

ANNEX 1 TO INFORMATION NOTE: SME INITIATIVE FINLAND - THE UNCAPPED GUARANTEE INSTRUMENT

Date: 2 July 2019



Information note to the Financial Intermediaries regarding the [Call for Expression of Interest SMEI Finland](#) ("Call") to implement the SME Initiative Finland Uncapped Guarantee Instrument, launched on 15 September 2016, closed on 31 March 2017.

Additional funds to be allocated and changes in transaction terms

The European Investment Fund ("EIF") intends to allocate additional resources to the above-mentioned Call.

In the context of the intended increased allocation, certain elements and indicative transaction terms set out in the original Call are now amended as follows:

| Call for Expression of Interest | |
|--|---|
| 2. SME Initiative Uncapped Portfolio Guarantee Instrument | The penultimate paragraph of the relevant Section is to be amended as follows: EIF can enter into Guarantees up to 31 December 2023 (the end of the " <i>Implementation Period</i> ") ¹ . |
| 3. SME Initiative Uncapped Portfolio Guarantee | Paragraph 3 of the relevant Section is to be amended as follows: Financial Intermediaries shall comply with applicable European Union law and agreed international and European Union standards and, therefore, not support illegal actions that contribute to money laundering, terrorism financing, tax fraud or tax evasion and shall not be established in a Non-Cooperating Jurisdiction. |
| 4. The application procedure | A new paragraph shall be added under the penultimate paragraph of the relevant sub-Section: Any personal data provided by the Applicants shall be processed by EIF in compliance with its Data Protection Statement (means the EIF statement on the processing of Applicants and Financial Intermediaries' personal data, as published on the EIF's website) and the Regulation (EU) 2018/1725 on the protection of natural persons with |

¹ With the exclusion of repayments and revenues under the Facility which, subject to the agreement of the Investors' Board, may be committed until the winding up of the Facility.

| | |
|--|---|
| | <p>regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, as these may be amended from time to time.</p> <p>(http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf)</p> |
| 6. Selection procedure | <p>The last paragraph is to be amended as follows:</p> <p>Those Applicants, whose Expression of Interest is rejected, shall have the right to submit a written complaint about the selection process by e-mail, registered mail or professional courier service, to the same address used for the submission of the Expressions of Interest above, within the timeline provisioned within the relevant EIB Group complaints policy. Any complaints will be dealt within the framework and in accordance with the EIB Group complaints policy (for further information visit http://www.eib.org/about/publications/complaints-mechanism-policy.htm)</p> |
| 6.2 Due-diligence | <p>A new paragraph shall be added under the relevant sub-Section:</p> <p>Know Your Customer ("KYC") documents to be included in the Expression of Interest are specified in Appendix 4 of Annex 1 to the Expression of Interest. EIF reserves the right to request further KYC documents from pre-selected applicants.</p> |
| 7. Publishing of Information on Financial Intermediaries and SMEs | <p>A new sub-Section shall be added under the last paragraph of the relevant Section:</p> <p>EIF Transparency Policy</p> <p>Within the framework of the EIF's Transparency Policy² (the "EIF Transparency Policy"), EIF is committed to the guiding principle of promoting transparency with respect to its operational and institutional activities.</p> <p>Pursuant to this guiding principle, and in accordance with the EIB Group approach and undertakings to promote transparency and good administrative practice, EIF has adopted the practice of publishing the minutes of the Board of Directors ("Board minutes") on its website, following their approval and signature.</p> <p>The published Board minutes only indicate those operations presented for decision which have been approved and, as a general rule, contain a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources.</p> <p>The EIF Transparency Policy also recognizes the need for EIF to balance transparency with confidentiality undertakings and the protection of commercially sensitive or personal data, with a view to EIF satisfying its legal obligations to, and maintaining the confidence and trust of, its business partners, investors and third parties.</p> <p>Consequently, should an Application receive the relevant EIF internal authorisation for submission to EIF's Board of Directors and be approved by the Board thereafter, and should an Applicant deem that the publication of such a summary would expose sensitive or confidential information, for which there would be a compelling reason not to disclose, the Applicant shall make a declaration to that effect in the submission of the Expression of Interest resulting in the information in question being edited out of the published Board minutes and, subject to any applicable confidentiality undertakings, only being made public in connection with the signature of the operation in question.</p> <p>If EIF has not received such declaration confirming that an Applicant does not agree to the publication of the aforementioned operational overview in the Board minutes, EIF</p> |

² http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en

| | | |
|---|---|--|
| | will consider that it is acceptable to the Applicant and each Participating Entity, if applicable, and will proceed with publication on EIF's website as indicated above. | |
| 8. Definitions and Interpretation | The following shall be amended/inserted: | |
| | Inclusion Period | <p>Means the period during which Eligible SME Transactions may be disbursed, such that they may be included by the Financial Intermediary in the Portfolio.</p> <p>Such period shall typically last between 18 and 36 months (unless terminated earlier because of a Trigger Event), provided that the Inclusion Period shall terminate no later than 31 December 2023.</p> |
| | Financial Intermediary | <p>Means a financial or credit institution duly authorised to carry out lending or leasing activities according to the applicable legislation and established and operating in Finland. Such institution shall comply with applicable Union law and agreed international and Union standards and, therefore, not support illegal actions that contribute to money laundering, terrorism financing, tax fraud or tax evasion, shall not be in any Condition of Exclusion and shall not be established in a Non-Cooperating Jurisdiction. Furthermore, the EIF shall include contractual arrangements with its financial intermediaries and/or sub-intermediaries with a view to protecting against SIUGI Operations financing artificial arrangements aimed at tax avoidance.</p> |
| | Non-Cooperating Jurisdiction | <p>Means a jurisdiction incorporated or established in jurisdictions listed under the relevant European Union policy on non-cooperative jurisdictions or that are identified as high-risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849, or that do not effectively comply with European Union or internationally agreed tax standards on transparency and exchange of information.</p> <p>The definition might be amended and supplemented from time to time.</p> |
| Annex II – Indicative Direct Guarantee Term Sheet | | |
| 2. Indicative Terms and Conditions | The definition of Financial Intermediary on page 2 shall be amended as set out above. | |

| | | | | |
|---|---|--|--------------------------------------|--|
| of the Guarantee | | | | |
| 3. The portfolio | The following definition on page 7 shall be amended: <table><tr><td>Excluded SMEs and Restricted Sectors</td><td>SMEs which are classified according to the criteria set out in Appendix B or are active (as further specified) in one of the sectors listed in Appendix B are not eligible to receive SME Transactions covered by the Guarantee. The list may be further specified in the Guarantee Agreement. “Guidelines on the EIF Restricted Sectors” available at: http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm</td></tr></table> | | Excluded SMEs and Restricted Sectors | SMEs which are classified according to the criteria set out in Appendix B or are active (as further specified) in one of the sectors listed in Appendix B are not eligible to receive SME Transactions covered by the Guarantee. The list may be further specified in the Guarantee Agreement. “Guidelines on the EIF Restricted Sectors” available at: http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm |
| Excluded SMEs and Restricted Sectors | SMEs which are classified according to the criteria set out in Appendix B or are active (as further specified) in one of the sectors listed in Appendix B are not eligible to receive SME Transactions covered by the Guarantee. The list may be further specified in the Guarantee Agreement. “Guidelines on the EIF Restricted Sectors” available at: http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm | | | |
| 3. The Portfolio | The following definition on page 8 shall be amended: <table><tr><td>Disbursement End Date</td><td>Means 31 December 2023.</td></tr></table> | | Disbursement End Date | Means 31 December 2023. |
| Disbursement End Date | Means 31 December 2023. | | | |
| 4. Miscellaneous | The definition of Non-Cooperating Jurisdiction on page 10 shall be amended as set out above. | | | |
| Annex II – Indicative Direct Guarantee Term Sheet - Appendix A (Eligibility Criteria) | | | | |
| 2. SME Transaction Eligibility Criteria | The following criteri[a/on] on page 13 shall be amended: (k) The SME Transaction may be issued on a revolving basis (excluding credit cards and overdraft lines of credit) or have a fixed repayment schedule (amortising, bullet, balloon); | | | |