations up to the Fund FLP Amount, as follows:

- (i) on a first loss basis, by the Unfunded Contributions Compartment up to an amount (the “**Unfunded Compartment FLP Amount**”) determined by the Bank (based on amounts available under the Unfunded Contributions Compartment for the portfolio of Own Balance Sheet Operations and the size of the portfolio of Own Balance Sheet Operations, in each case at any time); and thereafter
- (ii) on a second loss basis, if necessary by the Funded Contributions Compartment up to an amount (the “**Funded Compartment FLP Amount**”) determined by the Bank as being available (if any) under the Funded Contributions Compartment for the portfolio of Own Balance Sheet Operations, at any time.

Losses arising under or in connection with Own Balance Sheet Operations (including, for the avoidance of doubt, Covered Amounts under the Unfunded Contributions Compartment) together with repayments of principal, Proceeds and Recoveries will be allocated by EIB in accordance with paragraph 10 below.

## 10. Distribution Principles

Any cancellations, repayments or other amounts received which are attributable to Grant Operations shall be allocated to the balance of the Funded Contributions Compartment.

### 10.1 Principal, Proceeds and Recoveries

For the purposes of this Fund Description:

“**Proceeds**” mean any interest, fees, profits, and Recoveries received under the underlying Financing Operations, for equity transactions any reflows (including restitution of commitment and distributions, save that such reflows shall be classified first as repayment of principal up to the value of the original investment and thereafter as proceeds for the purposes of this definition), and for Grant Operations any reflows.

“**Recoveries**” means moneys recovered from underlying Financing Operations (net of any external recovery costs) where such sums have been recovered by the Bank following a prior:

- (i) demand within the meaning of the Guarantee Agreement entered into in the context of the Unfunded Contributions Compartment (a “**Demand**”);
- (ii) FLP Loss Notice under the Funded Contributions Compartment; and/or
- (iii) Use of the Recoveries to cover losses pursuant to subparagraph (i) hereunder and paragraph 10.3 below,

in each case as relevant under such Financing Operation.

Application of principal, Proceeds and Recoveries:

In case a given funded Impact Finance Operation was supported under the Funded Contributions Compartment, any repayments of principal, Proceeds and Recoveries shall be allocated to the Cash Balance of the Funded Contributions Compartment.

In case a given funded Impact Finance Operation was supported under the Unfunded Contributions Compartment, repayments of the principal (that are classified as principal in accordance with EIB’s accounting policies) should be allocated to the repayment of the Funding Line made available by the EIB to the Unfunded Contributions Compartment to fund such Impact Finance Operation, whereas Proceeds will be credited pro rata to the Dedicated Register of each Contributor to the Unfunded Contributions Compartment.

In case of unfunded Impact Finance Operations supported under the Funded Contributions Compartment, any Proceeds, Recoveries or Costs and losses should be credited/debited to the Cash Balance of the Funded Contributions Compartment.

In case of unfunded Impact Finance Operations supported under the Unfunded Contributions Compartment any Proceeds or Costs and negative interest losses should be credited/debited pro rata to the Dedicated Register of each Contributor to the Unfunded Contributions Compartment.

Recoveries attributable to the:

- (i) Impact Finance Operations under the Unfunded Contributions Compartment of the Fund shall be held as part of the Cash Balance of the Unfunded Contributions Compartment and used by the Bank, for the account of the Fund to pay any Covered Amounts arising following a Guarantee Event occurring in the portfolio of Impact Finance Operations. For the avoidance of doubt, in such cases the Cash Balance of the Unfunded Contributions Compartment attributable to such Recoveries will be directly debited up to the Covered Amount (and, for the avoidance of doubt, no Demand will be issued). For any Covered Amounts (or portion thereof), if any, in excess of the then available Recoveries on the Unfunded Contributions Compartment Cash Balance, the Bank will submit a Demand in accordance with the Guarantee Agreement signed in the context of the Unfunded Contributions Compartment;

- (ii) Own Balance Sheet Operations and allocated to the Fund following the full recovery of any Senior Losses pursuant to paragraph 10.2 below, shall be held as part of the Cash Balance of the Fund<sup>7</sup> and used by the Bank to pay any losses arising under the Own Balance Sheet Operations portfolio in accordance with paragraph 10.3 below;

in each case, until the Final Distribution Date set out below, when they shall be distributed in accordance with the rules set out in paragraph 10.7 below.

#### 10.2 Fund FLP Amount – Allocation between the Bank and the Fund

In respect of the portfolio of Own Balance Sheet Operations, any losses incurred in excess of the amounts covered by the Fund under paragraph 10.3 below shall be borne by the Bank (for the purpose of this clause the “**Senior Losses**”).

Where such Senior Losses have been incurred, any Recoveries received by the Bank from the portfolio of Own Balance Sheet Operations will be retained by the Bank until the full recovery of any such Senior Losses.

Thereafter, Recoveries received by the Bank from the portfolio of Own Balance Sheet Operations will be allocated by the Bank, acting for the account of the Fund, in accordance with the principles set out in 10.1 above.

For the avoidance of doubt, all repayments of principal and Proceeds (which are not Recoveries) under the Own Balance Sheet Operations shall be retained by the Bank.

#### 10.3 Fund FLP Amount – Allocation within the Fund

Losses (including, for the avoidance of doubt, “Covered Amounts” for the purposes of the Unfunded Contributions Compartment) arising under the Own Balance Sheet Operations portfolio up to the Fund FLP Amount shall be allocated (in each case, based on the determination by the EIB, acting for the account of the Fund) as follows:

Firstly, up to the amount Recoveries (if any) previously allocated to the Cash Balance of the Fund pursuant to paragraph 10.2 above;

Secondly, to the Unfunded Contributions Compartment, up to the Unfunded Compartment FLP Amount;

Thirdly, to the Funded Contributions Compartment, up to the Funded Compartment FLP Amount; and

Thereafter, to the EIB for its own account as Senior Losses.

Following such allocation, the Bank, acting for the account of the Fund, shall in respect of Losses (or the portion thereof) allocated to the:

- (i) Unfunded Contributions Compartment, submit a Demand under the Guarantee Agreement for the Covered Amounts; and/or

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<sup>7</sup> The Cash Balance of the Fund shall be remunerated in line with the rules applicable to the Cash Balance of each Compartment. Gains or losses from the treasury management of the Cash Balance of the Fund shall increase or decrease, as relevant, this Cash Balance of the Fund attributable to Recoveries under Own Balance Sheet Operations.

- (ii) Funded Contributions Compartment, deduct the relevant amount from the Cash Balance of the Funded Contributions Compartment following the delivery by the Bank of a FLP Loss Notice substantially in the form attached as Annex 1 (Form of FLP Loss Notice) to this Fund Description (the “**FLP Loss Notice**”).

For the purpose of this Fund Description, “**Fund FLP Amount**” means, at any time and without double counting, the amount in EUR equal to:

- (i) 70% of the sum of:
  - (a) the aggregate signed Principal of such Own Balance Sheet Operations less any cancellations; and
  - (b) the aggregate Related Amounts due thereunder,

until the Fund FLP Amount calculated under (i) above reaches EUR 400 million, thereafter,

- (ii) 60% of the sum of:
  - (a) the aggregate signed Principal of such Own Balance Sheet Operations less any cancellations; and
  - (b) the aggregate Related Amounts due thereunder.

For the sake of clarity, as set out in paragraph 9.3 above, the Fund FLP Amount will be provided first under the Unfunded Contributions Compartment and then by the Funded Contributions Compartment, in case the amount available under the Unfunded Contributions Compartment for the Fund FLP Amount is insufficient to cover the portfolio of Own Balance Sheet Operations at such time. Any losses under the Fund FLP Amount will be allocated first to the Unfunded Contributions Compartment up to the Unfunded Compartment FLP Amount and once the losses exceed the Unfunded Compartment FLP Amount, to the Funded Contributions Compartment up to the Funded Compartment FLP Amount.

“**Principal**” means a sum representing principal (which for the avoidance of doubt excludes interest, late payment interest, capitalised interest and any interest accrued thereon, fees, commissions, indemnities, charges, costs and expenses).

“**Related Amount**” means any amount due and payable under an Own Balance Sheet Operation which is not Principal (including but not limited to, interest, late payment penalty, commissions, fees, charges, indemnities, expenses or any other incidental charges in respect of such Own Balance Sheet Operation).

#### 10.4 Date of Allocations

Repayments of principal, Proceeds and Recoveries received under an Operation of the Fund shall be allocated by the Bank, acting on the account of the Fund, at the end of each quarter on 31 March, 30 June, 30 September, 31 December, in accordance with the principles set out above.

#### 10.5 Mistakes

If any mistakes or incorrect determinations (including as a result of inaccurate information provided by final beneficiaries or other third parties) have been made by the EIB in relation to the calculation or allocation of any amounts, the

Contributors agree that EIB shall, as soon as it becomes aware of such mistakes or incorrect determinations, rerun any such calculations or allocations in order to correct such mistakes or errors and when necessary, claw back any amounts unduly paid or distributed.

#### 10.6 Attribution of cash flows

Payments relating to demands made under the Guarantee Agreement, in respect of Equity Losses and any other indemnity payments under the Unfunded Contributions Compartment, in each case related to losses under a funded Impact Finance Operation shall be treated by the Bank as cash flows received under the relevant Impact Finance Operation under the Unfunded Contributions Compartment.

Whereas for payments relating to demands made under the Guarantee Agreement relating to unfunded Impact Finance Operations under the Unfunded Contributions Compartment, such amounts shall be allocated to the payment of the demands made under the relevant unfunded Impact Finance Operation (including the payment of any fees or costs linked thereto).

#### 10.7 Final Distribution Date

Any distribution to the Contributors under each Compartment will be made pro rata to their Contribution to each Compartment upon termination of the Fund (the “**Final Distribution Date**”). For the avoidance of doubt:

- (i) the Final Distribution Date shall fall no later than the date falling 12 months after the occurrence of the Termination Date under the Guarantee Agreement;
- (ii) the Cash Balance of the Funded Contributions Compartment can be reallocated and used at any time before the Final Distribution Date for the same purposes as the initial Contributions;
- (iii) Recoveries attributable to an Impact Finance Operation supported by the Unfunded Contributions Compartment of the Fund can be used as set out in paragraph 10.1 above until the Final Distribution Date, thereafter they shall be distributed to the Contributors to the Unfunded Contributions Compartment, on a pro rata basis;
- (iv) Recoveries under the portfolio of Own Balance Sheet Operations can be used as set out in paragraphs 10 above until the Final Distribution Date, thereafter they shall be distributed to the Contributors to the Funded Contributions Compartment and Unfunded Contributions Compartment, on a pro rata basis based on the size of such Compartments at that date;
- (v) netting of amounts credited to the Contributors and debited to the Contributors for the Unfunded Contributions Compartment is permitted in the Dedicated Register;
- (vi) any such netting shall not reduce the available Contribution;

- (vii) positive balances on the Dedicated Register shall be kept on the Dedicated Register until the Final Distribution Date.

## 11. Amendments to Fund Description

This Fund Description may be amended from time to time, subject to approval of EIB's Governing Bodies, if relevant, including under rules of delegation, and the unanimous approval of the Contributors' Committee.

EIB may, at its own discretion, amend the provisions of this Fund Description to the extent such amendments result from the change in EIB's rules and policies or from the regulations applicable to EIB's activities or from the decisions of EIB's Governing Bodies ("**Obligatory Amendments**"). If one or more Contributors object(s) to the introduction of the Obligatory Amendments, these Contributors can engage into discussions with EIB regarding the Contribution Agreement they entered into with EIB, if the Obligatory Amendments:

- (i) prevent such Contributor(s) continuing to participate in the Fund in compliance with the laws and regulations applicable to it;
- (ii) require the Contributor(s) to increase the amount of their Contributions; or
- (iii) substantially increase their costs of further participation in the Fund.

If discussions between the Contributor(s) and the EIB do not lead to an agreement of the Contributor in relation to the Obligatory Amendment, the EIB and the Contributor shall discuss in good faith with a view to agreeing a mutually acceptable solution, which may include an excuse right for that Contributor in relation to future Operations.

## 12. Special Provisions

The following variations from the Platform Rules or additional arrangements shall apply in relation to the Fund:

### 12.1 Relevant deviations from rules, policies and procedures

As part of its monitoring of the Operations, the Bank will require ex-post information from the counterparts and in line with its rules and procedures to the extent possible and taking into account the extraordinary situation in Ukraine.

The Bank shall, to the extent possible and feasible under the prevailing circumstances, ensure compliance with its AML/CFT and sanctions requirements. It is envisaged that the normal AML/CFT and sanction-related contractual obligations shall be included in the documentation.

In respect of sanctions, the requirement to take appropriate remedial measures may need to be adjusted to take into account the extraordinary circumstances in Ukraine at the time.

The Bank may not be in a position to ensure compliance by a counterpart to an Operation with the Bank's Guide to Procurement.

The Bank's usual contractual requirements may need to be adjusted or waived, as decided in accordance with EIB rules, policies and procedures, to reflect the prevailing circumstances at any time.

## 12.2 Due Diligence process

In light of the extraordinary situation in terms of travel disruptions due to the war as well as the need for swift channelling of the funds to the economy, simplified (namely desk-top) due diligence could be used. Such circumstances will be clearly spelled out as part of the authorisation.

## 12.3 Workouts and restructurings

The Contributors hereby appoint EIB to act as recovery agent in relation to the Contributions used for the Financing Operations. Whenever the Contributions are used (directly or indirectly) in relation to the Financing Operations, the EIB is authorised (directly and indirectly) to initiate recovery proceedings on behalf of and, where applicable, in the name of the Contributors. For the avoidance of doubt, EIB has the discretion to refrain from taking any enforcement action or initiating recovery proceedings in accordance with its professional judgement and in line with the care and diligence applied in respect of operations at its own risk, including when EIB determines that the possible recovery proceedings are unlikely to result in recovery of sums in excess of the costs of such recovery.

In relation to the Financing Operations, the Contributors agree that the EIB is authorised, including in the context of an insolvency or restructuring of an investee, and/or for the purposes of improving the collectability or recovery of any claims against any, and/or to avoid any default by a counterpart, to amend the terms and conditions of any Financing Operation, and to grant any waiver or forgiveness, even if such amendment, waiver or forgiveness does not ultimately prevent the Fund from incurring a loss. Some of these measures may need to be provided on an urgent basis in order to ensure the counterparts' going concern. As such, depending on the specifics of each Financing Operation, due to the exceptional circumstances prevailing in Ukraine, the measures to be provided by EIB may consequently deviate from sound banking practices, the Bank's own rules, policies and procedures, and control measures, which shall be subject to the Bank's internal approval process in accordance with its rules, policies and procedures, as applicable.

Intermediated Operations will envisage full delegation to the financial intermediary with respect to servicing of the underlying exposures. The financial intermediary will need to act in accordance with its rules, policies and procedures and may apply deviations specific to the context of operating in Ukraine.

## 12.4 Risk appetite for Impact Finance Operations

The Fund is designed to be a high-risk intervention and the Impact Finance Operations are expected to present a higher level of risk for the Fund than that generally taken by EIB in relation to operations it carries out at its own risk. As a result, Article 12.3 (the Bank acting in specific circumstances) of the Platform Rules shall apply.

Due to the specific characteristics of the operations to be financed or guaranteed by the Fund, EIB's rules, policies and procedures applied to operations it carries out at its own risk shall not be applicable to Impact Finance Operations under

the Fund, including the provisions of EIB's Credit Risk Guidelines ("CRGs") and EIB's Equity Risk Guidelines ("ERGs") and the pricing and valuation methodology applicable to operations EIB carries out at its own risk.

EIB shall apply the provisions laid down in the general mandate risk principles for impact finance mandates, included in the relevant section of the CRGs and ERGs. When applying the provisions referred to in this paragraph, EIB shall:

- (a) Make a Qualitative Assessment (i) in case of intermediated Impact Finance Operations under the Fund, of the suitability of an eligible financial intermediary's risk management framework, systems, policies and procedures to implement operations and enter into the relevant transactions with final recipients and (ii) in case of direct Impact Finance Operations, of the soundness of the investment rationale and plausible business viability of such operations;
- (b) Set a pricing of the Impact Finance Operations under the Fund using its expert judgement taking into account its Qualitative Assessment and consistent with the Fund's objectives and, if applicable, after reviewing the pricing of co-financiers taking similar risk to the financial product on the operation, and State Aid rules where applicable. The pricing of the operations under the Fund may be different from the pricing applicable to operations EIB carries out at its own risk and the Contributors acknowledge that there is no established market for Impact Finance Operations;
- (c) For intermediated Impact Finance Operations under the Fund, fully delegate implementation of the transactions, including the pricing of the Impact Finance Operations to the Financial Intermediaries to apply their own rules, policies and procedures. The Financial Intermediaries may be required to adjust certain terms or their pricing in order to pass on any financial advantage to the final recipients under the transactions. For some products, the financial intermediaries shall charge a flat fee to the final recipients. The level of delegation to the financial intermediaries to apply their own rules, policies and procedures may exceed the one applicable to operations the EIB carries out at its own risk.

Whereby a "Qualitative Assessment" is defined as "the risk assessment performed by the EIB in accordance with the general mandate risk principles for impact finance mandates included in the relevant section of the CRG, and as further described in this paragraph".

An adjusted financial monitoring, restructuring and recovery management from that applicable to operations EIB carries out at its own risk shall be applicable to the Impact Finance Operations under the Fund.

In case of intermediated Impact Finance Operations under the Fund, the financial monitoring, restructuring and recovery management of the sub-operations shall be fully delegated to the Financial Intermediaries to apply their own rules, policies and procedures.



In case of intermediated Impact Finance Operations, the valuation of the financial intermediary's individual portfolio consisting of sub-operations shall be provided by the relevant financial intermediary in accordance with the valuation framework validated during the due diligence process.

The Contributors acknowledge and accept (i) the Impact Finance Operation's risk and the risk of full loss both at the level of the financial intermediary and of the final recipient, (ii) counterparty risk and (iii) a lack of a risk-commensurate return for the Impact Finance Operations under the Fund.

Agreed upon procedures for specific financial products under the Fund may be developed, further describing EIB's rules, policies and procedures applicable to the specific type of Impact Finance Operations. Should such agreed upon procedures be developed, they will be submitted to the Contributors' Committee for approval in accordance with the decision-taking process for the Fund.

Notwithstanding the provisions set out in this paragraph, in relation to an Impact Finance Operation which consists of a loan that qualifies as senior debt under which a financial institution (including banks, micro-finance institutions, etc.) is the borrower, the Bank's rules, policies and procedures applied to operations it carries out at its own risk shall apply, including the applicable provisions of the Bank Credit Risk Guidelines.

Risk appetite for EIF financial products:

Given the high risk scope of intervention of the Fund, the EIF may enter into operations under the Fund typically with a higher risk than for its own operations. EIF will apply its rules, policies and procedures for such financial products which may differ from the rules, policies and procedures applied to operations EIF carries out for its own operations. Agreed upon procedures as well as the risk factors for operations will apply to EIF Operations in the context of the Fund.

#### 12.5 Financial and operational reporting

A cash based financial reporting will be prepared for the Fund and therefore no valuation of the Operations of the Fund is foreseen. By derogation from Article 9 of the Platform Rules the financial reporting will not be incorporated into the consolidated statement of account movements of the Funds under the Platform.

By derogation from Article 5.4(vii) of the Platform Rules, the financial statement of the Fund shall not be submitted to the Contributors' Committee for approval. In accordance with Article 9.2 of the Platform Rules, the financial statement of the Fund shall be approved in line with financial statement approval procedures generally applied by EIB to third party mandates.

The financial statement of the Fund shall be subject to external auditing. The costs of such audit shall be charged to the Fund in accordance with paragraph 8.2 above.

In accordance with Article 9.4 (i) of the Platform Rules, the Bank will deliver to the Contributors Committee a quarterly operations progress report for information. By derogation from Article 9.4 (ii) and (iii) of the Platform Rules, the Bank will not deliver to the Contributors Committee bi-annual operation progress updates and operation completion reports.

## 12.6 Conflicts of interest

The Contributors acknowledge and agree that EIF and EIB:

- (i) operate, or may operate, a number of mandates (the “Mandates”) that have or may have objectives, strategies and policies which may overlap with the Fund objectives, strategies and policies;
- (ii) may on its own account and/or on behalf of third parties, in the context of the Mandates, implement operations or recommend to such third parties to implement operations of a similar nature to the Fund Operations in a number of jurisdictions, including jurisdictions where the Fund will operate;
- (iii) may interact in other capacities with the Fund Operations (for example, as an investor for the benefit of another Mandate or under own resource investments) as well as provide guarantees or financing to the same eligible final beneficiaries as the Fund Operations contemplated herein, including in a manner where the Fund may be subordinated to, or serve as a credit enhancement for, such other operations;
- (iv) may take part in transactions in which EIF or EIB have, for its own account or for that of any of the Mandate, directly or indirectly, a material interest or a relationship of any description with another party, which involves or may involve a potential conflict with any duty it may owe to the relevant mandator.

The Contributors hereby waive any rights or defences which they might otherwise have which arise or may arise from the EIF or EIB acting in any capacity as manager of the Mandates or otherwise.

## 12.7 Cross cutting principles

To the extent possible in the context of the evolving situation and needs in Ukraine, the Fund shall operate according to the general cross-cutting principles applicable to the EIB’s activities, as described in Article 2.1.2 of the Platform Rules. In this context, the principles set out in the Platform Rules, Article 2.1.2, recitals (c), (e), and (f) are expected to be impacted and, to the extent necessary, disapplied.

## **SCHEDULE 2**

### **Platform Rules for Funds**

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WHEREAS:

(1) Considering the need to increase financial flows for sustainable development, and building on the successful experience of the European Investment Bank (the “**Bank**” or the “**EIB**”) in combining its lending operations with instruments facilitating project preparation and implementation, through the Bank’s current portfolio of trust funds and blending facilities, the Bank has decided to set up an EIB-managed multi-region, multi-contributor and multi-sector Partnerships Platform for Funds (the “**Platform**”). The Platform is established also in anticipation of an increasing volume of funds that would require ensuring cost-efficiency of the related management activities.

(2) The principal objective of the Platform is to strengthen operational efficiency by streamlining and standardising, to the extent feasible, processes and procedures, governance arrangements, fee calculation methodologies, and reporting standards applicable to the assets under the Bank’s management in respect of this Platform.

(3) Operations under the Platform shall be organised through the contractual establishment of individual pools of assets (each a “Fund” and collectively the “Funds”). The Bank shall arrange for Funds to be set up in collaboration with interested contributors, in order to address regional and sectoral priorities. These

rules (the “Platform Rules”) shall apply to each new Fund to be set up under the Platform. Moreover, a Fund description shall be provided in a contribution agreement to be entered into between each contributor and the Bank to reflect specific objectives, requirements and eligibilities applicable to each Fund.

(4) For the avoidance of doubt, despite the fact that the contractual relationship between the Bank and contributors may use terms such as “fund”, “trust” or “trust funds”, it is not the intention of the Bank to create, and these Platform Rules do not set up, any investment fund, trust or similar legal arrangement under the Platform.

## ARTICLE 1

### DEFINITIONS AND INTERPRETATION

#### 1.1. Definitions

“**Account**” means, with respect to a Contribution Agreement, the bank account indicated by the Bank in that Contribution Agreement to which the relevant Contributor shall transfer the relevant Contribution in accordance with the terms of that Contribution Agreement.

“**Administrator**” means the EIB in its capacity of the administrator of the Platform.

“**Article**” means an article of these Platform Rules.

“**Business Day**” means a day during which the EIB is open for business at its seat in Luxembourg.

“**Contribution**” means funds committed by each Contributor to a Fund established under the Platform pursuant to the Contribution Agreement.

“**Contribution Agreement**” means an agreement between the EIB and each Contributor based on which Contributions are to be made to a Fund under the Platform.

“**Contribution Paid**” means the Contribution transferred by the Contributor to the Account and received by the Bank.

“**Contributor**” means any Member State of the European Union as well as the European Commission, and the EFTA Countries that contribute funds to a Fund under the Platform.

“**Contributors’ Committee**” means a committee established in accordance with Article 5.4 of these Platform Rules.

“**EFTA Countries**” means countries that are members of the European Free Trade Association.

“**Eligible Operations**” means operations approved in accordance with Article 6.5 of these Platform Rules.

“**Fund Account**” means, in respect of a Fund, the account denominated in euro opened by the EIB in its books for the purpose of managing the Contributions Paid.

**“Fund Description”** means a document included with the Contribution Agreement where the objectives to be pursued under each Fund, its indicative budget, as well as eligible operations are specified.

**“Fund Outstanding Balance”** means, for any Fund, the balance of the respective Fund Account.

**“Instrument”** means each of the instruments specified in Article 4.6 of these Platform Rules.

**“Legal Framework”** means the Platform Rules, each Contribution Agreement and each Fund Description that constitute a legal basis for the cooperation between the EIB and the Contributors in relation to the management of Contributions.

**“Partnerships Committee”** means a committee established in accordance with Article 5.3 of these Platform Rules.

**“Platform Outstanding Balance”** means the sum of the Fund Outstanding Balances.

**“Resources”** means the sum of (i) the aggregated amount of any Contribution Paid,

- (ii) any revenues and repayments generated by the activities of the Platform and credited to the relevant Fund Account, and
- (iii) any revenues generated by the asset management by the EIB of the assets constituting the Platform Outstanding Balance and credited to the relevant Fund Accounts, pro-rata the Funds Outstanding Balances.

**“Third Party”** means any entity other than those defined as Contributors, such as a country other than a Member States of the European Union and EFTA Countries, international financial institutions, funds, foundations, private sector and banking entities contributing funds to a Fund under the Platform.

**“Third Party Agreement”** means an agreement pursuant to which Third Party Financing is contributed to a Fund under the Platform, as defined in Article 2 of Annex I “Receipt of Third Party Financing” to these Platform Rules.

**“Third Party Financing”** means funds contributed to a Fund under the Platform by a Third Party, subject to the provisions of Annex I “Receipt of Third Party Financing” to these Platform Rules.

**“Unitary Fund”** means the pooled investment portfolio established by the EIB by the Deed Poll of 1 July 2009, as supplemented and amended from time to time and as defined in the corresponding Information Memorandum.

## 1.2. Interpretation

Subject to Article 1.1 of these Platform Rules and save where the context otherwise requires:

- a) capitalised terms and expressions defined in the Preamble have the same meaning throughout these Platform Rules, unless herein otherwise defined;

- b) words denoting:
  - (i) the singular number only shall include the plural number also and vice versa;
  - (ii) one gender only shall include the other gender; and
  - (iii) persons only shall include firms and corporations and vice versa.
- c) any provision of any primary or derivative legislation shall be deemed also to refer to any modification thereof;
- d) headings shall be ignored in construing these Platform Rules; and
- e) the Annexes form an integral part of these Platform Rules and shall have effect accordingly.

## ARTICLE 2 INTRODUCTION

The Platform is set up by the EIB to administer externally contributed resources that shall be used to facilitate the EIB's activities across the full range of countries and sectors and using the full range of instruments described in Article 4.6 of these Platform Rules, through the establishment of the respective Funds under the Platform.

### **2.1. Policy framework**

Operations supported with the resources contributed to the Funds established under the Platform shall be consistent with the objectives, policies, guidelines and principles, as amended from time to time, applicable to the EIB's activities, and including, but not limited to, the following:

#### **2.1.1. Main objectives**

Main objectives include the following:

- a) Promoting growth and development in beneficiary countries;
- b) Supporting the EU enlargement;
- c) Supporting strategic partnerships and security;
- d) Reducing and eventually eradicating poverty;
- e) Supporting the achievement of the Sustainable Development Goals<sup>8</sup>;
- f) Development of social and economic infrastructure;
- g) Local private sector development;
- h) Climate change mitigation and adaptation; and
- i) Regional integration.

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<sup>8</sup> The Sustainable Development Goals (SDGs) is a set of 17 "Global Goals" with 169 targets between them. Spearheaded by the United Nations through a deliberative process involving its 193 Member States, as well as global civil society, the goals are contained in paragraph 54 United Nations Resolution A/RES/70/1 of 25 September 2015.



### 2.1.2. Applicable policies, guidelines and principles

The management of the Platform as well as of the respective Funds established thereunder shall be performed with the application of the EIB's internal policies and guidelines, such as environmental, social and gender policies, as well as those related to anti-fraud, fight against tax evasion, tax avoidance, harmful tax practices, anti-money laundering and fight against financing of terrorism, market abuse, non-cooperation with non-transparent and uncooperative jurisdictions, procurement and transparency policies<sup>9</sup>.

It should be noted that several cross-cutting principles are also applicable to the EIB activities, and consequently shall also be applicable to the operations supported through the resources contributed to the Funds under the Platform, including the following:

- a) Protection of human rights and safeguarding against social, climate and environmental risks that should be achieved by ensuring compliance with the EIB's environmental and social standards, as well as the EIB's Climate Action Statement;
- b) Protection of women's rights that should be achieved through the application of the EIB's social standards, and the promotion of gender equality and women's economic empowerment based on the implementation of the EIB Group Gender Equality Strategy;
- c) Avoiding investments being impacted by, or indeed triggering, conflict, social tensions and violence through the application of a conflict sensitivity approach to operations in fragile, conflict-affected or conflict-prone contexts;
- d) Ownership that should be ensured through consultations with the beneficiary countries and ensuring the alignment and complementarity of operations with relevant regional, national and local strategies and priorities;
- e) Cost-Sharing that should be achieved through ensuring that, whenever possible, final beneficiaries shall make an appropriate contribution to the operations financed under the Platform in accordance with modalities to be determined by the Contributors and the Bank;
- f) Cost-Efficiency that should be achieved by ensuring that only a justifiable proportion of grants/subsidies/guarantees shall be provided along other sources of financing. It shall be ensured that the costs of implementation of the operations shall always be reasonable;
- g) Sustainability that should be achieved by seeking to ensure an improved local capacity by transferring knowledge to final beneficiaries and maintaining the impact of the investment also beyond the life of the operation;
- h) Catalytic Impact that should be achieved by ensuring that resources are provided only for activities that can contribute to

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<sup>9</sup> Further details available on: <http://www.eib.org/about/partners/cso/key-policies/>

the subsequent mobilisation of additional funds, partners, or further assistance in supported areas; and

- i) Promotion of open market that should be achieved by ensuring that overcompensation is avoided and that supported operations do not distort the functioning of the market.

## **2.2. Expected Results and Impact**

The following section provides the list of results and describes impact that the operations supported through the resources contributed to the Funds under the Platform are expected to achieve. Such results and impacts include the following:

- a) Leverage of the overall investment

Appropriate leverage may allow to implement investments that would otherwise not take place, to accelerate their implementation, or to increase their chances of success. Through leverage the scope and scale of the overall investment may also be increased to deliver a larger impact than would otherwise be the case, extend the benefits to a wider group of final beneficiaries, especially the poor and vulnerable groups, and boost private sector investments that may otherwise not be engaged.

- b) Economic benefits

Economic benefits include the creation or sustainability of jobs, boost of economic growth, purse of reforms and a transition to a market economy.

- c) Financial benefits

Financial benefits include broadening access to finance to target groups, improvement of financial viability, lowering end-user tariffs.

- d) Social benefits

Social benefits include the limitation of affordability constraints for low income households, economic inclusion and social wellbeing, gender equality, inclusive public consultations.

- e) Environmental impact

Environmental impact relates to an enhanced consideration of the environmental dimension of the investment and higher environmental standards achieved.

- f) Promotion of innovation

Promotion of innovation includes focus on innovative proposals, which do not necessarily require large amounts of resources but can provide high value added to the beneficiary countries, and operations aimed at supporting vulnerable groups through innovation (e.g. digital technology and financial inclusion of women).

- g) Other benefits

Other benefits may include positive externalities realised by the operation, which would not happen without the presence of the funding component, including addressing market failures and avoiding market distortions, decentralization and commercialization activities.

## ARTICLE 3

### THE PLATFORM SET UP

#### **3.1. Eligible Contributors**

Any Member State of the European Union as well as the European Commission, and the EFTA Countries can make Contribution(s) to a Fund under the Platform.

Third Party Financing is subject to approval by the EIB and the relevant Fund's Contributors' Committee. Third Parties shall enter into a Third Party Agreement with the Bank for the purpose of contributing Third Party Financing to a Fund under the Platform. Unless otherwise provided in these Platform Rules or in Annex I "Receipt of Third Party Financing" to these Platform Rules, or unless otherwise agreed by the parties to a Third Party Agreement, these Platform Rules shall apply to each Third Party.

#### **3.2. Contributions**

##### **3.2.1. Legal Framework applicable to Contributions**

Contribution(s) shall be contributed by each Contributor pursuant to a Contribution Agreement which shall specify the amount of the respective Contribution and its payment schedule.

Objectives to be pursued under each Fund, its indicative budget, as well as eligible operations shall be defined in the Fund Description included with the Contribution Agreement.

By entering into a Contribution Agreement, the Contributor shall be deemed to acknowledge, agree, and undertake to continuously comply with any and all terms and conditions of these Platform Rules.

##### **3.2.2. Time schedule for Contributions**

Contributions can be provided at any time during the term of a Fund under the Platform, upon execution of a Contribution Agreement between the Bank and the relevant Contributor and subject to the terms thereof. A Contributor may at any time increase the amount of its Contribution upon the execution of a further Contribution Agreement between the Bank and the Contributor and subject to the terms thereof. The provisions of these Platform Rules relating to Contributions shall apply equally to additional Contributions with respect to that same Fund.

By entering into a Contribution Agreement, the Contributor irrevocably and unconditionally undertakes to make the Contribution described therein on the relevant Contribution payment dates, as defined in the Contribution Agreement, and allow the EIB, as the Administrator, to proceed with the allocation of the relevant Contribution Paid, subject to any fees, costs, charges, and losses, to

operations according to the scheduled payment dates specified in that Contribution Agreement.

### **3.2.3. Payment of Contributions and Third Party Financing**

Each Contribution and each Third Party Financing shall be (a) denominated and paid exclusively in euro and (b) paid by the relevant Contributor or Third Party, as the case may be, in accordance with the terms of the applicable Contribution Agreement or Third Party Agreement, in the form of:

- (i) a single instalment; or
- (ii) in several instalments as set out in the relevant Contribution Agreement or Third Party Agreement.

On an exceptional basis specific payment modalities may be defined in the relevant Contribution Agreement or Third Party Agreement.

Each Contributor shall transfer the payable Contributions or Third Party Financing directly to the Account or the bank account indicated by the Bank in the relevant Third Party Agreement.

### **3.2.4. Allocation, administration and management of Contributions Paid**

Each Contributor hereby authorises and appoints the Bank to act as the Administrator of the Platform to:

- a) provide the services described in these Platform Rules and in particular, the allocation (in accordance with Article 5.2 of these Platform Rules) of the Contributions Paid, the administration and the management of the Resources;
- b) credit the Resources to the relevant Fund Account; and
- c) debit from the relevant Fund Account any amount (i) to be disbursed for the purpose of the activities of the Platform, (ii) due to the EIB in accordance with the Legal Framework (in particular, Article 7 of these Platform Rules), (iii) repaid to any Contributor, (iv) corresponding to any fees, losses, and costs arising out of the treasury management (including, but not limited to, fees, losses, and costs charged by the Unitary Fund), and (v) corresponding to any applicable charge.

The Bank shall ensure that the Contributions Paid are allocated, and the Resources administered and managed with the same diligence as the Bank's own resources and operations and in accordance with the Legal Framework<sup>10</sup>. In particular, the Bank shall promptly upon receipt of the Contributions on the Account, allocate the Contributions to a specific Fund in accordance with the terms of the Contribution Agreement.

The Contributions Paid shall, for and in relation to each Fund, be kept in separately and segregated from any and all of the Bank's own resources and from any other Contributions Paid allocated to another Fund or other assets held by the Bank in any capacity. Any cash held on the Account is held at the risk of the Contributors.

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<sup>10</sup> For more details refer to Article 12 of these Platform Rules.

Each Contributor acknowledges and agrees that the Contributions may be allocated by the Bank on a non-refundable basis, depending on the Instrument used to carry out the operations of an individual Fund, and that a part or all of their Contribution may not be repaid to them. Each Contributor acknowledges and agrees that it is its intention to invest in such Instruments and the Bank shall not be held liable towards the Contributors for the repayment of the Contributions should all or part of these Contributions be invested on a non-refundable basis and each Contributor agrees to hold the Bank harmless in such a situation.

The Bank shall report on its administration and management of the Resources to the Contributors in accordance with the provisions of Article 9 of these Platform Rules and with the Legal Framework.

### **3.2.5. Change in status of Contributor**

If a Contributor changes its status (for example by ceasing to be a Member State of the European Union or an EFTA Country) with the result that, after having become a Contributor, it ceases to fall within the definition of "Contributor" set out in Article 1, it shall nonetheless remain a Contributor with the full rights and privileges of a Contributor. It shall not be a Third Party for the purposes of the Legal Framework and its Contributions shall not be Third Party Financing. This provision shall apply in respect of all Contributions to all Funds under the Platform, whether the applicable Contribution Agreement was signed before or after the change in status of the Contributor.

### **3.3. Resources under management**

Each Contributor acknowledges and agrees that: (i) any investment carried out by the Bank, including any investment in the Unitary Fund, is subject to fees, losses and costs, which are to be borne by the Resources, and (ii) the amounts available for financing operations through the Funds under the Platform may be lower than the Resources.

The Resources shall be managed in accordance with the principles of sound financial management and shall be invested in accordance with Article 8 of these Platform Rules.

### **3.4. Transfer of Resources**

A Fund Outstanding Balance may be partially or fully transferred from one Fund to (an)other Fund(s), and to (an)other Instrument(s), provided that the EIB and the respective Contributor(s), agree on this transfer. In cases where a Fund Outstanding Balance is transferred, partially or totally, from one Fund to another, the Bank shall decide if any charges shall be applied to the transferred Fund outstanding Balance, or a portion thereof, to ensure for the recovery of administrative costs and direct expenses.

## ARTICLE 4

## FUNDS, ELIGIBLE OPERATIONS AND INSTRUMENTS UNDER THE PLATFORM

**4.1. Creation of a Fund**

The Bank may establish a new Fund under the Platform at its discretion and may take such a decision on the basis of, among others, the needs and requests of existing or potential Contributors. Each Fund shall be established in accordance with these Platform Rules and any specific rules set out in the relevant Fund Description, as applicable and agreed between the Bank and the relevant Contributor(s).

For each Fund created, the Bank shall open a Fund Account and shall operate the respective Contributions Paid in accordance with Article 3.2.4 of these Platform Rules.

**4.2. Operations under the Funds**

The operations supported through the Contributions made to the Funds under the Platform shall be selected and administered in accordance with the EIB's mandate and the objectives in all countries where EIB is operational. The Bank shall originate, identify, and structure operations, based on demand from eligible project promoters, in accordance with the eligibility criteria defined in the Fund Description.

Such operations can cover a broad geographic and sectorial scope and various types of assistance Instruments, of which a selection shall be made for each Fund.

In relation to each Fund under the Platform the eligible regions, countries, sectors, beneficiaries and Instruments shall be specified in the Fund Description.

**4.3. Geographical Coverage**

All countries in which the EIB is mandated to operate in are eligible for financial support from Contributions made to the Funds under the Platform, both within and outside of the EU<sup>11</sup>.

**4.4. Eligible Sectors**

Legal activities in all economic sectors are eligible for financial support from Funds under the Platform, with the exclusion of activities with a negative social or environmental impact, not addressed by mitigation plans approved by the competent authorities and specifically excluded from EIB lending, as per the EIB internal procedures. Sector coverage shall duly take into consideration the relevant EU regional and country strategies.

**4.5. Beneficiaries**

Typical beneficiaries of the funding provided under the Platform shall be both public and private sector entities such as:

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<sup>11</sup> The information about eligible countries is available on the EIB Website: <http://www.eib.europa.eu/projects/regions/index.htm>

- (i) states and other public sector entities;
- (ii) public enterprises managed in accordance with market principles;
- (iii) financial intermediaries such as commercial banks, financial institutions, private equity funds and micro-finance institutions;
- (iv) local and/or foreign private enterprises (large enterprises, project finance vehicles, SMEs and mid-caps); and
- (iv) non-governmental organisations.

#### **4.6. Instruments**

The following Instruments may be deployed within the Funds under the Platform (the below list is not exhaustive and may be updated unilaterally by the Bank from time to time):

- (i) **Technical assistance:** an instrument aimed at supporting preparation and implementation of investments through institutional capacity building and the financing of e.g. pre-feasibility and feasibility studies, design and tender documents, institutional and legal appraisals, environmental and social impact assessments, project management, as well as financing upstream studies, gender analysis or advisory services to beneficiaries.
- (ii) **Investment grants:** non-reimbursable contribution to finance tangible or intangible components of an infrastructure project or venture, in joint or parallel co-financing with financing from other investors. In particular, the investment grants may decrease the investment costs for a beneficiary through financing a part of the investment or through an increase of the concessionality of the financing package of a given project. They may also target specific project components which have substantial demonstrable social or environmental benefits or which can mitigate negative environmental or social impacts.
- (iii) **Interest rate subsidies:** the provision of a grant amount to an investor financing an operation to enable it to make long-term finance available in flexible ways that reduce the total amount of debt service to be paid by the borrower. Such subsidies can therefore be applied upfront or over time. In either case, such grants should aim to minimise market distortions. Financing operations benefiting from interest rate subsidies shall be in line with the EU position on debt sustainability in low income countries, where applicable.
- (iv) **Financial instruments:** including but not limited to guarantees (including loan guarantee cost financing and insurance premia), equity or quasi-equity investments or participations, and risk-sharing instruments.
- (v) **Direct exchange:** focused on strengthening the capacity of public and private sector organisations and groups via secondments,

internships, and other activities which increase their knowledge, skill level and/or efficiency.

## ARTICLE 5 GOVERNANCE OF THE PLATFORM

### **5.1. Governance structure**

The Governance structure of the Platform shall consist of:

- (i) the Administrator;
- (ii) Partnerships Committees at Platform level; and
- (iii) Contributors' Committee at Fund level.

### **5.2. Administrator**

The Administrator shall receive Contributions Paid and manage the respective Resources (including the management of the Fund Outstanding Balance), in accordance with the Legal Framework and the Bank's policies and procedures applicable to the administration of the assets stemming from the Contributions Paid.

The Administrator is responsible for ensuring that operations supported under each Fund under the Platform are compliant with the Fund Description for that Fund and with these Platform Rules.

Roles and responsibilities of the Administrator include the following:

- (i) administering Eligible Operations, including entering into agreements with beneficiaries, where appropriate;
- (ii) preparing documents for the Bank's Governing Bodies' approval;
- (iii) organizing meetings of each Contributors' Committee and of the Partnerships Committees;
- (iv) preparing and circulating minutes of meetings of the Contributors and Partnerships Committees;
- (v) handling written procedures in accordance with Article 5.8 of these Platform Rules;
- (vi) compiling progress reports of operations and financial statements for distribution to each Contributors' Committee; preparing the Platform's annual Contributors' report and other relevant documents necessary to allow the Partnerships Committee and each Contributors' Committee to carry out their respective duties;
- (vii) informing each Contributors' Committee about operations and activities financed from Third Party Financing;
- (viii) providing guidance on the functioning of Platform and the underlying Fund processes and requirements;
- (ix) preparing proposed amendments to the Fund Description of a specific Fund for decision by the Contributors' Committee;



- (x) proposing amendments to the provisions of the Platform Rules, in consultation with Contributors, where appropriate;
- (xi) supporting each Contributors' Committee in commissioning reviews and evaluations;
- (xii) ensuring that, in communicating internally and externally, in its publications, in communication with beneficiaries, countries and other entities as well as the media, appropriate visibility is given to the Platform and its Contributors;
- (xiii) carrying out such other functions as may be necessary for the efficient administration of the Platform and the Funds created thereunder, except for functions which pertain to the competence of the relevant Contributors' Committee and which have not been delegated to the Bank; and
- (xiv) liaising and coordinating, to the extent necessary to fulfil its role, with Contributors and other relevant parties.

The Bank, as Administrator, operates in accordance with applicable EIB policies and procedures. It is accountable to the Contributors' Committees for the performance of its obligations in accordance with Article 12 of these Platform Rules, and is serving as the liaison between the Contributors' Committees and the respective departments at the Bank. In this respect, the Administrator handles Funds' operations in accordance with the EIB's Access to Information Policy available on the website of the Bank [http://www.eib.org/attachments/strategies/pai\\_ips\\_en.pdf](http://www.eib.org/attachments/strategies/pai_ips_en.pdf).

### **5.3. Partnerships Committees**

Contributors to the Funds shall be invited to meetings of the Partnerships Committees as organised from time to time at the Platform level for thematic and geographical windows, to discuss and provide strategic guidance to the EIB, advise on the operation of the Platform and on the opportunity to create new Funds.

The Partnerships Committee is solely an advisory body with no decision making power in relation to either the Platform or any Fund under the Platform.

### **5.4. Contributors' Committees**

For each Fund under the Platform a Contributors' Committee shall be set up. The main role of each Contributors' Committee is to oversee activities under the respective Fund and to approve specific operations supported through the Contributions made to such Fund. Decisions of each Contributors' Committee on operations shall be made either by tacit procedure or during meetings, as further described in Article 5.8 of these Platform Rules.

The roles and responsibilities of the Contributors' Committee include the following:

- (i) approving proposed operations within 15 Business Days of their receipt on a tacit basis, as applicable in accordance with Article 5.8 of these Platform Rules;
- (ii) approving Third Party Financing;

- (iii) approving redemption (to the Contributors) or reallocation (to another Fund) of remaining Contributions Paid in the relevant Fund upon its termination;
- (iv) approving any amendment to the Fund Description, including any prolongation of the Fund;
- (v) approving minutes of the Contributors' Committee meetings within  
15 Business Days of their receipt;
- (vi) reviewing reports on operations submitted by the Administrator within  
30 Business Days of their receipt;
- (vii) approving the consolidated financial statements submitted by the Administrator within 30 Business Days of their receipt; and
- (viii) exercising other functions that may be necessary from time to time to contribute to the achievement of the objectives of the Fund.

#### **5.5. Members of the Partnerships Committees and the Contributors' Committees**

Each Contributor to a Fund is entitled to designate a member that shall represent such Contributor in the Partnerships Committee and the Contributors Committees. The Bank shall also be represented in the Partnerships Committee and in each of the Contributors' Committees. Unless otherwise decided by the Bank and the Contributors Committees, Third Party Financing pursuant to Article 3.1 of these Platform Rules does not entitle the respective Third Parties to be represented in the Partnerships Committees and the relevant Contributors' Committee and to attend their meetings.

Contributors shall each appoint a member and an alternate member (the later only participating in a meeting in the case of absence of the member) and communicate in writing their names and contact details to the Bank within 30 Business Days following the execution of the Contribution Agreement. Each Contributor shall inform the Bank about a replacement of a member or an alternate within 30 Business Days of their appointment. Both the member and the alternate shall be authorised to exercise the Contributor's rights in the Partnerships Committees and in each of the Contributors' Committees. The member or the alternate, in the absence of the member, may be accompanied by no more than one advisory staff.

An individual may at the same time serve as a member or an alternate of more than one Contributor in the Partnerships Committees and/or each relevant Contributors' Committee subject to the non-objection of the Bank.

No voting rights shall be granted to other persons than the designated members and alternates.

The number of the Bank's representatives attending the meeting of the Partnerships Committee and the Contributors' Committees shall not be limited.

If the European Commission becomes a Contributor to any of the Funds under the Platform, it shall be treated, for the purposes of these Platform Rules, as any other Contributor.

Each Partnerships Committee and each Contributors' Committee shall have a chairperson appointed by the EIB within 15 Business Days prior to the first scheduled meeting of such Partnerships Committee and each Contributors' Committee or prior to the submission of first proposals for decision by the tacit procedure, as applicable. Such an appointment shall be communicated by the EIB to all the Contributors. A chairperson may be replaced by the EIB at its sole discretion at any time. The chairperson may invite representatives of governments, other institutions and entities to attend specific agenda items of meetings of the Partnerships Committees or the Contributors' Committees as observers.

#### **5.6. Meetings and conferences**

Meetings of the Partnerships Committees and the Contributors' Committees that may take place from time to time shall be organised in the Bank's headquarters in Luxembourg, or in such other place as may be indicated by the Bank.

It is foreseen that an annual conference shall be organised once per annum, open for all Contributors and aimed at promoting the activities under the Funds and creating an opportunity for fund-raising.

Concurrently with such an annual conference, the Partnerships Committees shall meet within thematic and geographical windows, with the aim to discussing and advising on strategic issues, overall orientations and priorities. Contributors Committees shall meet on a needs basis either physically or via video conference.

#### **5.7. Convening power**

The chairperson of each Contributors' Committee may convene meetings at any time at his own initiative or if so decided in a previous meeting of the Contributors' Committee, or at the request of the Contributors to the relevant Fund, whose Contributions Paid account for not less than one-third of the aggregate amount of all Contributions Paid in the relevant Fund. The Contributors' Committees may conduct business electronically via email or with the use of other devices or services that may be indicated by the Bank and made available to the Contributors.

#### **5.8. Decision-making process**

Unless otherwise agreed in the Fund Description, decisions of the Contributors' Committees are made as follows:

- a) during meetings, audio- or video conference meetings. Decisions taken during meetings are deemed binding if adopted by consensus. If no consensus can be reached, decisions can only be approved by Contributors representing at least:
  - (i) 2/3 of the total amount of the Contributions Paid actually received by the Bank since the inception of the Fund from the Contributors present or represented at such a meeting; and

- (ii) one-half plus one of the total number of Contributors to the Fund;

or

- b) in writing, through a tacit procedure where the Contributors shall be given 15 Business Days to vote following the receipt of the draft decision and the corresponding documents. Written procedure requests may be submitted, with corresponding documentation, at any time. Such requests are deemed approved unless Contributors representing more than 1/3 of the total amount of the Contributions Paid to the Fund reject the proposed decision. The Chairperson shall inform the members and alternates of each Contributors' Committees of the respective outcome of the written procedure at the next meeting of the Contributors' Committee and in cases where no meeting is foreseen to take place within

90 Business Days following the adoption of the decision, the Bank shall inform the Contributors in writing within 30 Business Days following the adoption of the decision. Rejected decision by way of written procedure shall be discussed at the next meeting of the Contributors' Committee. In exceptional circumstances, the

15 Business Days period for tacit approval may be shortened by the chairperson in duly justified cases but in any case shall not be shorter than 5 Business Days.

In relation to each Fund, Contributors representing not less than (i) one-half plus one, of the Contributors who have entered into a Contribution Agreement with the Bank relating to that Fund and (ii) one-half plus 1% of the aggregate amount of all Contributions Paid in relation to that Fund since its inception, shall constitute a quorum at meetings of the relevant Contributors' Committee.

Representatives and alternates shall notify the Bank in writing of any comments or requests for further information and of any potential conflict of interest with regard to one or more points on the agenda, at least 5 Business Days before the date of the meeting. They shall withdraw from the voting on the items in case of which the potential conflict of interest has been identified.

If a Contributor identifies that it has a potential conflict of interest in relation to a request for a decision to be taken by written procedure, it shall inform the chairperson of that potential conflict of interest. The chairperson shall decide whether or not the Contributor in question shall be permitted to vote on the written procedure and may decide that the decision must be submitted to a meeting of Contributors.

#### **5.9. Agenda and documentation**

Prior to any meeting of the Contributors' Committee, the Administrator shall prepare an agenda and relevant documentation and provide them to each Contributor's designated member and alternate in electronic form 15 Business Days prior to the meeting.

#### **5.10. Minutes and disclosures**

Issues discussed during the Contributors' Committee meeting and decisions made shall be recorded in the minutes of the meeting prepared by the Administrator. Draft minutes are circulated by the Administrator within 30 Business Days after the meeting to each member and alternate, for approval and/or comments, if any. Should amendments be requested by Contributors, the Administrator shall prepare and distribute final minutes for approval within 15 Business Days to all members and alternates of the Contributors' Committee.

In case of disagreements that cannot be resolved, the proposed amendment to the minutes shall be annexed to the minutes. The minutes shall, as a minimum, state the time and venue of the meeting, as well as the participants, the proceedings and the decisions adopted. If a decision is not unanimous, it shall be stated who voted for and who voted against. Minutes shall be signed by the Chairman. Minutes, shall, unless the contrary is proved, be conclusive evidence of the proceedings at a meeting.

#### **5.11. Correspondence**

Correspondence concerning the meetings shall be addressed to the Administrator. All notices, correspondence or documents to be transmitted pursuant to these Platform Rules may be transmitted using electronic mail or delivered via standard mail.

#### **5.12. Confidentiality**

Any persons attending Partnerships or Contributors' Committees' meetings shall be required to observe the confidentiality of the Committees' work and deliberations. They shall not divulge any confidential information coming to their knowledge during the performance of their duties to persons outside the Bank or the Partnerships or Contributors' Committees other than to persons assisting them in the performance of their duties, provided that such persons are subject to the equivalent duty of confidentiality. Documents relating to such work and deliberations shall be for the use of those to whom they are addressed, who shall be responsible for their safekeeping and the preservation of their confidentiality.

The minutes of meetings of Contributors, and decisions taken by written procedure, shall be considered confidential; however, the Bank or the chairperson of any Contributors' Committee may publish or disclose decisions taken by the Contributors.

#### **5.13. Remuneration**

Contributors do not receive remuneration and shall cover their own costs of participation unless otherwise decided in relation to any Fund by the Contributors of that Fund.

ARTICLE 6  
APPROVAL PROCESS OF OPERATIONS

**6.1. Design and implementation of operations**

In order to ensure the quality of operations, the Bank shall make available Bank's staff that will provide project expertise and high professional capacity and carry out the processes necessary to establish, implement and administer the operations efficiently.

The Bank shall ensure that projects submitted for financing are technically, economically and financially viable. All projects undergo an ex-ante due diligence performed by sector experts and are monitored on a regular basis according to the Bank's monitoring procedures and guidelines.

Implementation is embedded into the different Bank departments, and the EIB staff includes, among others, loan officers, financial monitoring officers, sector specialists in charge of the design and monitoring of the technical substance of the project as well as providing oversight of climate, social and environmental considerations including gender equality, procurement, legal, financial and other issues as deemed necessary. The EIB external/local offices are also involved in all steps of the operation cycle as necessary. In addition, corporate secretariat officers shall ensure the efficient decision-making process for operational and other documents submitted to the Partnerships Committees and the Contributors Committees.

**6.2. Submission of operations for approval**

No operation may be submitted to the Contributors of any Fund for approval unless it has first been approved by the Governing Bodies of the Bank.

Operations cannot be presented for approval in relation to a specific Fund if the total of all Contributions Paid in respect of that Fund (including Third Party Financing, as applicable) is lower than the amount necessary to finance the operation, after deduction of actual disbursements, existing commitments and administrative fees.

**6.3. Operations below a defined threshold**

Unless otherwise agreed in the Fund Description, for operations financed from a Fund up to a certain threshold to be defined for each Fund in the relevant Fund Description, the Contributors' Committee fully delegates the authority for approving the allocation of Contributions Paid to the Bank's Governing Bodies. The Bank's Governing Bodies' decision on the allocation of Contributions Paid shall be guided by the eligibility criteria set out in the Fund Description.

Operations approved by the Bank's Governing Bodies shall be communicated, for information, to each member and alternate of the Contributors' Committee within 15 Business Days following the Bank's Governing Bodies' approval.

**6.4. Operations above a defined threshold**

Unless otherwise agreed in the Fund Description, for operations above the threshold defined for each Fund, in addition to and subsequently to the Bank's Governing Bodies' approval, the Contributors' Committee shall be responsible

for approving the allocation of Contributions Paid, in accordance with the decision-making process described in Article 5.8 of these Platform Rules.

### **6.5. Approved operations**

Eligible Operations shall be placed on the list of the Eligible Operations managed by the Administrator.

An approval of an operation remains valid for 24 months. If the relevant operation has not been signed by that time, the approval shall lapse unless prolonged for one or more additional periods of up to 12 months (provided that the effect of the extensions does not prolong the authorisation to more than four years from the date of the Bank's Governing Bodies' approval of the operation) by either (i) the Bank alone if the total amount of the considered operation does not exceed the threshold referred to in Article 6.3 of these Platform Rules or (ii) the Bank together with the Contributors' Committee (using the non-objection procedure) if the total amount of the considered operation exceeds the threshold referred to in Article 6.4 of these Platform Rules.

## ARTICLE 7

### FEES

The Bank shall apply a fee structured to cover both: (i) costs incurred in administering the Platform and all the Funds under the Platform; and (ii) costs associated with implementing different types of Instruments under the Funds. The amount of fees owed to the Bank shall be deducted directly from the Fund Account.

Unless otherwise agreed in the Fund Description, the fees charged to Contributors shall be the following:

#### **7.1. Administration fee**

Administration fee shall be calculated as follows:

- (i) 1 percent on the total committed Contribution, to be deducted by the Bank from the first instalment of such total committed Contribution; and
- (ii) 0.25 percent per annum, calculated at the Platform level<sup>12</sup> on the outstanding available funds as at 31 December of the relevant year, to be deducted by the Bank within one month after the end of the financial year. The amount of the management fees charged with respect to the management of any pooled investment portfolio or any other investment product directly managed by the EIB (such as the Unitary Fund) shall be deducted from the fee computed under this section.

The Administration fee covers activities carried out to raise or access Contributors' funds, account for the use of funds (audits, evaluations), management of Fund Outstanding Balances (such as costs arising from cash

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<sup>12</sup> For the avoidance of doubt, "calculated at the Platform level" means that the fee of 0.25% shall be calculated on the Fund Outstanding Balance for each Fund as at 31 December of the relevant year and deducted from the cumulative Contributions paid in by each Contributor to each Fund.

accounts, calculation agents, custody fees), communication and Contributor visibility, creation and maintenance of dedicated IT systems, Contributors engagement and all other costs to meet obligations placed on the Bank by Contributors.

### **7.2. Instrument fee<sup>13</sup>**

Instrument fee shall be payable upon the approval of a given operation under the Fund, as follows:

- (i) Investment grants and interest rate subsidies: 1 percent;
- (ii) Technical assistance: 3.5 percent; and
- (iii) Financial instruments: 4.5 percent.

Instrument fee covers the costs of the activity of multiple teams across the Bank contributing to various stages of the instrument management cycle, including the design of operations, the operations approval process, procurement, implementation and monitoring of operations, results and financial reporting, and other operational costs.

### **7.3. Other fees**

For any additional request by a Contributor beyond those specified in these Platform Rules or in the Fund Description, additional fees may be applied by the Bank to the requesting Contributor.

## ARTICLE 8

### MANAGEMENT OF OUTSTANDING BALANCE

#### **8.1. Investment of Fund Outstanding Balance**

Each Contributor authorises the Bank to invest, at its discretion and at the risk of that Contributor, the Fund Outstanding Balance (pro-rata its Contribution Paid) in accordance with:

- (i) the Asset Management Guidelines of the EIB (Annex II “*Asset Management Guidelines*” to these Platform Rules), where the Platform Outstanding Balance is at least equal to 100,000,000 euros and an investment horizon of more than one year; or
- (ii) the Unitary Fund in case where the Platform Outstanding Balance is lower than 100,000,000 euros or the investment horizon is less than one year. The Deed Poll and the Information Memorandum of the Unitary Fund shall be submitted to each Contributor upon the Bank receiving the Contribution and, as the case may be, upon revision of these documents.

The Bank shall be entitled to invest the Platform Outstanding Balance in the Unitary Fund in accordance with this Article 8.1, and to divest the investments in the Unitary Fund any time as necessary to implement an operation. For that purpose, each Contributor hereby authorises the Bank to sign and execute the

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<sup>13</sup> Percentage calculated on the approved amount of the operation.



relevant subscription and redemption forms on its behalf and to deduct any amount concerning subscriptions, and fees and costs charged by the Unitary Fund from the Platform Outstanding Balance.

The Contributors shall not interfere in the decision of the Bank to invest the Fund's Outstanding Balance in accordance with the Platform Rules.

## **8.2. Proceeds/losses from placement of Fund Outstanding Balance**

Such investments made from the Fund Outstanding Balance may lead to gains or losses and such gains or losses shall be borne by each Fund from which the associated investments were made.

## **8.3. Investment tools and features**

The details of each investment tool and features available to the Bank in relation to Article 8.1 of these Platform Rules are set out in Annex II "*Asset Management Guidelines*" to these Platform Rules.

## **8.4. Liability arising from management of Fund Outstanding Balance**

The Bank shall only be bound to use its best endeavours ("*obligation de moyens*") when carrying out its duties as manager of the Fund's Outstanding Balance, which each Contributor expressly accepts. The Bank shall in any case only be liable towards the Contributor in case of gross negligence ("*faute lourde*") or wilful misconduct ("*faute dolosive*").

Each Contributor is solely responsible for the transactions made on its behalf by the Bank in accordance with Article 8.1 of these Platform Rules.

With regard to the assessment and evaluation of the possible performance and risks of an asset, the Bank's liability is limited to gross negligence ("*faute lourde*"); this shall also apply to secondary contractual obligations. The Bank is only liable for direct damages and under no circumstances for any consequential or special damages (such as, for example, any loss due to an unexecuted transaction, loss of profit, loss of data, damaged or unreadable data, damage to goodwill, damage to reputation or waste of management time), which are triggered or occur as a result of any of the Contributors entering into these Platform Rules or their termination or suspension.

Each Contributor agrees that the Bank does not guarantee any specific results and/or profits.

Moreover, the Bank shall not be liable for any losses in the value of the Fund Outstanding Balance resulting from market fluctuations, from changes in the exchange rates or from any other reason, for fluctuations in the yield, for temporary overexposure of the Fund Outstanding Balance in relation to limits fixed in the Asset Management Guidelines or Unitary Fund of the EIB (due to the volatility of the markets, of other consequences, of errors of judgement or losses of opportunity when selecting investments, or for loss of opportunity at the level of the Contributor).

Each Contributor acknowledges and accepts that the Bank may not at all times, be aware of all investment opportunities available in the financial markets.

The Bank shall not be held liable for any depreciation suffered by any of the Contributors as a direct or indirect consequence of a change in the investment

strategy applicable in the Asset Management Guidelines or Unitary Fund of the EIB, in particular in case of a change in this strategy before the term of the investment horizon determined by the Bank, in case of premature withdrawals of a Fund Outstanding Balance or termination of the Platform or of an individual Fund.

The Bank shall assume no responsibility for the consequences of events beyond its control, such as force majeure, a war, a riot, terrorist acts, IT failures, measures taken by public or foreign authorities or consequences of changes to the laws of Luxembourg or a foreign country.

The Bank shall not be liable for the correctness of information received from third parties and on which it relies for the management of the Fund Outstanding Balance. Similarly, the Bank shall not be held liable for inaccurate financial information provided to the Contributors on the basis of information provided by third parties.

The responsibility of examining the expediency of investments in relation to current tax, duty and currency legislation remains with the Contributors.

The Bank may manage the Fund Outstanding Balance without regard to the tax situation of the Contributor and shall assume no liability in this respect.

If any claims are made by or against the Bank, related to these Platform Rules or the services provided thereunder, each Contributor agrees to provide the Bank with all assistance reasonably requested.

The Bank offers no guarantee of any kind regarding investment success, which each Contributor expressly accepts.

## ARTICLE 9

### ACCOUNTING AND REPORTING

#### **9.1. Accounts**

The Bank shall maintain its recordings in the relevant accounts of the Platform exclusively in euros.

#### **9.2. Financial statements**

The Bank shall prepare the annual audited and consolidated financial statements for the Platform in euros. The consolidated financial statements shall be drawn up on the basis of cash receipts and disbursements except for the investments of Fund Outstanding Balances which shall be reported on a fair value basis.

The financial statements shall comprise:

- (i) a consolidated statement of account movements of the Funds under the Platform; and
- (ii) individual statements for each Fund including the breakdown of all movements with value dates and including an overview of the Fund Outstanding Balances and an overview of fees charged.

The financial year of each Fund is the calendar year.

Once they have been audited in accordance with Article 10 of these Platform Rules, the financial statements shall be approved, in line with financial statement approval procedures generally applied by EIB to third party mandates.

### **9.3. Valuation**

#### **9.3.1. Currencies**

Whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the value of any currency in terms of another currency, the valuation shall be made by the Bank, using the same principles as the Bank applies for its own resources operations.

#### **9.3.2. Investment of Fund Outstanding Balance**

Whenever it shall be necessary for purposes of preparation or presentation of financial statements to determine the fair value of investments of the Fund or the Platform Outstanding Balance in comparison to the cost of investments, the valuation shall be made by the Bank, using the same principles as the Bank applies for its own resources operations.

### **9.4. Reporting**

The Bank shall provide each Contributor with the following reports:

#### **9.4.1. Reporting at the Fund level:**

- (i) annual operations progress reports: providing a status update on operations, summary of operational highlights and issues over the reporting period, results report on the Fund level and financial status;
- (ii) bi-annual operations progress update: providing information on new operations approved, financial resources and disbursements status, and the project pipeline;
- (iii) operations completion reports: providing a fully-fledged information on operation including results and financial aspects; and
- (iv) annual audited and consolidated financial statements.

Measurable results shall be reported against the Result Framework developed for each Fund, and shall be based on the existing result measurement tools used at the EIB<sup>14</sup> (<http://www.eib.org/projects/cycle/monitoring/rem.htm>). Such Results Framework, which may be revised by the Bank from time to time in consultation with the Contributors, shall be used for reporting and evaluation purposes.

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<sup>14</sup> The Bank measures the results of its operations through the 3 PA and ReM frameworks (inside and outside the EU respectively) and the logical framework covers both lending and technical assistance operations. These are based on a 3 pillar methodology, which is designed to show how EIB inputs (e.g. loan, technical advice) generate outputs (e.g. an electricity transmission line, a training programme), which enable outcomes (e.g. improved access to energy, improved institutional capacity) and, over time, lead to impact (e.g. development of economic infrastructure, regional integration).

In addition, qualitative information shall be provided on important aspects of, among others, sustainability, ownership, broader economic impact, as frequent as appropriate.

Limited additional reporting may be agreed with any Contributor to a Fund on a bilateral basis and may be subject to extra fees.

#### **9.4.2. Reporting at the Platform level**

The EIB shall issue a consolidated Annual Contributors Report that shall highlight activities and achievements across the Bank's Funds portfolio, providing visibility to the Contributors and each of the Funds to which they contribute.

In the context of review of the Platform activities (and for the first time in December 2022), the Bank shall provide the Contributors with an evaluation report analysing the impact of operations financed by the Funds under the Platform in the beneficiary countries.

## ARTICLE 10

### AUDIT AND CONTROL

#### **10.1. Audit**

The consolidated financial statements with respect to the Platform shall be subject to external auditing and the costs of such audit shall be borne by the Platform.

The individual Fund Instrument account statements shall not be subject to external audit but shall be covered under the external audit of the Platform's consolidated financial statements.

#### **10.2. Control**

The Platform shall be managed in accordance with the Bank's usual criteria and procedures, including appropriate control measures.

## ARTICLE 11

### DURATION

#### **11.1. Termination of a Fund and of the Platform**

The Platform and the Funds under the Platform shall remain in force so long as there remain funds, commitments or investments with respect to the Platform and the Funds.

Individual Funds shall not specify a termination date but may be terminated at any time by a decision of the relevant Fund's Contributors' Committee made with the unanimous consent of the Contributors and, if appropriate, after consultation of the EIB's Governing Bodies.

## **11.2. Payment of the Fund Outstanding Balance upon termination of a Fund**

Upon a decision of the relevant Contributors' Committee, in view of the termination of

a Fund, the following provisions shall apply with respect to the Fund Outstanding Balance of that Fund:

- (i) the Bank shall forthwith cease all activities relating to such corresponding amounts, except those incidental to the orderly realisation, conservation and preservation of such amounts and the settlement of the direct or contingent obligations to which they may be subject;
- (ii) in case where the Fund Outstanding Balance is positive, the Bank shall discuss with Contributors as to possible uses of the funds available from the Fund Outstanding Balance and not yet committed into an operation at the time of termination, with a view to integrate such funds in other Funds or as otherwise agreed with the Contributors. The remaining funds, if any, may as well be returned to the Contributors, if so requested in the decision on termination of the Fund;
- (iii) the Bank shall establish individual Fund Instrument account statements for the Fund being terminated for covering the period from the last annual consolidated financial statements till the date of termination, which shall be subject to the audit procedure referred to in Article 10 of these Platform Rules; and
- (iv) in case where the Fund Outstanding Balance is equal to zero, the Bank may send to the Contributors an invoice corresponding to any remaining costs incurred, pro-rata their respective Contributions Paid.

## ARTICLE 12

### STANDARD OF CARE AND LIABILITY

#### **12.1. Standard of Care**

The Bank shall, in accordance with its internal policies and procedures, take all appropriate measures to prevent corrupt, fraudulent, collusive, coercive and obstructive practices in connection with the use of the Funds' proceeds, and include provisions in its agreements with beneficiaries to give full effect to the relevant Bank guidelines on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism.

#### **12.2. The Bank acting as for its own resources and operations**

When acting as Administrator of the Platform, the Bank shall exercise the same degree of care and diligence as for its own resources and operations. Each Contributor acknowledges and agrees that the obligations of the Bank, as

Administrator, are to be performed on a best endeavour basis only (“*obligation de moyens*”).

The Bank shall administer the Platform as it deems appropriate, in all respects in accordance with these Platform Rules and its internal policies and procedures. The relevant policies and procedures are available on the website of the Bank.

The Bank may adopt new internal procedures and policies as it deems appropriate, which shall be applicable to these Platform Rules to the extent compatible with them.

### **12.3. The Bank acting in specific circumstances**

In certain circumstances, the Bank may, with the relevant Contributors’ approval expressed in a form separately agreed upon by the Bank and the relevant Contributor, carry out operations, under an individual Fund, that present a level of risk that can normally not be undertaken and borne by the EIB with its own resources. Therefore, the internal policies and procedures of the Bank shall not apply to these operations.

In these specific circumstances, the Bank shall implement ad hoc policies and procedures in accordance with the level of risk inherent to, and the nature of, the contemplated operations. Such ad hoc policies shall always be consistent with the relevant Bank’s guidelines on tax fraud, tax evasion, tax avoidance, aggressive tax planning, money laundering and financing of terrorism.

The Bank shall communicate those ad hoc policies and procedures to the relevant Contributors to the extent practically possible before the holding of a Contributors’ Committee to decide on the contemplated operation, as the case may be and, if not practically possible, promptly after the decision to launch the contemplated operation has been made.

### **12.4. Liability limited to gross negligence and wilful misconduct**

Unless otherwise provided for in these Platform Rules and or in the relevant Contribution Agreement, the Bank shall only be liable in the case of gross negligence (“*faute lourde*”) or wilful misconduct (“*faute dolosive*”).

### **12.5. Force majeure and disturbance of business**

The Bank shall not be liable for any losses caused by abnormal or unforeseeable circumstances, force majeure, riot, war or natural events or due to other occurrences which are beyond the control of the Bank (for instance, strike, lock-out, traffic hold-ups, administrative acts of domestic or foreign authorities or courts, as well as interruptions of telecommunications system or other similar events).

### **12.6. Delays**

Nothing in these Platform Rules shall require the Bank to take any action which, in the opinion of the Bank acting in good faith, is not possible or would be in contravention of any applicable law, regulation, market custom or practice.

The Bank shall not be liable for any delays in the performance of its obligations under these Platform Rules arising from compliance with duties flowing from applicable laws and regulations.

### **12.7. Limited recourse**

Each Contributor acknowledges and accepts that it has only recourse to the Contributions Paid allocated to the relevant Fund, in accordance with the account statement to be established by the Bank in relation to each Fund and subject to the deduction of any applicable fees, costs, losses, and charges. Each Contributor expressly acknowledges and accepts that once all the Contributions Paid of the relevant Fund have been realised (that is, if upon termination of the relevant Fund, all the Contributions Paid, subject to the deduction of any applicable fees, costs, losses, and charges, have been redeemed on a pro rata basis), it is not entitled to take any further steps against the Bank to recover any further sums due (if any) and the right to receive any such sum shall be extinguished. Each Contributor accepts not to attach or otherwise seize the assets of the Fund, if at all possible.

## ARTICLE 13

### AMENDMENTS AND ORDER OF PRECEDENCE

#### **13.1. Amendments**

The Bank may, at any time and in consultation with Contributors, amend the provisions of these Platform Rules. The Bank shall inform the Contributors indicating the provisions it intends to modify or add as well as the content thereof. In proposing amendments to the provisions of the Platform Rules, the Bank shall assess the potential impact of those amendments on existing Funds and inform the Contributors thereof.

The amendments shall be deemed approved by the Contributors if they have not addressed a written objection to the Bank within 15 Business Days of dispatch of the notification by the Bank regarding the amendments.

If one or more Contributors object(s) to the amendments proposed, these Contributors are entitled to terminate the Contribution Agreement they entered into with the Bank with immediate effect within the timeframe set out above and to ask for the refund of the portion not invested into operations, if any, and subject to the deduction of any applicable fees, costs, losses, and charges, of their Contribution Paid if the amendments proposed by the Bank:

- (i) prevent such Contributor to continue to participate to the Platform in compliance with the laws and regulations applicable to it;
- (ii) impose on the Contributors to increase the amount of their Contributions; or
- (iii) substantially increase the costs of participation in the Platform.

A Contributor willing to terminate the Contribution Agreement pursuant to the termination process described above shall give evidence to the Bank and the other Contributors in the Fund that it is affected by an event listed under items (i)-(iii) above.

If an amendment to the provisions of the Platform Rules has a negative impact on one or more Funds, the relevant Contributors' Committees shall decide

whether to continue the affected Funds or to terminate them in accordance with Article 11.1 of these Platform Rules.

Each Contributor acknowledges and agrees that technical amendments (such as, but not limited to, correction of drafting errors, numbering of Articles in the Platform Rules or cross- or external references in the Platform Rules) and amendments that do not affect the substance of any provisions of these Platform Rules may be made unilaterally by the Bank. The Bank shall immediately inform the Contributors of those technical or minor amendments.

### **13.2. Order of precedence**

In the event of any inconsistency or conflict between the terms of the Platform Rules, a Contribution Agreement and those of the corresponding Fund Description, the following order of priority shall apply:

- (i) the Contribution Agreement (as between the Bank and the relevant Contributor);
- (ii) the Fund Description; and
- (iii) the Platform Rules.

In the event that there is more than one Contribution Agreement between the Bank and a Contributor in relation to the same Fund, then in the event of any inconsistency or conflict between the two, the later shall prevail as between the Bank and that Contributor.

## ARTICLE 14

### SEVERABILITY

If, at any time, any of the provisions under these Platform Rules is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these Platform Rules nor of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

## ARTICLE 15

### DISPUTE RESOLUTION AND GOVERNING LAW

#### **15.1 Amicable resolution of disputes**

The parties having agreed to these Platform Rules shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of these Platform Rules.

#### **15.2 Jurisdiction**

For the purposes of any dispute arising in relation to these Platform Rules, the parties hereby submit to the jurisdiction of the Court of Justice of the European Union.



### 15.3 Governing law

These Platform Rules are governed by, and shall be construed in accordance with, the laws of the Grand-Duchy of Luxembourg.

## ANNEX I

### RECEIPT OF THIRD PARTY FINANCING

With a view to reinforcing complementarities and coordination with other parties' activities that are in line with the objectives and guiding principles of the Platform, (other countries, International Financial Institutions, funds, foundations, private and banking entities etc.) the Contributors' Committee of a Fund may authorize Third Party Financing in relation to that Fund.

Capitalised terms used in this Annex and not otherwise defined herein shall have the meaning given to such terms in the Platform Rules to which this Annex is attached.

#### *Article 1 Third Party Financing*

Third Parties may contribute funds to a Fund under the Platform subject to the approval by the Bank and to the unanimous approval by the Contributors' Committee of the relevant Fund. Once approved as eligible resources for the relevant Fund, Third Party Financing is subject to the special terms and conditions set forth in this Annex.

The approval of Third Party Financing does not result in the Third Party acquiring the status of Contributor and does not give the right to the Third Party concerned to be represented in the Contributors' Committee of the relevant Fund and to participate in its meetings, written procedures or in any governance structure of the relevant Fund.

The Bank shall act as an intermediary with respect to Third Party Financing. In this respect, Third Party Financing shall not be recognized as Contributions in the Fund's financial statements.

#### *Article 2 Third Party Agreement*

Subject to the approval of the Bank's Governing Bodies and the Contributors' Committee of the relevant Fund, the Bank may sign, in its role of Administrator, an agreement with the relevant Third Party (the "Third Party Agreement") specifying the name of the Third Party (including name of the contact person), nature of the Third Party Financing, applicable rules and its use. The use of the Third Party Financing shall be in line with the general purposes of the Platform and the related Fund, and for the operations approved as indicated in the Third Party Agreement.

#### *Article 3 Amount and Payment Modalities of Third Party Financing*

The Third Party Agreement shall in principle include the total amount and payment modalities of the Third Party Financing. When such elements are not included in the Third Party Agreement at the time of the signature, the Contributors' Committee of the relevant Fund shall be separately informed about the precise amount and payment modalities of the Third Party Financing under

the Third Party Agreement, as soon as practically possible. Funds shall be committed exclusively in euros.

*Article 4 Rules Applicable to Third Party Financing*

Proposals for potential operations funded from the Third Party Financing shall be submitted for approval to the Bank's Governing Bodies and the Contributors' Committee of the relevant Fund shall be informed about the approved operations.

The Third Party Financing shall be governed by the terms and conditions specified in the Third Party Agreement, including the use of such funds, reporting obligations, payment modalities, visibility, dispute settlement.

Article 12 of the Platform Rules shall apply with respect to Third Party Financing.

*Article 5 Bank Account for Third Party Financing*

The Bank shall open a separate account in its accounting books for each Fund under which Third Party Financing has been approved. This account shall be called "Fund [ ] – Financing from Third Party" for the receipt of the Third Party Financing, the disbursement of the monies and the Bank's fees, and any potential remuneration as indicated in the Third Party Agreement.

*Article 6 Financial Reporting*

The Bank shall provide financial reporting to substantiate the use of the Third Party Financing in accordance with the Article 9 of the Platform Rules.

*Article 7 Audit*

Movements from the separate account opened for Third Party Financing may be subject to a separate external audit in accordance with the provisions of the Article 10 of the Platform Rules.

*Article 8 General Reporting Obligations*

The Bank shall ensure that the Contributors' Committee of the relevant Fund is comprehensively informed on an annual basis with respect to all operations and activities financed from Third Party Financing.

## ANNEX II

### ASSET MANAGEMENT GUIDELINES

#### Preamble

The assets constituting the Platform Outstanding Balance from time to time which are under treasury management by the EIB (the "**Platform's Assets**") shall be managed in accordance with the principles of sound financial management and following appropriate prudential rules in accordance with the principles laid down in Section I below. These assets shall be invested at the risk of the Contributors according to the guidelines as set out in Section II below. In this document, "Unitary Fund" means the pooled investment portfolio established by the EIB by the Deed Poll of 1 July 2009 as supplemented and

amended from time to time and as defined in the corresponding Information Memorandum.

#### Section I - Principles Relating to the Platform Outstanding Balance

1. The EIB shall manage Platform's Assets in accordance with the following principles:

- (i) The risk exposure taken on the Platform's Assets shall be limited to the capital invested and returns earned thereon.
- (ii) While executing transactions on behalf of the Platform, the EIB shall apply the same standards of due diligence and care it normally applies when managing its own treasury portfolios or its other mandates. While purchasing securities at any time, either on the primary market or the secondary market, the EIB shall guarantee equal treatment among the different portfolios under management. In this context, it shall not purchase securities of the same issue at the same time on more advantageous conditions for its own account or for the account of any other portfolio under management.
- (iii) Management of the assets shall be based on the best practice of the asset management industry and on the traditional prudential rules applied in financial activities. Management shall comply with the risk limitations set out under these Asset Management Guidelines. Particular care shall need to be taken to ensure that the managed assets provide sufficient liquidity in relation to the commitments to which the assets must respond, while still optimizing the return that is compatible with maintaining a high-degree of security and stability over long-term.
- (iv) The EIB shall not be authorized to enter into speculative transactions or to borrow from the market to cover any liquidity gap. Unforeseen cash payments that are not sufficiently covered by cash holdings shall be covered adequately by the sale of assets. Reverse repo and collateralised securities lending transactions are authorised at the discretion of the EIB subject to the limitations set out in these Asset Management Guidelines.
- (v) A performance index, taken as a benchmark shall be defined by the EIB and shall be in line with the existing benchmark used for other third-party portfolios.
- (vi) All investments need to respect the limits set out hereto.
- (vii) In accordance with the operational cash flow forecast, the EIB shall take the necessary measures to manage the placement of the Platform's Assets in order to execute all payments in a timely manner.
- (viii) Securities transactions shall be based on the principle of "delivery versus payment"; delivery and payment to clearing systems are authorized.

- (ix) The sale of assets is authorized, among others, if the securities no longer correspond to the criteria set out hereto or with a view to balancing the maturity profile or enhancing overall portfolio performance.
- (x) The EIB shall regularly supervise the continuous respect of the limits set out hereto.

2. Funds' Assets may be invested in EUR. Hedging instruments may be considered if relevant and cost-efficient.

## Section II: Guidelines

The EIB shall manage the Funds' Assets in accordance with the principles set out in Section I above.

### 1. Portfolio structure

The portfolio maturity structure shall reflect the projected cash flows from the Platform / Funds. Sufficient assets shall be placed in monetary assets to cover the short term (less than one year) outflows, at a proportion to be fixed in the annual investment strategy.

1.1. The remaining assets may be allocated to medium and long term instruments, with a maximum remaining maturity of 10 years and six months from the payment date (medium and long-term portfolio).

1.2. Should the requirements of efficient portfolio management or some other grounded reasons require so and/or if the portfolio of asset management is smaller than EUR 100 million the EIB may allocate more or all of the assets in the units of the Unitary Fund. The EIB may in any case temporarily allocate more or all of the assets in the units of the Unitary Fund pending investment of the relevant part of the assets to the medium and long term instruments.

### 2. Types of investment

The monetary assets may comprise units in the Unitary Fund, and other short term instruments with maturities up to 397 days at value date including fixed rate bonds (with such remaining maturity) and floating rate notes of up to 2 years of remaining maturity. It is understood that the Unitary Fund shall constitute the preferred investment option for the monetary assets in EUR. In case of unsecured bank deposits, the time to maturity should not exceed 95 days at value date. Considering the portion of the monetary assets invested in unsecured bank deposits, due consideration should be given to prevailing market conditions and risks. The remaining assets may include fixed rate bonds with remaining maturity longer than 397 days and floating rate bonds with more than 2 years of remaining maturity.

### 3. Limits

Qualifying ratings shall be the ratings issued by Fitch, Moody's or Standard & Poor's.

The rating criteria refer to Moody's "or equivalent". In case of split ratings, the second best rating is considered for assessing whether the rating criteria are met.

In case where only one rating is available, it shall be applied.

In case where there are 2 or more equivalent ratings, they shall be considered as ranked in a strict total order<sup>15</sup>.

The equivalents of Moody's ratings are the following:

	Moody's	Standard & Poor's	Fitch
Long term			
	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Short term			
	P-1	A-1	F1
	(P-1)	A-1+	F1+
	P-2	A-2	F-2

3.1 Criteria for the Bank's Unitary Fund, short-term money market funds, deposits, including collateralised deposits, reverse repos:

3.1.1 The EIB Unitary Fund operating and managed in accordance with the Deed Poll and its information memorandum, shall be eligible. Up to 100% of the assets allocated to the monetary assets held in EUR may be invested in the EIB Unitary Fund. The concentration limits do not apply to the Unitary Fund.

3.1.2 The banks authorised to receive term deposits shall be rated at least P-1 short-term Moody's or equivalent. In case of reverse repos or collateralised deposits, the required rating shall be at least P-2 short-term Moody's or equivalent. In case of term deposits with non-rated central banks and national debt management agencies, the rating of the respective sovereign shall apply. Deposits with Bank for International Settlements shall be authorised.

3.1.3 The ceiling of authorised investments with banks referred to in 3.1.2 is fixed at 5% of the banks' own funds, capped at EUR 50 million per counterparty provided that the counterparty is rated at least Aa2 long-term Moody's or equivalent and

EUR 25 million for counterparties rated below Aa2 long-term Moody's or equivalent. Should the nominal size of the total portfolio exceed EUR 1 billion, increased caps of respectively EUR 100 million and EUR 50 million shall apply. Should the nominal size of the total portfolio exceed EUR 2 billion, increased caps of respectively EUR 150 million and EUR 75 million shall apply. In case of collateralised deposits the limit utilisation rate of the investment may be

<sup>15</sup> A<B<C, e.g. AAA (1st), Aaa (2nd), AA+ (3rd).

reduced to 20% and the required rating to P-2, provided that collateral haircuts are applied in accordance with the EIB's practices applying to its own treasury assets.

### 3.2 Criteria for securities investments:

3.2.1 Short-term securities (remaining term to maturity from acquisition settlement date: less than 397 days)

3.2.1.1 Purchases of long-term and medium-term bonds with less than 397 days to run must comply with the conditions applicable to medium-term and long-term bonds described in 3.2.2 and respect the limits set out therein.

3.2.1.2 For short-term securities, purchases are not authorised unless one of the following conditions is satisfied:

- instruments (certificates, T-bills etc.) are issued by states or institutions satisfying the definition set out in 3.2.2;
- instruments are issued by authorised banks referred to in 3.1.3 and within the limits set out in 3.1.3;
- instruments are issued by non-credit institutions when the issuer or issuance program complies with the criteria set out in 3.1.3 and the eligibility criteria set out in 3.1.3 mutatis mutandis.

3.2.2 Long- and medium-term securities (remaining term to maturity from acquisition settlement date: 397 days or more)

3.2.2.1 In all cases, the EIB shall invest in bonds which are expected to provide a sufficient degree of liquidity.

3.2.2.2 The long and medium term investments must consist of:

- bonds issued or guaranteed by European Union or Euratom with long term rating according to the table below;
- bonds issued or guaranteed by a Member State of the EU with a long term rating according to the table below:

Applicable rating (Moody's or equivalent)	Maximum amount per issuer or guarantor in EUR millions		
	Nominal Portfolio Size <= EUR 1bn	Nominal Portfolio Size <= EUR 2bn	Nominal Portfolio Size > EUR 2bn
Aaa-Aa2	100	250	400
Aa3-A3	50	125	200

Baa1	25	50	80
Baa2-Baa3	10	25	40

- bonds issued or guaranteed by other supranational institutions in which Member States of the EU have a participation or by sovereigns that are not Member States of the EU, provided that such institutions or countries have a minimum long term rating of Aa2 Moody's or equivalent, for a maximum amount of EUR 80 million per issuer or guarantor of the obligations. This amount shall be increased to EUR 200 million, should the nominal size of the total portfolio exceed EUR 1 billion, and to EUR 300 million, should the nominal size of the total portfolio exceed EUR 2 billion;
- bonds issued by other legal entities with a long-term rating from Aaa to Aa3 Moody's or equivalent, for a maximum amount of EUR 35 million per issuer, and in case of a long-term rating from A1 to A3 Moody's or equivalent, for a maximum amount of EUR 20 million per issuer. Should the nominal size of the total portfolio exceed EUR 1 billion, increased maximum amounts of respectively EUR 75 million and EUR 35 million shall apply. Should the nominal size of the total portfolio exceed EUR 2 billion, increased maximum amounts of respectively EUR 125 million and EUR 60 million shall apply;
- the EIB and the Contributors may agree on further rating/maturity limits.

### 3.3 Applicable Rating

Securities should be rated at least by one of the rating agencies Standard and Poor's, Fitch or Moody's. In the absence of all bond/issue ratings, the respective issuer ratings (in case of guaranteed positions the guarantor ratings) shall be considered.

#### Loss of required rating

In case of a loss of required rating, the EIB shall endeavor to replace the relevant assets in the portfolio by other assets of adequate quality respecting the relevant limits. Alternatively, the EIB may analyze, among other factors, the remaining maturity of the asset and the probability of repayment at scheduled maturity, and as a result of this analysis decide to keep such assets.

Member State securities (including securities guaranteed by Member States) may be kept in an event of loss of required rating(s).

### 3.4 Concentration limits

3.4.1 The total exposure to the same issuer or counterparty (consolidated at the TOP parent level) shall not exceed 10% (in the case of Member States, 20%) of the total amount of that portfolio.

3.4.2 Should the total amount of assets in the portfolio be lower than EUR 100 million, the limit in 3.4.1. shall not apply. In this case however, a

maximum exposure to any single issuer or counterparty should not exceed EUR 20 million.

3.4.3 The total investment in an issue must not exceed 10% of the total nominal outstanding amount of the issue.

#### 4. Securities lending and repos

The EIB is authorised, but is not under any obligation, to enter into reverse repo or collateralised securities lending operations with leading financial institutions complying with the criteria laid down for short-term investments under 3.1.2 and 3.1.3 above and with securities clearing companies.



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