



ANNEX

to the

COMMISSION DECISION

on the 1st amendment of the Delegation Agreement concluded on 22 July 2015 between the European Union and the European Investment Bank in respect of the Financial Instruments under the Connecting Europe Facility





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DELEGATION AGREEMENT

between

THE EUROPEAN UNION

and

THE EUROPEAN INVESTMENT BANK

in respect of the

DEBT INSTRUMENT UNDER CONNECTING EUROPE FACILITY

DATED 22 JULY 2015

AS AMENDED AND RESTATED ON 19 June 2019

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This Delegation Agreement in respect of the Debt Financial Instrument under Connecting Europe Facility" originally dated 22 July 2015 and as amended and restated on 19 June 2019 (hereinafter referred to as the "Agreement") is entered between:

the European Union,

represented by the European Commission, 200, rue de la Loi, B-1049 Bruxelles, Belgium, which is represented for the purposes of the signature of this Agreement by Mrs. Violeta Bulc, Member of the Commission,

(hereinafter referred to as "Commission"),

on the one part, and

the European Investment Bank,

100 bd. Konrad Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg, which is represented for the purposes of the signature of this Agreement by Mr. HUDAK Vazil, Vice-President,

(hereinafter referred to as "EIB"),

on the other part

(hereinafter the Commission and EIB are each referred to as a "Party" and together as the "Parties")

WHEREAS

(1) On 11 December 2013, Regulation (EU) No 1316/2013 of the European Parliament and the Council establishing the Connecting Europe Facility ("CEF"), amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 and as amended by Commission Delegated Regulation (EU) No 275/2014 of 7 January 2014, Regulation (EU) No 2015/1017 of the European Parliament and of the Council of 25 June 2015, Regulation (EU) No 2017/1953 of the European Parliament and of the Council of 25 October 2017, Regulation (EU) No 2017/2396 of the European Parliament and of the Council of 13 December 2017 and Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union was adopted (hereinafter "Legal Basis"). On this basis, the CEF was established. The CEF aims to provide Union financial

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assistance to trans-European networks in order to support projects of common interest in the sectors of transport, telecommunications and energy infrastructures and to exploit potential synergies between those sectors.

- (2) Part III of Annex I of the Legal Basis provides for the establishment of a financial instrument for loans and guarantees facilitated by risk-sharing instruments, including credit enhancement mechanisms to project bonds (hereinafter "Financial Instrument"). The Financial Instrument aims to contribute to overcoming deficiencies of the European debt capital markets by offering risk sharing for debt financing.
- (3) Article 6(3) of the Legal Basis foresees that CEF may be implemented by the bodies referred to in Article 62(1)(c) of the Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union repealing Regulation (EU, Euratom) No 966/2012 (hereinafter "Financial Regulation")¹.
- (4) The Commission has decided to entrust the implementation of the Financial Instrument to EIB through this Agreement, in accordance with Articles 62(1)(c)(iii) and 208(4), first subparagraph of the Financial Regulation.
- (5) The Financial Instrument under the CEF ensures continuity of the Loan Guarantee Instrument for TEN-T projects and to the Pilot Phase of the Project Bond Initiative. As required by the Legal Basis, a related ex-ante assessment was carried out by the Commission.
- (6) The Union and EIB signed a financial and administrative framework agreement (hereinafter the "FAFA") on 8 May 2014. The FAFA set out the main principles, standard terms, conditions and procedures under which the relevant Parties shall cooperate in the preparation, set-up, implementation and management of Financial Instrument.
- (7) The provisions laid down in the FAFA shall apply as common provisions for the Agreement, except if otherwise stated in the Agreement.
- (8) The Parties acknowledge the need to amend the FAFA without delay for the remaining period of application of the 2014-2020 multiannual financial framework in light of the amendment to the financial rules applicable to the general budget of the Union made in 2018 by the Financial Regulation, including, without limitation, with regard to the non cooperative jurisdictions referred to in Article 3.9 of the FAFA. The FAFA should apply to the Agreement as so amended.
- (9) The Agreement specifies the detailed provisions relating to the cooperation between the Parties for the implementation and the management of the Financial Instrument.
- (10) The Commission should ensure, before the operational implementation starts and to the extent falling within its competences, consistency of the Financial Instrument with applicable Union law, in particular and where relevant State aid rules, and fulfilment of specific conditions, if any, linked to the particular Financial Instrument. Such conditions are defined in this Agreement.

¹ OJ L 193, 30.7.2018, p.1.

- (11) In view of the fourth paragraph of Article 6 I Part III Annex I of the Legal Basis, the EIB shares a portion of the defined risk via the EIB FLP and the Synthetic Credit Protection Amount.
- (12) The Commission Decision 2010/670/EU was amended by the Commission Decision (EU) 2017/2172² as regards the deployment of non-disbursed revenues from the first round of NER300 calls for proposals. The Commission Decision (EU) 2017/2172 specifies that such revenues shall be available to support projects using relevant financial instruments managed by the EIB group, with a priority given to the InnovFin EDP Facility and the Financial Instrument in the sector of transport.
- (13) The Commission and the EIB entered into the NER300 Cooperation Agreement. This Agreement supplements the NER300 Cooperation Agreement for the deployment of the NER300 Contribution.
- (14) The signature of this Agreement on behalf of EIB has been authorised by the EIB Board of Directors on 16 December 2014. The signature of this Agreement on behalf of the Commission has been authorised by a Commission Decision of 22 July 2015 notified under document C(2015) 5172.
- (15) This Agreement is hereby amended and restated on the last date on which a Party signs this Agreement.

THE PARTIES HAVE AGREED AS FOLLOWS

Article 1 – Definitions

- 1. Terms defined in the FAFA shall have the same meanings wherever used in the Agreement, unless otherwise defined in Article 1(2), the rest of this Agreement or the relevant Annexes.
- 2. The following definitions apply throughout the Agreement:

Term	Definition
Additional Contribution	Any additional financial contribution that may come from other parts of CEF than "Debt Instrument", as set out under Article 15(2) and paragraph I.3(a) of Part III of Annex I of the Legal Basis.
Aggregate EU Contribution	The sum of (i) Total Contribution and (ii) Other Contribution.
Agreement	As defined in the recitals of this Agreement.
AMG	Asset management guidelines as set out in Annex 6.

² OJ L306, 22.11.2017, p.24.

Term	Definition
Approval Period	Period during which an Operation may be approved by the EIB. It lasts from the Starting Date and ends on 31 December 2022 or on any earlier date pursuant to Article 22 or Article 3.1 of Annex 8.
Authorising Officer	Has the meaning attributed to it in the Financial Regulation.
Budgetary Authorities	European Parliament and Council of the EU.
CEF	As defined in the recitals of this Agreement.
CEF Countries	The following countries as at the Starting Date:
	(a) EU Member States,
	(b) acceding States and candidate countries benefiting from a pre- accession strategy in accordance with agreements signed with the EU, and
	(c) a country falling within the scope of the European Neighbourhood Policy including the Strategic Partnership, the Enlargement Policy, and the European Economic Area or the European Free Trade Association.
CEF Portfolio	The Debt Portfolio, the NSF Portfolio and (if applicable) any thematic portfolio.
CEF Repayments	Any releases of the EU FLP arising in accordance with Articles 6.1 or 6.2 of Annex 8 or on an extraordinary basis and any repayments in accordance with Articles $8.9(c)(x)(i)(X)(I)$, $8.9(c)(y)(i)(X)$, $11.1(c)(x)(i)(X)(I)$ or $11.1(c)(y)(i)(X)$ of Annex 8.
CEF Revenues	(i) Any positive amounts resulting from Articles $8.9(c)(x)(i)(Y)(II)$, 8.9(c)(x)(ii)(Y), $8.9(c)(y)(ii)(Z)$, $11.1(c)(x)(i)(Y)(II)$, $11.1(c)(x)(ii)(Y)$ or 11.1(c)(y)(ii)(Z) of Annex 8 or (ii) any cash flow received as revenues from treasury asset management in accordance with Schedule IV of the FAFA and Annex 6 after deduction of an amount up to the Treasury Asset Management Loss.
CEF Sums	 (a) following the occurrence of an event of default (i) all amounts not received by EIB but due to it, whether directly or by way of subrogation, including but not limited to principal, interest (including interest on overdue sums), any commissions, indemnities, charges, expenses and other incidental charges and any other sum that may at any time be due to EIB pursuant to the terms of (1) a Debt Type Operation or (2) an NSF Type Operation in the form of an Unfunded Operation; and (ii) all amounts due and payable by EIB pursuant to the terms of an Unfunded Operation; and (b) in relation to NSF Type Operations only,

Term	Definition
	 (i) all amounts (1) lent or invested by EIB or (2) owed by EIB, in each case not recovered upon exit or disposal; (ii) any Value Adjustments; and (iii) any NSF Type Funding Costs; and (c) Restructuring Losses; and for the avoidance of doubt: any amounts under lit. (a)-(c) above if received and later required to be repaid pursuant to any enactment relating to insolvency shall be treated as not having been received.
CEF Sum Shortfall Amount	Any amount by which the CEF Sums exceed the relevant CEF Portfolio's FLP.
Cleaner Transport	As defined in Article 4.3 (a).
Commission Recommendation	Commission Recommendation 2003/361/EC of 6 May 2003, "concerning the definition of micro, small and medium-sized enterprises" notified under document number C(2003) 1422) ³ , as amended, restated, supplemented or substituted from time to time.
Commitment Appropriations	Appropriations allowing to enter into corresponding legal commitments.
Commitment Period	Period during which the Aggregate EU Contribution may be committed. It lasts from the Starting Date and ends on 31 December 2020 or on any earlier date pursuant to Article 22 or Article 3.1 of Annex 8.
Connecting Infrastructure	As defined in Article 4.3 (a).
Council Conclusions	The Council Conclusions on the EU list of non-cooperative jurisdictions for tax purposes ⁴ .
CRG	EIB's credit risk guidelines and EIB's equity risk guidelines, as amended, restated, supplemented or substituted by EIB from time to time.
Debt Portfolio	The portfolio of Operations (including the Pre-2019 Operations) that are Debt Type Operations.
Debt Type Operation	An Operation other than an NSF Type Operation.
Designated Service	(a) DG CNECT in relation to an Operation in the area of broadband, DG ENER in relation to an Operation in the area of energy, DG Move in relation to an Operation in the area of transport, all three DGs together in relation to all other matters, (b) or such other

³ OJ L124, 20.05.2003, p.36. ⁴ OJ C438, 19.12.2017, p.5.

Term	Definition
	Commission service subsequently communicated by the EC to EIB in writing.
Direct Operation	A Final Recipient Transaction entered into between EIB and the Final Recipient.
EIB FLP	A credit protecting corresponding to the sum of the EIB Transfer Amounts, as released in accordance with Article 6 of Annex 8.
EIB Transfer Amount	The product of the EIB Transfer Rate and the maximum commitments under an Operation.
EIB Transfer Rate	The percentage indicated in the Schedule of the relevant Financing Category.
Energy Regulation	Regulation (EU) No 347/2013 of the European Parliament and of the Council of 17 April 2013 on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC and amending Regulations (EC) No 713/2009, (EC) No 714/2009 and (EC) No 715/2009.
EU FLP	A credit protecting corresponding to the sum of (i) the EU Transfer Amounts and (ii) the amounts referred to in Article 23; as released in accordance with Article 6 of Annex 8.
EURIBOR	(a) In respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
	(b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
	(c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,
	(the period for which the rate is taken or from which the rates are interpolated being the " Representative Period ").
	For the purposes of paragraphs (b) and (c) above, "available" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the EIB.
	"Screen Rate" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the EIB on the day (the "Reset Date") which falls

Term	Definition
	2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the EIB.
	If such Screen Rate is not so published, the EIB shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the EIB, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.
	If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the EIB, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European Banks for a period equal to the Representative Period.
	If no rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the EIB to be the all-inclusive cost to the EIB for the funding of the relevant Tranche based upon the then applicable internally generated EIB reference rate or an alternative rate determination method reasonably determined by the EIB.
	All percentages resulting from any calculations referred to in this definition will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point with halves being rounded up.
	If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI (or any successor to that function of EMMI and EURIBOR ACI as determined by EIB) in respect of EURIBOR, the EIB may by notice to the Commission amend the provision to bring it into line with such other provisions.
EU Transfer Amount	The product of the EU Transfer Rate and the maximum commitments under an Operation.
EU Transfer Rate	The percentage indicated in the Schedule of the relevant Financing Category.

Term	Definition
FAFA	As defined in the recitals of this Agreement and as amended in light of the amendment to the financial rules applicable to the general budget of the Union made in 2018 by the Financial Regulation
Finance Source	The party providing or administering the relevant part of the Aggregate EU Contribution, i.e.
	(a) with regard to the part of the Total Contribution in relation to an Operation in the area of :
	(i) broadband: DG CNECT,
	(ii) energy: DG ENER,
	(iii) transport: DG Move;
	(b) with regard to the NER300 Contribution: DG Clima, and
	(c) with regard to the Other Contribution (except for the NER300 Contribution): the party providing or administering such Other Contribution.
Financial Identification Form	Document in the form of Annex 13
Financial Regulation	As defined in the recitals of this Agreement.
Financing Category	Part of the Financial Instrument dedicated to a specific policy- objective or target Final Recipient group, and which may include different products.
Final Implementation Report	As defined in Article 1.1 of Annex 10.
Final Recipient	An entity that receives direct or indirect financial support under a Final Recipient Transaction.
Final Recipient Transaction	A financing provided to a Final Recipient by EIB (for Direct Operations) or a Financial (Sub-) Intermediary (for Indirect Operations).
Financial Intermediary	An entity that has entered with the EIB into an Operation that is an Indirect Operation.
Financial Instrument	As defined in the recitals of this Agreement.
Financial (Sub-) Intermediary	Financial Intermediary and Financial Sub-Intermediary.
Financial Sub- Intermediary	An entity that has entered into a Sub-Operation with a Financial Intermediary or another Financial Sub-Intermediary under an Indirect Operation.
FLP	A credit protection corresponding to:
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Term	Definition
	(a) in relation to the Debt Portfolio, the sum of the EU FLP in respect of the Debt Portfolio and of the EIB FLP; and
	(b) in relation to the NSF Portfolio, the EU FLP in respect of the NSF Portfolio.
Funded Operation	An Operation other than an Unfunded Operation.
Future Mobility	As defined in Article 4.3 (b).
Indirect Operation	A financing provided by EIB to a Financial Intermediary covering directly or indirect (via one or more Sub-Operations) a Final Recipient Transaction.
Initial EU Contribution	Commitment Appropriations and corresponding Payment Appropriations foreseen in the "Debt Instrument" sub-programme of CEF, the allocation of which is subject to the decision of the Budgetary Authorities, and the EU Contribution Committed under the Loan Guarantee Instrument for TEN-T projects and the Pilot Phase of the Project Bond Initiative.
Innovation Fund	The innovation fund as defined in Article 10a(8) of Directive 2003/87/EC of 13 October 2003 ⁵ as amended by Directive (EU) 2018/410 of 14 March 2018 ⁶ .
Legal Basis	As defined in the recitals of this Agreement.
Leverage Effect	 (a) the aggregate amount of the project cost invested by Final Recipients, divided by (b) the amount of the Aggregate EU Contribution Paid (reduced, for this purpose, by any amount of CEF Repayments released in accordance with Article 6.3 of Annex 8).
Loan Guarantee Instrument for TEN-T Projects	A financial instrument in the MFF (2007-2013) referred to in recital 44 of the Legal Basis and implemented in accordance with the Amended and Restated Cooperation Agreement dated 20 December 2013.
NCJ Policy	The EIB's policy towards weakly regulated, non-transparent and uncooperative jurisdictions, as amended, supplemented or modified from time to time in accordance with its rules, policies and procedures, and following lists published by Lead Organisations (as defined therein).
NER300 Contribution	An Other Contribution that consists of the non-disbursed revenues referred to in Commission Decision (EU) 2017/2172 ⁷ channelled through this Financial Instrument.

 ⁵ OJ L275, 25.10.2003, p.32.
 ⁶ OJ L76, 19.03.2018, p.3.
 ⁷ OJ L306, 22.11.2017, p.24.

Term	Definition
NER300 Cooperation Agreement	A cooperation agreement on the implementation of Commission Decision 2010/670/EU of 4 November 2010, as amended and restated on 6 December 2018.
New Annex	An annex to this Agreement, other than Annex A – B, regarding a group of Financing Categories under the CEF that may be added to this Agreement after the Starting Date.
New Schedule	A Schedule to an Annex to this Agreement (other than Schedules A.1, A.2 and A.3 to Annex A and Schedule B.1 to Annex B) regarding a Financing Category or group of Financing Categories under the CEF that may be added to this Agreement after the Starting Date.
Non Recurrent Risk Income	Has the meaning attributed to it in Article 8.3 of Annex 8.
Non-Risk Related Income	Has the meaning attributed to it in Article 8.2 of Annex 8.
NSF Portfolio	The portfolio of Operations (including the Pre-2019 Operations) that are NSF Type Operations.
NSF Type Funding Cost	 (a) From the Starting Date, the aggregate amount of in relation to all NSF Type Operations: (i) accrued interest arising on outstanding disbursements, net of capital value adjustments for which EIB has received payment from the Commission and which have not been reversed or expensed, determined at the rate of EURIBOR 3 month + spread, in aggregate floored at X (or, for non-EUR operations, X-ibor 3 month + spread, in aggregate floored at X). The spread, which can be a positive or negative number of basis points, will be calculated following EIB's standard pricing methodology recovering EIB's cost of funding on the capital markets and the standard administrative costs applicable to plain vanilla individual loans in the EU, as approved by the EIB Board of Directors; and (ii) any costs, fees or expenses incurred by or to be reimbursed or paid to EIB, to the extent not otherwise recovered or received by EIB, whereby, both in cases (i) and (ii), for the avoidance of doubt, a sum if received and later required to be repaid pursuant to any enactment relating to insolvency shall be treated as not having been received, and (b) that have not already been used under the NSF Portfolio's FLP in accordance with Article 4 of Annex 8 and that have not already been reimbursed in accordance with 11.1(b) of Annex 8.

Term	Definition
NSF Type Operation	An Operation considered by EIB as non securitisable financing in accordance with Article 1.1 of Annex 8.
Operation	A Direct Operation or an Indirect Operation.
Operational Report	As defined in Article 1.1 of Annex 10.
Origination Period	Period during which a Final Recipient Transaction that is covered directly or indirectly by an Indirect Operation may be signed. It lasts from the Starting Date and ends on 30 June 2024 or on any earlier date pursuant to Article 22 or Article 3.1 of this Annex 8.
Other Contribution	Any financial contribution that may come from instruments, programmes and budget lines in the Union budget other than CEF, from CEF Countries, including their regional or local authorities, that wish to contribute own resources or resources available from the funds under the cohesion policy without changing the nature of the instrument, or from any other investor, in order to support specific policy objectives or sectors.
Other Parties	Any legal entity providing any amounts under the Aggregate EU Contribution, and who will enter into an agreement with the Parties that shall respect the provisions of this Agreement.
Payment Appropriations	Appropriations allowing to make effective payments under a legal commitment
Pilot Phase of the Project Bond Initiative	A financial instrument in the MFF (2007-2013) referred to in recital 44 and Article 21.2 of the Legal Basis.
Pipeline Report	As defined in Article 1.1 of Annex 10.
Pre-2019 Operation	An Operation entered into under this Agreement before the Starting Date, including, without limitation, Operations entered into under the Loan Guarantee Instrument for TEN-T projects or the Pilot Phase of the Project Bond Initiative that have been merged with the Financial Instrument before the Starting Date.
Qualitative Assessment	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 Article 2 of Annex B.
Recoveries	Any amount net of recovery costs and foreclosure costs recovered in relation to an Operation for which the FLP has been used, including, without limitation, an amount for which the FLP has been used and that is paid by a Financial Intermediary or a Final Recipient to EIB under an Operation as a result of, inter alia, the realisation of security, fraudulent actions of Final Recipients, the relevant

Term	Definition
	Financial Intermediary or the Financial Sub-Intermediary or the exclusion of a Final Recipient Transaction or Sub-Operation from coverage by the Operation.
Recurrent Risk Income	Has the meaning attributed to it in Article 8.3 of Annex 8.
Reporting Leverage Effect	 (a) the aggregate of (i) the signed nominal amount of Direct Operations plus (ii) the aggregate amount committed by the Financial (Sub-) Intermediaries under Indirect Operations, divided by (b) the amount of the Aggregate EU Contribution Paid (reduced, for this purpose, by any amount of CEF Repayments released in accordance with Article 6.3 of Annex 8), to be used for the Union's reporting purposes.
Reinstatement Amount	The aggregate of the amounts that have been used under the relevant CEF Portfolio's EU FLP or the EIB FLP (as applicable) in accordance with Article 4 of Annex 8 from the Starting Date and that have not already been reinstated in previous semesters in accordance with Articles 10 (<i>Debt Recoveries Waterfall</i>) or 13 (<i>NSF Recoveries Waterfall</i>) of Annex 8.
Restructuring	Any agreement, arrangement, standstill, revision, amendment or composition with creditors in relation to a transaction that consists of or is covered directly or indirectly by an Operation, entered into with a view to reducing potential losses or increasing potential recoveries regardless of whether or not an event of default has occurred (including, without limitation, by way of (w) a change in principal or interest, (x) a waiver or extension of time, (y) a debt to equity conversion and (z) triggering an existing clause in a financing agreement where EIB takes a subordinated position allowing to defer a payment or to change the amount of principal or interest payable).
Restructuring Losses	 (a) the reduction in amounts due to EIB under the terms of: (i) a Debt Type Operation, or (ii) an NSF Type Operation in the form of an Unfunded Operation, in each of the cases (i) and (ii) as a result of a Restructuring (including losses resulting from extensions of time or waivers), whereby, for the purpose of this item (a), amounts corresponding to reimbursements of costs and foreclosure costs shall not be treated as being due to EIB as a result of a Restructuring; (b) amounts due by EIB under the terms of an Unfunded Operation as a result of a Restructuring;

Term	Definition
	(c) losses which arise in respect of a conversion of an Unfunded Operation into a Funded Operation as a result of a Restructuring; and
	(d) losses which arise in respect of a sale in the secondary market or any other sale at arm's length as a result of: (i) a Restructuring, or (ii) any event in relation to a Debt Type Operation which is a subordinated instrument having features of equity (such as hybrid debt), where following such Restructuring EIB, acting in accordance with its rules, policies and procedures is required to exit the operation;
	<i>provided that</i> , in case the FLP has been used for a Restructuring Loss in the form of separate amounts on a period by period basis (instead of in the form of a lump sum), any amount received in a particular period by EIB in respect of the Operation to which the Restructuring Loss relates, which is in excess of the amount that would have been due to EIB absent the Restructuring, is treated as Recoveries up to the amount equal to the Restructuring Loss for which the FLP has been used and any further excess shall be treated as Risk Related Income.
Risk Related Income	Has the meaning attributed to it in Article 8.2 of Annex 8.
RRT	The part of any of the CEF Portfolios that the FLP does not cover.
RRT Cost	The aggregate of the amounts consisting of X% of the average outstanding nominal amount of the NSF Portfolio's RRT (reflecting signed and effective amounts) for each semester from the Starting Date and that have not already been received in previous semesters in accordance with Article 11.1(a) of Annex 8, provided that such percentage may be lowered from time to time for future semesters to align with the EIB's standard target return on capital (set by the EIB's governing bodies) for exposures with similar characteristics.
RRT Remuneration	Subject to Article 8.6(b) of Annex 8, the product of the RRT Spread and the average outstanding nominal amount of the RRT (reflecting disbursed and not yet repaid amounts in the case of Funded Operations and signed and effective amounts in the case of Unfunded Operations) over the relevant semester.
RRT Spread	The spread determined as follows:
	(a) Before the end of the Signature Period, it will be calculated by EIB at the beginning of each semester by using EIB's portfolio model that has been made available to the Commission. This reflects the RRT's prevailing price-implied credit quality at the time of the calculation. Anticipated reductions of the FLP other than in accordance with Articles 4 and 6 of Annex 8 (for example in

Term	Definition
	accordance with Article 6.3 of Annex 8) will be taken into account for the calculation. Credit migrations of the underlying Debt Portfolio will only be taken into account for any adjustments of the RRT Spread if such migrations also lead to Risk Related Income pricing adjustments. EIB will apply its forward foreign exchange matrix to all non-euro Debt Type Operations for the calculation.
	(b) After the Signature Period, it will be fixed at the RRT Spread that was calculated at the end of the Signature Period in accordance with paragraph (a) above. This reflects the prevailing price-implied risk profile of the RRT of the Debt Portfolio at the end of the Signature Period. The fixed RRT Spread can be adjusted by the Steering Committee in the case of (i) any material unexpected changes of the RRT risk profile or (ii) any change in the amount of the FLP in accordance with Article 3.4 of Annex 8.
SA Operation	An Operation that at the date of its signature is considered in accordance with EIB's rules, policies and procedure as Special Activity and that is not an Zero Provisioning Operation.
Separate Implementing Arrangement	Any arrangement detailing technical aspects in relation to the implementation of the Agreement. Such arrangement will be agreed in writing (including in the form of exchange of letters) between representatives of the Parties or through the Steering Committee, whichever appropriate.
Signature Period	Period during which an approved Operation may be signed. It lasts from the Starting Date and ends on 31 December 2023 or on any earlier date pursuant to Article 22 or pursuant to Article 3.1 of Annex 8.
SME	Micro, small or medium-sized enterprises as defined in the Commission Recommendation.
Small Mid-cap	An enterprise within the meaning of Article 1 of the Title I of the Annex of the Commission Recommendation which
	(i) has up to 499 employees calculated in accordance with Articles 3, 4, 5 and 6 of the Title I of the Annex of the Commission Recommendation; and
	(ii) is not a micro, small or medium-sized enterprise as defined in the Commission Recommendation.
Special Activity	EIB activity entailing a higher risk than the risk generally accepted by EIB according to Article 16.3 of EIB's Statutes or to the EIB's own rules, policies and procedures, as further specified in the CRG.
Special Note	As defined in Article 2 of Annex 11.

Term	Definition
Special Note Cost	The aggregate of the costs incurred by EIB for the outsourcing in connection with the preparation of the Special Note in accordance with Article 17.1 (d) from the Starting Date and that have not already been reimbursed in accordance with Articles 8.9(b) or 11.1(b) of Annex 8.
Starting Date	The date of entering into force of the amendment and restatement of this Agreement in 2019.
Steering Committee	The steering committee as set out in the FAFA and supplemented in Article 8.
Sub-Operation	A financing provided to a Financial Sub-Intermediary by a Financial (Sub-)Intermediary covering directly or indirectly a Final Recipient Transaction.
Synthetic Credit	The amount consisting of:
Protection Amount	(a) X% of the NSF Portfolio's Reinstatement Amount of the relevant semester;
	<i>minus</i> (b) the aggregate (up to the previous semester) of amounts that have constituted CEF Repayments in accordance with Articles 8.9(c)(x)(i)(X), 8.9(c)(y)(i)(X), 11.1(c)(x)(i)(X) or 11.1(c)(y)(i)(X) of Annex 8;
	<i>plus</i> (c) the aggregate (up to the previous semester) of amounts that have been paid to EIB in accordance with Articles 8.9(c)(x)(i)(Y)(I), 8.9(c)(y)(ii)(X), 11.1(c)(x)(i)(Y)(I) and 11.1(c)(y)(ii)(X) of Annex 8.
Telecommunications Regulation	Regulation (EU) No 283/2014 of the European Parliament and of the Council of 11 March 2014 on guidelines for trans-European networks in the area of telecommunications infrastructure and repealing Decision No 1336/97/EC.
TEN-T Regulation	Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU.
TF	The "Thematic Financing", as further defined in Article 4.3(b).
Total Contribution	Total amount of Initial EU Contribution, Additional Contribution and CEF Repayments assigned to the Financial Instrument.
Traffic Management Systems	As defined in Article 4.3 (a).
Treasury Asset Management Loss	The aggregate of the amounts that have reduced the EU FLP of the NSF Portfolio and of the Debt Portfolio in accordance with the

Term	Definition
	second sentence of Article 9.6 of the FAFA from the Starting Date and that have not already been reinstated in previous semesters in accordance with Articles 8.9(c)(x)(ii)(X), 8.9(c)(y)(ii)(Y), 11.1(c)(x)(ii)(X) or 11.1(c)(y)(ii)(Y) of Annex 8 or item (ii) of the definition of CEF Revenues in Article 1.2.
Termination Date	As defined in Article 21.2
Unfunded Operation	An Operation that is an unfunded instrument, including, without limitation, a guarantee, counter-guarantee, loss-sharing arrangement and collateralized guarantee.
Value Adjustment	The period-to-period decrease, expressed in EUR, to the aggregate book value of the NSF Type Operations.
Waterfall	The waterfalls for the Debt Portfolio, the waterfalls for the NSF Portfolio and the waterfalls for the Recoveries, as defined in Title 3 of Annex 8.
Zero Provisioning Operation	An Operation with a provisioning rate of X% in accordance with EIB's rules, policies and procedures, at the date of its signature.

- 3. Additional terms are defined elsewhere in the Agreement, Annexes or Schedules.
- 4. In the Agreement:
 - (a) headings are for convenience only and do not affect the construction or the interpretation of any provisions of the Agreement;
 - (b) words using the singular include the plural and vice-versa;
 - (c) a reference to an article, section, part or schedule is a reference to that article, section, part or schedule in this Agreement, except if otherwise specified.

Article 2 – Purpose and scope of the Agreement

The Parties shall implement and manage the Financial Instrument in compliance with the Legal Basis as further specified in the Agreement and with the FAFA.

The provisions laid down in FAFA apply as common provisions for the Agreement. Subject to Article 23, FAFA prevails in case of conflict between FAFA and this Agreement.

The amendments to the FAFA expected to be made in light of the amendment to the financial rules applicable to the general budget of the Union made in 2018 by the Financial Regulation shall apply to this Agreement, with respect to Operations approved by EIB's Board of Directors after the entry into force of such amendments to the FAFA. At or about such time, the form of declaration of honour mentioned in Article 6 and set out at Annex 7 shall be amended by Separate Implementing Arrangement. Additionally, all provisions related to NER300 Contribution will apply only after the entry into force of the amendments to the FAFA.

Article 3 – General principles applicable to the Financial Instrument

- 1. The Financial Instrument shall be implemented and managed in accordance with the following principles:
- those referred to in Article 5.1 of the FAFA;
- continuity with its predecessor financial instruments under the Loan Guarantee Instrument for TEN-T Projects and to the Pilot Phase of the Project Bond Initiative;
- potential combination with other financial instruments and with grants funded from the EU, Member States, regional and local authorities or other budgets, including within the CEF blending facilities in accordance with Article 16a of the Legal Basis;
- risk-sharing partnership with EIB as reflected in an appropriate sharing between the Union and EIB of the risk remuneration in accordance with Article 10 and Annex 8;
- alignment of interests as set out in Articles 3.2, 10 and 12, Titles 4 of Schedules A.1,
 A.2, A.3 and B.1, and Annex 8;
- demand-driven approach, with no prior allocations between sectors, types, sizes of firms or other entities, countries or regions. Notwithstanding the foregoing, specific policies and sectors may be supported by budgetary contributions from other parts of CEF, other frameworks, programmes and budget lines in the Union budget, Member States, regional and local authorities or specific entities or initiatives.
- 2. In order to align the interests of the Parties, and in addition to the measures set out in Articles 3.2, 10 and 12, Titles 4 of Schedules A.1, A.2, A.3 and B.1, and Annex 8, the allocation of Operations to specific mandates or own financial resources of EIB shall be based on the criteria set out in a policy of EIB concerning the allocation of Operations to CEF, in so far relevant and as applicable.

Article 4 – Description and objectives of the Financial Instrument

 As further specified in the relevant Annexes and Schedules, the objectives of the Financial Instrument are to contribute to overcoming deficiencies of the European debt capital markets, including:

(i) helping finance 'projects of common interest' with a clear European added value, or in case of Other Contributions other projects in transport, energy and telecommunications sectors eligible under the applicable regulations,

(ii) facilitating greater private sector involvement in the long-term financing of 'projects of common interest' in the transport, telecommunications and energy sectors, including broadband networks,

(iii) benefitting projects with medium- to long-term financing needs and producing greater benefits in terms of market impact, administrative efficiency and resource use, and

(iv) providing to infrastructure stakeholders such as financiers, public authorities, infrastructure managers, construction companies and operators a coherent market-oriented toolbox of Union financial assistance.

- 2. The Financial Instrument shall offer risk-sharing for debt financing in the form of senior and subordinated debt or guarantees as further specified in the Annexes.
- 3. The Financial Instrument consists of the following groups:
 - (a) the "Universal Financing" group ("**Universal**"), as further specified in Annex A and which consists of the following Financing Categories:
 - the "Cleaner Transport" Financing Category ("Cleaner Transport"), as further specified in Schedule A.1 to Annex A,
 - the "Traffic Management Systems" Financing Category ("Traffic Management Systems"), as further specified in Schedule A.2 to Annex A,
 - the "Connecting Infrastructure" Financing Category ("Connecting Infrastructure"), as further specified in Schedule A.3 to Annex A,
 - any other structure, as specified in a New Schedule to Annex A;
 - (b) the "Thematic Financing" group ("**TF**"), as further specified in Annex B and which consists of the following Financing Categories:
 - the "Future Mobility" Financing Category ("Future Mobility"), as further specified in Schedule B.1 to Annex B,
 - any other structure, as further specified in a New Schedule to Annex B;
 - (c) Any other groups of Financing Categories, as specified in a New Annex; and
 - (d) The Pre-2019 Operations as further specified in Article 23.

Dedicated Annexes detail the description and objectives of each Financing Category.

These Financing Categories shall be implemented in a manner consistent with CEF objectives and market demand. Each of these shall be allocated the appropriate level of resources and efforts.

- 4. EIB will aim to achieve a Leverage Effect of at least Xx at the end of the Signature Period.
- 5. With regard to Other Contributions, the contributing entity shall ensure that the Other Contribution is in line with and where relevant compliant with the Union's State aid rules.
- 6. CEF Countries will be common to all the Financing Categories, except if otherwise stated in any Annex or Schedule. The Designated Service shall inform the EIB in writing of any change in the list of CEF Countries. Any such change shall only be applicable to Operations that are approved thereafter.

Article 5 – Obligations and tasks of the EIB

- 1. The Commission hereby entrusts the EIB with the implementation and the management of the Financial Instrument. EIB shall carry out such implementation and management in compliance with the Legal Basis as further specified in the Agreement and with the FAFA.
- 2. In discharging its responsibilities, the EIB shall:

- (a) implement the Financial Instrument:
 - in accordance with the terms and conditions of the Agreement regarding the use of the Aggregate EU Contribution; and
 - in accordance with the EIB's own rules, policies and procedures and with the requisite level of professional degree of care as it applies to the discharge of its own affairs, as further specified in the relevant Annex.
- (b) implement decisions to commit or de-commit Aggregate EU Contribution and notify the Designated Service accordingly;
- (c) select potential Financial Intermediaries or appraise potential Final Recipients, as specified in the relevant Annex;
- (d) transpose relevant terms and conditions of the Financial Instrument into the agreements with Financial Intermediaries or Final Recipients as described in Article 6.5 and Article 18;
- (e) in the case of Direct Operations, inform the Designated Service in the Operational Report regarding the waiver of any principal amounts due by Final Recipients, as appropriate;
- (f) manage (including, without limitation, commence, conduct, settle and defend) any litigation or any other legal action, arbitration or proceeding between the EIB and any third party in connection with any of the Financial Instrument;
- (g) if applicable, manage or ensure the management of the treasury assets relating to the Financial Instrument Accounts;
- (h) set up, ensure the functioning of and implement effective and efficient control and monitoring systems with regard to the implementation and management of the Financial Instrument (including effective and proportionate anti-fraud measures taking into account the risks identified) for the duration of the Agreement as specified in Article 14 and Annex 12;
- (i) report to the Designated Service on the implementation of the Financial Instrument and the use of the Aggregate EU Contribution;
- (j) ensure the publication of information on Final Recipients, as specified in Article 19 and the relevant Annex;
- (k) promote the Financial Instrument and assist the Commission in achieving relevant visibility of the Union support down the implementation chain to the Final Recipients;
- not create any charges, liens, pledges or other encumbrances over any funds held on the Financial Instrument Accounts, other than those implied by law or customary in banking practice;
- (m) make a contribution, as referred to in Article 10;
- (n) aim to achieve the target Leverage Effect; and
- (o) carry out any other task(s) as agreed in the Agreement.

- 3. The Financial Instrument is implemented both via Direct Operations and via Indirect Operations. In the case of Indirect Operations, implementation is on a delegated basis, whereby EIB provides indirect financing via Financial Intermediaries covering, directly or indirectly via Financial Sub-Intermediaries, Final Recipient Transactions complying with predefined eligibility criteria as further described in Article 7 and the relevant Annex.
- 4. In its management of Operations, EIB shall, subject to the paragraph 5 below, have the right to do any of the following:
 - (a) to grant to any Financial Intermediary or Final Recipient a waiver of any obligation or an extension of time to perform that obligation;
 - (b) to agree any amendment to any legal documentation (including to sell or assign any exposure to a third party, to reduce or write off any amount outstanding or to increase the amount of any loan or other investment) as part of a Restructuring;
 - (c) to grant to any Financial Intermediary or Financial Sub-Intermediary the right to grant waivers or extensions or agree amendments as set out above in favour of or in relation to any Financial Sub-Intermediary or Final Recipient.
- 5. Paragraph 4 of this Article 5 shall be without prejudice to any obligation of EIB under the FAFA or under Paragraph 2 of Article 5.
- 6. In Operations, the EIB shall apply the principles and standards set out in EU law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. In particular, the EIB shall make both direct funding and funding via Financial Intermediaries contingent upon the disclosure to the EIB or the Financial Intermediary respectively of beneficial ownership information in accordance with Directive (EU) 2015/849⁸ and obtain a representation of its Financial Intermediaries that it discloses the data within the meaning of Article 89(1) of Directive 2013/36/EU⁹ that is not commercially sensitive.

⁸ OJ L 141, 5.6.2015, p.73.

⁹ OJ L 176, 27.6.2013, p.338.

Article 6 – Selection of and agreements with Financial (Sub-) Intermediaries and Final Recipients

- 1. The EIB shall select Financial Intermediaries or Final Recipients, as applicable, according to the application and selection process defined in the relevant Annex. With reference to Article 4.4 of the FAFA, EIB shall obtain from the applicant Financial Intermediaries a declaration of honour substantially in the form set out in Annex 7.
- 2. If applicable, the Financial Intermediary under an Indirect Operation shall select Financial Sub-Intermediaries according to its own rules, policies and procedures and to the eligibility criteria set out in relevant Annex.
- 3. The Financial Intermediaries must be established in a CEF Country, except in case of prior written agreement of the Designated Service. The Designated Service shall inform the EIB of its decision within ten (10) working days after receipt of the EIB's request.
- 4. For Indirect Operations, in accordance with the applicable Annex:
 - the EIB signs financing agreements with Financial Intermediaries;
 - the Financial Intermediary or Financial Sub- Intermediary signs agreements with Final Recipients.
- 5. Agreements between the EIB and any Financial Intermediary must reflect all the provisions set out in Article 4(3) of the FAFA, and the applicable provisions set out in Articles 18 (visibility) and 19 (publication of information); and contain an undertaking by the latter to do the same in its agreement with any Financial Sub-Intermediary or Final Recipient, as applicable.
- 6. Financial Intermediaries must have the financial standing and the operational capability and ability to:
 - manage risk relevant to the Operations; and
 - comply with the relevant terms and conditions of the Financial Instrument as specified in the applicable Annex.
- 7. Financial Sub-Intermediaries must have the financial standing and the operational capability and ability to:
 - manage risk relevant to the Operations; and
 - comply with the relevant terms and conditions of the Financial Instrument as reflected in the relevant agreements with the Financial Intermediary pursuant to Article 6(6).
- 8. The EIB must check the compliance of the Financial Intermediary with the requirements under Articles 6(5) and 6(6) on the basis of representations or undertakings by the Financial Intermediary, except for the first indent of Article 6(6). The first indent of Article 6(6) shall be evaluated in accordance with the EIB's own rules, policies and procedures and with the requisite level of professional degree of

care as it applies to the discharge of its own affairs, as further specified in the relevant Annex.

- 9. The Financial Intermediary must undertake to check the compliance of the Financial Sub-Intermediary, if applicable, with the requirements under Articles 6(5) and the second indent of 6(7) on the basis of representations or undertakings by the Financial Sub-Intermediary.
- 10. The Financial (Sub-)Intermediary must undertake to check the compliance of the Final Recipient with the requirements under the provisions set out in Article 6(5) on the basis of representations by the Final Recipient.

Article 7 – Eligibility criteria

- In the case of a Direct Operation, the agreement between the EIB and a Final Recipient must comply with the eligibility criteria and approval process, as set out in this Article 7 and the relevant Annex.
- 2. In the case of an Indirect Operation, any Financial Intermediary must include Transactions in its individual portfolio according to the relevant eligibility criteria, as set out in this Article 7 and the relevant Annex.
- 3. The eligibility criteria, where applicable, for Operations, Sub-Operations, Final Recipient Transactions, Financial Intermediaries, Financial Sub-Intermediaries and Final Recipients are defined the relevant Schedule to Annex A, Annex B or a New Annex.
- 4. Additional eligibility criteria for Operations, Financial Intermediaries, Financial Sub-Intermediaries, Final Recipients, Final Recipient Transactions or Sub-Operations may be specified by EIB in the relevant financing agreement or agreed between the EIB and the Designated Service in the eligibility checklist of the relevant Operation in accordance with Article 7.5 of Schedules A.1 and A.3.
- 5. The eligibility criteria shall be met at the signing date of the document(s) evidencing the relevant Operation, except for the additional eligibility criteria, if any, which shall be met at the time specified in the relevant financing agreement or as agreed between the EIB and the Designated Service in the eligibility checklist of the relevant Operation, as applicable.
- 6. For Direct Operations, the EIB shall inform the Designated Service without delay when after the signature of an Operation, the EIB becomes aware that such Operation was not eligible.

The Designated Service shall inform the Steering Committee without delay. Unless the Steering Committee considers the breach of the eligibility criteria immaterial, the EIB shall seek to remove the Operation from the CEF Portfolio or shall pursue alternative ways of mitigating it.

7. For Indirect Operations, the EIB shall follow the process set out in Article 7.6 above. For Final Recipient Transactions under an Indirect Operation, subject to not undermining the possibility to provide regulatory capital relief for Financial Intermediaries, in case of a breach of the eligibility criteria the Financial (Sub-) Intermediary shall be required to either accelerate the relevant Final Recipient Transaction or to exclude it from its portfolio.

Article 8 – Governance

- 1. The implementation of the Financial Instrument shall be supervised by a Steering Committee, in accordance with Articles 6.1 until and including 6.7 of the FAFA.
- 2. The Steering Committee consists of ten (10) members. Each Party appoints its own members. There must be the same number of members appointed by the Commission as by the EIB.

When neither a member nor its alternate appointed by the EIB are able to participate in a meeting, the member may act at the meeting by appointing (in writing or orally) any other person that is a member of EIB's staff as his proxy. The other person shall inform the Secretariat about this appointment at the start of the meeting and it will be reflected in the minutes. This appointment will be valid only for this meeting. For the avoidance of doubt, the presence of such a proxy at this meeting will be considered in respect of the quorum and the proxy will have the same rights in this meeting.

- 3. The Chairperson of the Steering Committee is a representative of the Commission and is appointed by the Director-General of the Commission's Directorate-General for Economic and Financial Affairs or any successor service thereto. EIB provides the Secretariat, and the Secretary of the Steering Committee is a representative of EIB.
- 4. In addition to the tasks given to it by Article 6(2) of the FAFA and in the applicable Annexes, the Steering Committee shall perform relevant tasks related to the implementation of the Financial Instrument, as requested by any of the Parties, and may in particular but not exclusively:
 - (a) review the pipeline report that is provided in accordance with Article 9.7;
 - (b) be referred to for review of and guidance on any contentious issue under the Agreement, and give guidance on the interpretation of the Agreement and of the FAFA;
 - (c) give guidance on the interpretation of eligibility criteria;
 - (d) propose to amend the relevant Annexes in order to adjust the performance indicators referred to in Article 12(4);
 - (e) assess visibility and promotion activities related to the Financial Instrument;
 - (f) examine situations of reputational risk identified by any Party; and
 - (g) review any issues identified through audits and monitoring, assess the effectiveness and efficiency of the internal control systems as well as the follow-up of any observations by internal or external auditors.
- 5. For the avoidance of doubt, the Steering Committee shall not take decisions which are the responsibility of the Authorising Officer.

Article 9 – Aggregate EU Contribution

- 1. The Aggregate EU Contribution shall be used exclusively in respect of the Financial Instrument.
- 2. The EU shall have no further exposure or liability of an on-budget or contingent nature beyond amounts of the Aggregate EU Contribution committed by the EU. For any amounts provided by Other Parties, the latter shall have the exposure and liability for such amounts.
- The indicative Initial EU Contribution for the Financial Instrument for the period 2014 2020 amounts to EURX. This amount may however change during the Commitment Period, in particular as a result of decisions taken by the Budgetary Authorities or by the Commission.
- 4. In addition to the Initial EU Contribution the following contributions can be allocated:
 - (a) Additional Contributions;
 - (b) Other Contributions.

In case any Other Contribution is not from the EU budget, the Parties acknowledge that the Agreement may need to be amended and that the parties providing the Aggregate EU Contribution and the Other Contributions may need to enter into an inter-creditor agreement.

5. The indicative Aggregate EU Contribution (excluding CEF Repayments and the NER300 Contribution) may be committed by the Designated Service to the Financial Instrument according to the breakdown as set out in the table below.

Years ⁽³⁾	indicative Aggregate EU Contribution (excluding CEF Repayments and the NER300 Contribution ⁽²⁾) ⁽¹⁾
2014 - 2018	X ⁽⁴⁾
2019	X ⁽⁵⁾
2020	X ⁽⁵⁾
Total	Х

- (1) In EUR.
- (2) Initially up to EURX of undisbursed revenues from NER300 first call to this Financial Instrument and the InnovFin EDP.
- (3) 2014-2018: Commitments made; 2019-2020: Indicative budgets.
- (4) EURX from the Finance Source DG Move, X from the Finance Source DG ENER and X from the Finance Source DG CNCT, which include the EU Contribution

Committed under the Loan Guarantee Instrument for TEN-T projects and the Pilot Phase of the Project Bond Initiative.

- (5) Up to EURX remains available for commitment under CEF in the transport sector, and, subject to decisions taken by the Commission, is planned to be used for the grant elements under the CEF blending facilities referred to in Article 16a of the Legal Basis. This amount will not be taken into account for the purpose of Article 1.3(a) of Annex 9.
- 6. Not later than ten (10) Business Days after 22 July 2015 and then yearly by 15 January, the Designated Service shall inform the EIB, substantially in the form of Annex 1, of the Aggregate EU Contribution available for commitment and payment for the Financial Instrument for the corresponding year.

Whenever appropriate, the Designated Service shall provide the EIB with revised information substantially in the form of Annex 1.

7. Except for the year 2015, in accordance with Article 7(2) of the FAFA, the EIB shall provide the Designated Service twice a year and no later than 31 January and 15 August of each year with a commitment and payment request substantiated through pipeline reports, which will include a disbursement forecast regarding the allocation of the Aggregate EU Contribution to EU FLP and fees and expenses, substantially in the form of Annex 4.

Should the EIB deem it necessary based on comments or a revised information in the form of Annex 2 received from the Designated Service within the delay referred to in the second part of paragraph 8, the EIB shall provide the Designated Service with a revised version of its commitment and payment request.

8. The Designated Service shall commit and (subject to paragraph 9) pay the Aggregate EU Contribution to the Financial Instrument Account in 2015 within thirty (30) calendar days after notification referred to in paragraph 6, and then yearly within thirty (30) calendar days upon receipt of the commitment and payment request referred to in paragraph 7.

Upon payment, the Designated Service shall notify the EIB in the form of Annex 2 on the breakdown of the committed and paid Aggregate EU Contribution among: (a) the Initial EU Contribution, (b) the Additional Contribution, if any, and (c) the Other Contribution, if any.

Where payment is to be effected by tranches, the notification in the form of Annex 2 shall also indicate the subsequent payment schedule for the current year. In such case, should the commitment and payment request referred to in paragraph 7 provided to the Designated Service by 15 August be different from the one sent in January of that year, the Designated Service shall issue a revised notification in the form of Annex 2 within fifteen (15) Business Days.

9. Notwithstanding paragraph 8, the Designated Service may delay fully or partially the payment requested under paragraph 8 if the full amount of the tranche requested is not available for payment. The Designated Service shall inform the EIB thereof within ten (10) Business Days.

In that case, taking into consideration the notification received substantially in the form of Annex 4, the Designated Service shall make further payments upon availability of additional amounts of Aggregate EU Contribution up to the total Aggregate EU Contribution to be paid in the current year, as confirmed substantially in the form of Annex 2. At the latest by the end of the Signature Period, the Designated Service shall pay the Aggregate EU Contribution committed and not yet paid ("*reste à liquider*"). The EIB is entitled to suspend signatures of Operation until it has received the payment of the amount of the Aggregate EU Contribution committed and not yet paid up to the sum of (i) any outstanding fees and expenses and (ii) the relevant EU Transfer Amounts.

10. If at any time the balance on the relevant Financial Instrument Account is not sufficient to cover any amounts which are due and for which the EU is liable under this Agreement, the EIB shall inform the Designated Service of the required amounts and the corresponding payment deadlines and shall request, in writing, the Commission to make one or more additional payments.

Where the amounts paid in accordance with the sentence above are not sufficient to cover the amounts due by the Commission under this Agreement, the Parties shall consult each other at the level of the Steering Committee on possible additional measures to be taken.

 No later than 15 April of each year, the EIB shall notify the Designated Service in the form of Annex 5 of the CEF Revenues and CEF Repayments received in the previous calendar year and the EIB's fees and expenses in accordance with Article 12 and Annex 9.

Subject to Article 6.3 of Annex 8, the CEF Repayments made available during the period ending on the Commitment Period plus two years are assigned to the Financial Instrument and shall be used by the EIB at any time (including, without limitation, to constitute the EU FLP of the same or another CEF Portfolio).

The Commission shall instruct EIB to transfer to a Commission account or to the Innovation Fund account or otherwise (in accordance with Article 14b of the NER300 Cooperation Agreement or the relevant agreement entered into with regard to the Other Contribution other than the NER300 Contribution), the relevant parts of the notified CEF Repayments (made available after the period ending on the Commitment Period plus two years or in accordance with Article 6.3 of Annex 8) and the notified CEF Revenues, both after deduction of EIB's fees and expenses in accordance with Article 12 and Annex 9, by sending the corresponding debit note to the EIB.

12. At the end of the Commitment Period, and every year thereafter, the EIB shall notify the Designated Service no later than 30 September of each year of the part of the Aggregate EU Contribution that has not been paid to the EIB and that is no longer required to satisfy or provide for any existing or potential liabilities or commitments under the Financial Instrument, including the EIB's fees and expenses in accordance with Article 12 and Annex 9. Such notification shall be made substantially in the form of Annex 3(i).

As a consequence, the Designated Service shall notify the EIB of the de-commitment or transfer request (to the Innovation Fund account(s) or otherwise) of the corresponding amount substantially in the form of Annex 3 at the latest by 30 November.

13. At the end of the Commitment Period and where no remaining Aggregate EU Contribution is to be paid, and every year thereafter until the Termination Date, the EIB shall notify the Designated Service no later than 30 September of each year of the part of the Aggregate EU Contribution that are no longer required to satisfy or provide for all existing or potential liabilities or commitments under the Financial Instrument, including the EIB's costs and fees in accordance with Article 12 and Annex 9. Such notification shall be made substantially in the form of Annex 3(ii).

The Designated Service shall issue a debit note to the EIB regarding the corresponding amount of the Aggregate EU Contribution to recover it back to the Union budget or request a transfer (to the Innovation Fund account(s) or otherwise).

14. With regard to the Other Contribution, the provisions of this Article 9 shall apply, except (other than with regard to the NER300 Contribution) if otherwise agreed between the EIB and the party providing such Other Contribution.

Article 10 – Contribution of the EIB: risk and revenue sharing

- 1. The EIB shall contribute to the Operations under the Financial Instrument through the risk and revenue sharing as set out in Annex 8.
- 2. With regard to the Other Contribution, the provisions of Annex 8 shall apply, except (other than with regard to the NER300 Contribution) if otherwise agreed between the EIB and the party providing such Other Contribution.

Article 11 – Financial Instrument Accounts

- 1. Pursuant to Article 9(1) of the FAFA, the asset management of the Financial Instrument Accounts is entrusted to the EIB, in accordance with the AMG.
- 2. In accordance with Article 9.2 of the FAFA, for the Financial Instrument, the EIB shall open in its books a Financial Instrument Account in the name of the Commission. A Financial Instrument Account has been opened with the approval of the Designated Service. The EIB shall keep the Designated Service informed about any material changes to such Financial Instrument Account details.

In addition, the EIB may open one or more fiduciary accounts with respect to the Other Contribution on behalf of the party providing the Other Contribution (instead of on behalf of the Commission), which shall be considered Financial Instrument Accounts for the purpose of this Agreement.

The Financial Instrument Accounts will at all times and in all respects be used, committed or otherwise disposed of or managed in accounting terms separately from any other funds of the EIB. All transactions shall bear a value date.

EIB shall maintain the Financial Instrument Accounts in euro. Sub-accounts may be established in the currencies of disbursements under Operations.

Sub-accounts may be established regarding each of the Finance Sources and regarding the treasury portfolio. Subject to prior written approval by the Designated Service or the party providing the Other Contribution, as applicable, other sub-accounts may be established.

- 3. All payments from the Commission or the party providing the Other Contribution, as applicable, to the EIB in connection with the Financial Instrument shall be denominated in euro and shall be made as specified in the Financial Identification Form.
- 4. The Financial Instrument Accounts shall be credited with:
 - (a) Total Contribution paid;
 - (b) NER300 Contribution paid;
 - (c) Other Contribution (other than NER300 Contribution) paid, subject to Articles 10.2 and 9.14;and
 - (d) CEF Revenues.
- 5. The Financial Instrument Accounts shall be debited with:
 - (a) Amounts due to EIB in accordance with Article 12 and Annex 9;
 - (b) Amounts due to EIB to cover CEF Sums in accordance with Article 4 of Annex 8; and
 - (c) Amounts due to the Commission or the party providing the Other Contribution in accordance with Article 9.
- 6. The transfer referred to in Article 11.5(c) shall be made to the Commission bank account or the Innovation Fund account(s) or otherwise as notified by the Designated Service to the EIB in the corresponding debit note.
- 7. In accordance with Schedule III.4 of the FAFA, the EIB shall provide the Designated Service with monthly statements of the Financial Instrument Accounts, within 10 (ten) Business Days after the end of each month.
- 8. In the event of the termination of this Agreement as set out in Article 22, EIB shall, subject to prior written approval from the Designated Service or the party providing the Other Contribution, as applicable, and subject to compliance with its own rules, policies and procedures, close the Financial Instrument Accounts which it deems no longer necessary for the Financial Instrument and shall inform in writing and without undue delay the Designated Service or the party providing the Other Contribution, as applicable, of such closure. Such approval from the Designated Service or the party providing the Other Contribution, as applicable, will not be unreasonably withheld and will be deemed to be given if not expressly refused within ten (10) Business Days from receiving a request in this regard from the EIB.

Article 12 – Remuneration of the EIB

- 1. The Commission shall remunerate the EIB for the set-up, implementation, management, monitoring and potentially winding down of the Financial Instrument in accordance with Article 13 of the FAFA, this Article 12 and Annex 9.
- 2. As detailed in Annex 9, EIB's remuneration is composed of:
 - performance based fees, consisting of administrative fees and policy-related incentive fees which have been defined in Annex 9 on the basis of a cost based agreed methodology; and
 - treasury management fees.

Additionally, the Commission shall cover exceptional unforeseen expenses as set out in Annex 9.

3. With regard to the Other Contribution (other than the NER300 Contribution), the provisions of this Article 12 and Annex 9 shall apply, except for the provisions specifically regarding the NER300 Contribution and except if otherwise agreed between the EIB and the party providing such Other Contribution.

Article 13 – Operational and financial reporting

- The EIB shall provide the Designated Service with Operational Reports, Final Implementation Report and Pipeline Reports, in line with the requirements set out in Article 15 and Schedule II of the FAFA (subject to Article 22 of this Agreement) and in Annex 10.
- 2. The EIB shall provide the Designated Service with the financial reporting on the Financial Instrument in accordance with Articles 15.2 and 15.3 of the FAFA and Schedules III and IV of the FAFA, as further specified in and subject to Annex 11.
- 3. Except where provided otherwise in this Agreement, amounts denominated in a currency other than euro and reported by one Party to the other in euro shall be converted into euro with a methodology consistently applied and explained in the relevant report.

Article 14 – Controls and monitoring

- 1. The Financial Instrument shall be subject to controls and monitoring by the EIB and the Commission in accordance with Article 16 of the FAFA and Annex 12.
- 2. In case of suspected fraud, corruption or any other illegal activity affecting the financial interests of the Union, the EIB, through its Inspectorate General, shall inform OLAF in accordance with Regulation No 883/2013.

In case of other irregularities in relation to the Aggregate EU Contribution, the EIB shall inform without delay and in writing the Designated Service.

Article 15 – Audit

- 1. Article 17 of the FAFA shall apply.
- 2. The first independent external audit of the financial statements referred to in the second paragraph of Schedule III of the FAFA shall cover the period from signature of the Agreement until 31 December 2015 unless no payments to the Financial Instrument Account occur in 2015 in which case the first external audit shall cover the period to 31 December 2016.

Article 16 – Evaluation

- 1. The Financial Instrument shall be subject to an interim Evaluation no later than 31 December 2017 and an ex post Evaluation, in accordance with article 18 of the FAFA.
- 2. In accordance with Article 18.1 of the FAFA and Articles 27.1 and 27.3 of the Legal Basis, the Evaluation shall be carried out by the Commission in close cooperation with the Member States and the Final Recipients.

Article 17 – Procurement of goods, works and services

- 1. In addition to tasks such as audit and legal services that are necessarily or customarily outsourced, EIB is allowed to sub-contract the following tasks subject to Article 19.2 of the FAFA:
 - (a) marketing, raising awareness activities, communication and related activities;
 - (b) monitoring and control activities, as described in this Agreement and Annex 12;
 - (c) data collection and analysis;
 - (d) certain tasks in connection with the preparation of the Special Note; and
 - (e) any other activity as approved by the Steering Committee.

Article 18 – Visibility

- 1. The Parties agree on the visibility and promotion requirements set out in this Article 19, which constitute the communication strategy for the Financial Instrument mentioned in Article 23.5 of the FAFA, unless otherwise agreed between the EIB and the Designated Service in a Separate Implementing Arrangement. As a general principle, there shall always be given similar prominence to the roles of all the Parties in all communication materials produced for the promotion of the Financial Instrument.
- 2. Subject to applicable confidentiality requirements or the risk of harming commercial interests and unless otherwise agreed between the EIB and the Designated Service, upon the signature of an Operation, the EIB shall publicise on social media or produce a press release and publish it on its website.

Any such press release must contain the EC single visual identity and a statement that includes the following elements: that the finance provided has benefitted from the support of the European Union under the Debt Instrument under the Connecting Europe Facility; and, if applicable, that it also has benefited from the NER300 programme.

- 3. The Commission or the EIB may initiate workshops, conferences and press events relating to the Financial Instrument. Each Party will seek to invite the other to such events and each Party will provide the other with reasonable assistance in connection with any such events. For workshops, conferences and press events initiated by the EIB, the EIB will be in charge of the organisation, preparation and management of these events that will be covered under the administrative fee of the EIB, as detailed under Article 12 and Annex 9. Each Party will cover its own travel expenses.
- 4. The EIB shall, on a reasonable efforts basis and upon request, co-operate with the Designated Service in providing (1) editorial content for publications by the Commission and (2) information necessary to regularly update the relevant EU website. The Commission shall, on a reasonable efforts basis, provide all necessary information to also update relevant websites as maintained by the EIB.
- 5. The EIB shall include the statement under paragraph 2 in the relevant agreement it signs with any Financial Intermediary or Final Recipient.
- 6. Unless otherwise agreed between the EIB and the Designated Service, the EIB shall require each Financial Intermediary to:
 - (a) ensure that the statement referred to in paragraph 2 is passed through to Financial Sub-Intermediaries and to Final Recipients in the relevant agreements; and
 - (b) include in any press release and in any publication the Financial Intermediary may choose to make on its website with regard to the Operation, in the relevant language, the statement referred to in paragraph 2) If the Financial Intermediary chooses alternative ways of communication, the same visibility requirements shall apply, whenever possible. The Commission shall provide operational support to the EIB for the translation of the statement in the relevant language.
- 7. For Operations under the TF, the EIB may use a different logo or name for itself than in its ordinary course of business.

Article 19 – Publication of information on the Final Recipients of the Financial Instrument

1. The EIB shall publish information on the Financial (Sub-)Intermediaries and Final Recipients supported under the Financial Instrument in accordance with its rules, policies and procedures.

Article 20 – Notices and communications

- 2. Any communication between the Parties relating to the Agreement shall be sent in writing, in paper or in electronic form, using the following communication details:
 - (a) for the Designated Service:

for DG CNECT:	European Commission DG CNECT Directorate Electronic Communications, Networks and Services 33, Avenue de Beaulieu 1160 Brussels, Belgium Contact Person: For the attention of the Director Functional e-mail address: to be created and notified to the Parties by DG CNECT
for DG ENER:	European Commission DG ENER Directorate Internal Energy Market 24, Rue de Mot 1049 Brussels, Belgium Contact Person: For the attention of the Director Functional e-mail address: to be created and notified to the Parties by DG ENER
for DG MOVE:	European Commission DG MOVE Directorate Mobility Network 28, Rue de Mot 1049 Brussels, Belgium Contact Person: For the attention of the Director Functional e-mail address: to be created and notified to the Parties by DG MOVE

(b) for the Asset Management Designated Service (AMDS):

European Commission Directorate General Economic and Financial Affairs Directorate L – Treasury and Financial Operations Drosbach Building – 12 rue Guillaume Kroll L - 1882 Luxembourg (GD Luxembourg) Contact Person: For the attention of Head of Unit L-2 (Treasury and Asset Management) Functional e-mail address: to be created and notified to the Parties by the AMDS

(c) for EIB:

European Investment Bank Mandate Management Department Institutional Mandates Division 100, Bd. K. Adenauer L-2950 Luxembourg (GD Luxembourg) Contact Person: CEF Programme Manager Functional e-mail address: to be created and notified to the Parties by the EIB

3. Any change made to the above communication details shall have effect only after it has been notified in writing, in paper or electronic form, to the other Parties in accordance with Article 20.1.

Article 21 – Effectiveness and termination

- 1. The Agreement shall enter into force between the Union and the EIB on the last date on which a Party signs this Agreement.
- 2. This Agreement between the Union and the EIB shall terminate on the earlier of (the "Termination Date"):
 - (a) the date on which neither the Union nor the EIB has any actual or contingent liability or exposure under any Operation, or any such liability or exposure has been written off or determined to be unrecoverable and any applicable legal limitation period has expired; or
 - (b) the date on which a Party terminates the Agreement in accordance with Article 12 of the FAFA.
- 3. In accordance with Article 27(5) of the FAFA, the Parties agree that the Agreement shall not be affected by the termination or expiry of the FAFA, in which case its conditions shall continue to apply to this Agreement. Termination or expiration of this Agreement shall not affect any Party's rights and obligations accrued or existing at the date of such termination or expiration, including, without limitation, any Party's accrued rights and obligations related to payment obligations and any actual or contingent liability or exposure under any Operation.

- 4. Upon termination or expiration of this Agreement, the EIB shall be entitled to retain such amounts as may be required under this Agreement or the relevant Annexes for payment of any fees owed thereto or for the satisfaction of any accrued or contingent obligations under outstanding Operations, as further specified in the relevant Annexes.
- 5. The provisions of this Agreement which expressly or by implication are intended to come into or continue in force on or after termination or expiration of this Agreement, including this Article and Articles 20, 21 and 25, shall survive termination or expiration of this Agreement.

Article 22 – Derogations

- 1. With reference to Article 28(2) of the FAFA, the Parties agree to derogate from the terms of the FAFA for the purposes of this Agreement as follows:
 - (a) derogation from Article 4(3)(4) and 4(3)(9) of the FAFA: as set out in Articles 4.2 and 4.3 of Annex 12, Financial Intermediaries, Financial Sub-Intermediaries, Final Recipients shall be required to maintain and be able to produce all documentation related to the implementation of the Operation, Sub-Operation, Final Recipient Transaction (as applicable) for a period of seven (7) years following termination of the applicable Operation, Sub-Operation, Final Recipient Transaction;
 - (b) derogation from Articles 9.4 and 9.5 of the FAFA: as set out in the third paragraph of Article 9.11, the Commission may instruct EIB to transfer CEF Revenues and CEF Repayments to the Innovation Fund or deploy otherwise instead of returning them to the Commission;
 - (c) derogation from Article 9.5 of the FAFA: the Repayment in accordance with Article
 6.3 of Annex 8 shall not be used within the Financial Instrument;
 - (d) derogation from Article 15 and Schedule II of the FAFA: as set out in Article 10.1 of Annex 10, the reporting deadline for annual Operational Report;
 - (e) derogation from paragraph 3 of Schedule III of the FAFA: as set out in Articles 4 and 5 of Annex 11 an agreed upon procedure report by EIB's external auditors instead of an external audit shall be applicable; and
 - (f) derogation from Article 1.1 of the FAFA: as set out in the second paragraph of Article 11.2 a fiduciary account opened with respect to the Other Contribution shall not be a fiduciary account opened on behalf of the Commission.

Article 23 – Grandfathering and transitional provisions

- 1. On the Starting Date, the Pre-2019 Operations shall be assigned to the CEF Portfolio as follows:
 - (a) Pre-2019 Operations that are Debt Type Operations shall be assigned to the Debt Portfolio; and

- (b) Pre-2019 Operations that are NSF Type Operations shall be assigned to the NSF Portfolio.
- 2. On the Starting Date, the aggregate EU Contribution available in the Financial Instrument Account to cover Pre-2019 Operations shall become EU FLP in respect of the CEF Portfolio as follows:
 - (a) an amount corresponding to X percent of the nominal signed amount of Pre-2019 Operations in the EU Portfolio that are NSF Type Operations to the FLP in respect of the NSF Portfolio; and
 - (b) the remaining amount, to the FLP in respect of the Debt Portfolio.
- 3. On the Starting Date, the EIB's own non-cash contribution to the first loss piece that covered the Pre-2019 Operations shall become EIB FLP up to an amount resulting in a X% EIB FLP relative to the Debt Portfolio's FLP at the time. The remaining amount shall be released to the EIB.
- 4. If needed, a Separate Implementing Arrangement in the form of an exchange of letters shall be agreed between the EIB and the Designated Service to specify the accounting treatment for the assignment of the Pre-2019 Operations to the CEF Portfolio and their presentation in the financial statements.
- 5. For all other purposes of this agreement, including, without limitation, for reporting, monitoring and control, the Pre-2019 Operations shall be treated the same as any other Operations. For the transition of the Pre-2019 Operations (including, without limitation, regarding the first reporting after the Starting Date) the EIB and the Designated Service shall further examine any adjustments that may need to be made and, if needed, agree upon the details in a Separate Implementing Arrangement in the form of an exchange of letters.
- 6. For the semester during which the Starting Date occurs (including, without limitation, regarding the first reporting and application of the waterfall after the Starting Date), the EIB and the Designated Service may agree upon transitional provisions in a Separate Implementing Arrangement in the form of an exchange of letters.
- 7. Potential Operations that have been approved by the EIB and the Commission in accordance with the terms of this Agreement prior to the Starting Date, shall be treated as having been approved as Operations in accordance with the terms of this Agreement as amended and restated. Unless otherwise agreed between the Designated Service and the EIB, these Operations shall be treated as having been approved without any NER300 Contribution.
- 8. Potential Operations that are eligible under the guarantee programme with the working name "Green Shipping Guarantee Programme (2015-0334)" which has been approved by the EIB and the Commission in accordance with the terms of this Agreement prior to the Starting Date, shall be treated as having been approved as Operations in accordance with the terms of this Agreement as amended and restated. Unless otherwise agreed between the Designated Service and the EIB, these Operations shall be treated as having been approved without any NER300 Contribution.

Article 24 – Annexes

The recitals, all of the following Annexes and any New Annex form an integral part of the Agreement.

- Annex A: Policy and operational guidelines for Universal
- Annex B: Policy and operational guidelines for TF
- Annex 1: Notification by the Commission of the Aggregate EU Contribution available for commitment or payment in relation to the Financial Instrument
- Annex 2: Notification by the Commission of the Aggregate EU Contribution committed and the Aggregate EU Contributions to be paid
- Annex 3: Notification by the EIB of amounts no longer required by the Financial Instrument (post Commitment Period)
- Annex 4: Notification by the EIB of disbursement forecast, payment estimates and any amendment to the Aggregate EU Contribution to be committed
- Annex 5: Notification by the EIB of CEF Repayments and CEF Revenues
- Annex 6: Asset Management Guidelines
- Annex 7: Declaration of honour to be submitted by the Financial Intermediary applying for the Financial Instrument
- Annex 8: Risk and revenue sharing
- Annex 9: Remuneration
- Annex 10: Operational reporting
- Annex 11: Financial reporting
- Annex 12: Controls and monitoring
- Annex 13: Financial Identification Form

IN WITNESS WHEREOF, the Parties have executed this Agreement in four originals in the English language, each Party taking two originals, as of the date specified on the second page of this Agreement.

Brussels, 19 June 2019

For and on behalf of the EUROPEAN UNION,

The EUROPEAN COMMISSION

Vull **Violeta Bulc**

Member of the Commission

Luxembourg, 12 June 2019

For and on behalf of the EUROPEAN INVESTMENT BANK

Hude

HUDAK Vazil Vice-President

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Annex A – Policy and operational guidelines for Universal

Article 1

Interpretation

1. In this Annex A reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under the Universal, except if otherwise specified.

Article 2

Objectives and description

- 1. The objective of the Universal is to facilitate access to project and corporate financing by using Union funding as leverage in order to contribute to overcoming deficiencies of the European debt capital markets, including market imperfections, sub-optimal investment situations or particular investment needs constituting a barrier for obtaining financing on reasonable conditions, as further described for each Financing Category in the relevant Schedule.
- 2. The Universal may be implemented in the form of Direct Operations or Indirect Operations. For Indirect Operations the implementation is on a delegated basis, via Financial Intermediaries entering into Sub-Operations or Final Recipient Transactions complying with predefined eligibility criteria, as set out in the relevant Schedule.
- 3. Under Universal, Operations may take the form of Debt Type Operations or NSF Type Operations.

Article 3

Schedules

4. All of the following Schedules and any New Schedule form an integral part of this Annex, and therefore by extension, this Agreement:

Schedule A.1	Cleaner Transport		
Schedule A.2	Traffic Management Systems		
Schedule A.3	Connecting Infrastructure		

Schedule A.1 – Cleaner Transport

Title 1 - General principles

Article 1

Interpretation

1. In this Schedule A.1 a reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under the Cleaner Transport, except if otherwise specified.

Article 2

Objectives and description

- 1. The objective of the Cleaner Transport is to facilitate access to project and corporate financing
 - (a) regarding sustainable freight transport services in line with Article 32 of the TEN-T Regulation, and/or
 - (b) in order for the Trans-European Network of Transport to keep up with innovative technological developments and deployments in line with Article 33 of the TEN-T Regulation, in particular regarding nodes of the core and comprehensive networks as listed in Annex II of the TEN-T Regulation and the deployment of alternative fuels infrastructure along the core and comprehensive trans-European transport networks, including, without limitation, green shipping,

in both cases (a) and (b), in order to support 'projects of common interest' as defined in Article 3 of the TEN-T Regulation.

- 2. The Cleaner Transport may be implemented in the form of Direct Operations or Indirect Operations. The Operations may be funded or unfunded.
- 3. Under the Cleaner Transport, Operations may take the form of Debt Type Operations or NSF Type Operations.

Title 2 - Eligibility

Article 3

Eligibility of Final Recipients

To be eligible, a Final Recipient must comply with each of the following eligibility criteria:

 (a) Final Recipient shall be established in a CEF Country; and

- (b) Final Recipient shall not be an SME or Small Mid-cap unless the Operation is at least the equivalent of EURX.
- 2. For Direct Operations only, the requirements in Article 3.1 (a) of this Schedule A.1 shall not apply, if a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule A.1 and the Operation is considered eligible in accordance with Article 7.6 of this Schedule A.1. This justification may include, without limitation, that a Project of Common Interest for which the Operation is considered is defined as located on the territory of a third country.

Article 4

Eligibility of Operations

- 1. An Operation shall comply with each of the following eligibility criteria:
 - (a) the purpose of the Operation shall be to contribute to the objectives set out in Article 2.1 of this Schedule A.1. The Operation may, inter alia, be regarding greenfield projects (consisting of construction of new assets) or brownfield projects (consisting of extension, improvement or transformation of existing assets). In addition, the Operations may be:
 - (i) regarding highly innovative projects in the transport sector utilising renewable energy, hence complying with the requirement of promoting innovative, replicable and scalable use of renewable energy, whereby "highly innovative" has the meaning in accordance with Article 33 of the TEN-T Regulation;
 - (ii) involving mobile assets powered by electricity or by bio-energy; and
 - (iii) involving renewable energy used in transport infrastructure;
 - (b) it shall take the form of debt financing which term may include without limitation:
 - (i) loans, guarantees, letters of credit, securities (listed or unlisted) and standby credit facilities, in each case with or without warrants or other rights attached; which may be senior, mezzanine or subordinated, and which may include features such as the option to defer or skip interest payments, participation in profits or revenues, contingency of payments or redemption, and convertibility (including convertibility into equity), and
 - (ii) shares, partnership interests or other participation rights in a vehicle that engages in debt financing;
 - (c) if the Operation is in the form of unfunded subordinated debt, the resulting aggregate outstanding commitments under all Operations in the form of unfunded subordinated debt in the CEF Portfolio shall not exceed X% of the aggregate nominal exposure for the CEF Portfolio;
 - (d) if the Direct Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB

provides for the same purpose to the same Final Recipient, shall not exceed X% of the senior debt financing provided to the Final Recipient for such purpose; if the Indirect Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides, directly or via the relevant Financial Intermediary, for the same purposes to the same Final Recipients, shall not exceed X% of the aggregate of the senior debt financing provided for the same purposes to all the Final Recipients covered, directly or indirectly, by the same Operation;

- the Operation shall be approved by the EIB during the Approval Period and signed during the Signature Period; for Indirect Operations, the Final Recipient Transaction shall be signed during the Origination Period; and
- (f) it shall not take the form of a refinancing of existing capital structures.
- 2. The requirements in Article 4.1 (f) of this Schedule A.1 shall not apply, if (i) a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule A.1 and the Operation is considered eligible in accordance with Article 7.6 of this Schedule A.1 and (ii) approval of the Steering Committee is obtained with regard to this element. Operations implemented as a part of the original structuring at the moment of the first financial close regarding projects with a short term bridge-loan-to-bond refinancing structure will not be considered as refinancing for the purposes of Article 4.1(f) of this Schedule A.1.

Article 5

NER300 Contribution and its use

- 3. NER300 Contribution may cover fields referred to in Article 4.1(a)(i) to (iii) of this Schedule A.1 subject to the following conditions:
 - (a) the Final Recipient is established in an EU Member State or in an EEA Country (including Liechtenstein), and the Operation is implemented in any of these countries; and
 - (b) in the case of the fields referred to in Article 4.1(a)(iii) of this Schedule A.1, only funded from the NER300 Contribution in proportion to the content of renewable energy used by the transport infrastructure.
- 4. When the Designated Service delivers its decision to EIB in accordance with Article 7.6 of this Schedule A.1, it shall inform EIB of the apportionment of the Aggregate EU Contribution between the Total Contribution and the NER300 Contribution with regard to this Operation. For the aggregate amount of (i) the amount of the NER300 Contribution that EIB has been so informed of and (ii) the relevant amount of EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9 regarding this NER300 Contribution, the EIB shall transfer the funds or assets which had previously been held for the account of the NER300 process, of the value stated in the EIB's request, to the Financial Instrument Account in accordance with Article 14a.6 of the NER300 Cooperation Agreement.

 The indicative Aggregate EU Contribution set out in Article 9.5 of the Agreement, including in footnote 2, does not imply any obligation for EIB to implement a certain volume or reach certain targets of signed Operations under the eligibility referred to in Article 4.1 (a)(i) to (iii) of this Schedule A.1, under any Financing Category or under CEF in general.

The Parties acknowledge that, the level of the potential Operations that would satisfy the eligibility referred to in Article 4.1 (a)(i) to (iii) of this Schedule A.1 is market dependent and may be limited.

6. EIB shall inform the promoters of Operations for which NER300 Contribution has been used that they will be invited by the Commission to join the NER300 knowledge sharing network.

Title 3 - Application and selection process

Article 6

Application process

- 1. EIB shall publish on its website information on the Cleaner Transport.
- 2. Publicity may be given via one or more of the following channels:
 - (a) publication in the Official Journal,
 - (b) CEF publicity events,
 - (c) website (DG MOVE, ENER, CNECT and CLIMA),
 - (d) press releases (agreement from the EC spokesperson service required), and
 - (e) the info days for CEF.

Article 7

Selection process

- 1. Applicants will be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination.
- 2. Applications shall be assessed by EIB on a "first-come, first-assessed basis", and entail the following steps:
 - (a) Screening
 - (b) Due diligence
 - (c) Signature

At any time of the selection process EIB may decide on a rejection of the application and inform an applicant accordingly. Notwithstanding, an applicant shall have the right to withdraw the application at any stage of the selection process.

- 3. Screening shall comprise an evaluation of the core elements of the application and its compatibility with the eligibility criteria set out in Articles 3, 4 and 5 of this Schedule A.1. EIB shall apply its standard processes and procedures.
- 4. After the positive outcome of the screening process, the EIB shall conduct due diligence of the applicant. EIB shall apply its standard processes and procedures. EIB shall submit to the Designated Service an eligibility checklist in respect of the potential Operation in order to obtain its approval on eligibility. The template of the eligibility checklist for such Operations (which will include the fields referred to in Article 4.1(a)(i) to (iii) of this Schedule A.1) will be agreed between the Designated Service and the EIB. In case of Indirect Operations only:
 - (a) the approval on eligibility will not concern Article 3 of this Schedule A.1;
 - (b) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation that the requirement in Article 3.1 (a) of this Schedule A.1 shall not apply; and
 - (c) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation to specify additional eligibility criteria for the Final Recipients or the Final Recipient Transactions.
- 5. Within 15 Business Days after reception of the eligibility checklist, the Designated Service must deliver its decision to EIB. Positive decisions shall be accompanied by the information required by Article 5 of this Schedule A.1. The Designated Service shall provide EIB with appropriate justification why it considers that the potential Operation is not, partially or totally, an eligible Operation, or why it requests more information to assess its eligibility. In the absence of any opinion from the Designated Service within 15 Business Days, the potential Operation may be considered by EIB as eligible, without prejudice to Article 7.8 of this Schedule A.1 below.
- 6. At the time of approval by the EIB's decision-making bodies, EIB must provide the Designated Service with:
 - a project report covering all standard items that EIB provides to its Board of Directors (if applicable); and
 - (1) a confirmation that material changes have occurred or not and (2) if so, information on the impact of such changes on the eligibility of the potential Operation.
- 7. Upon satisfactory completion of the due diligence and assessment of eligibility, EIB can commit to an Operation and such commitment may be subject to certain conditions.
- 8. The EIB shall, without undue delay, notify in writing the Designated Service of the cancellation of an Operation and the reasons for such cancellation.

Title 4 - Risk and revenue sharing

Article 8

Transfer Rates for Debt Type Operations

1. The EU Transfer Rate

- a. in respect of Debt Type Operations that are SA Operations is set at X%.
- b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
- c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.
- 2. The EIB Transfer Rate
 - a. in respect of Debt Type Operations that are SA Operations is set at X%.
 - b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Article 9

Transfer Rate for NSF Type Operations

- 1. The EU Transfer Rate
 - a. in respect of NSF Type Operations that are SA Operations is set at X%.
 - b. in respect of NSF Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Schedule A.2 – Traffic Management Systems

Title 1 - General principles

Article 1

Interpretation

1. In this Schedule A.2 a reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under the Traffic Management Systems, except if otherwise specified.

Article 2

Objectives and description

- The objective of the Traffic Management Systems is to facilitate access to project and corporate financing in order to support "projects of common interest" as defined in Article 3 of the TEN-T Regulation that have a component consisting of the deployment of the "European Rail Traffic Management System", the "intelligent transport system", the "Vessel Traffic Monitoring and Information Systems", the "River Information Services" and the "SESAR system" in line with Article 31 of the TEN-T Regulation.
- 2. The Traffic Management Systems is implemented in the form of Direct Operations or Indirect Operations. The Operations may be funded or unfunded.
- 3. Under the Traffic Management Systems, Operations may take the form of Debt Type Operations or NSF Type Operations.

Title 2 - Eligibility

Article 3

Eligibility of Final Recipients

- To be eligible, a Final Recipient must comply with each of the following eligibility criteria:

 (a) Final Recipient shall be established in a CEF Country; and
 - (b) Final Recipient shall not be an SME or Small Mid-cap unless the Operation is at least the equivalent of EURX.
- 2. For Direct Operations only, the requirements in Article 3.1 (a) of this Schedule A.2 shall not apply, if a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 6.5 of this Schedule A.2 and the Operation is considered eligible in accordance with Article 6.6 of this Schedule A.2. This justification may include, without limitation, that a Project of Common Interest for which the Operation is considered is defined as located on the territory of a third country.

Article 4

Eligibility of Operations

- 1. An Operation shall comply with each of the following eligibility criteria:
 - (a) the purpose of the Operation shall be to contribute to the objectives set out in Article 2.1 of this Schedule A.2. The Operation may, *inter alia*, be regarding greenfield projects (consisting of construction of new assets) or brownfield projects (consisting of extension, improvement or transformation of existing assets).
 - (b) it shall take the form of debt financing which term may include without limitation:
 - (i) loans, guarantees, letters of credit, securities (listed or unlisted) and standby credit facilities, in each case with or without warrants or other rights attached; which may be senior, mezzanine or subordinated, and which may include features such as the option to defer or skip interest payments, participation in profits or revenues, contingency of payments or redemption, and convertibility (including convertibility into equity), and
 - (ii) shares, partnership interests or other participation rights in a vehicle that engages in debt financing;
 - (c) if the Operation is in the form of unfunded subordinated debt, the resulting aggregate outstanding commitments under all Operations in the form of unfunded subordinated debt in the CEF Portfolio shall not exceed X% of the aggregate nominal exposure for the CEF Portfolio;
 - (d) if the Direct Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides for the same purpose to the same Final Recipient, shall not exceed X% of the senior debt financing provided to the Final Recipient for such purpose; if the Indirect Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides, directly or via the relevant Financial Intermediary, for the same purposes to the same Final Recipients, shall not exceed X% of the aggregate of the senior debt financing provided for the same purposes to all the Final Recipients covered, directly or indirectly, by the same Operation;
 - the Operation shall be approved by the EIB during the Approval Period and signed during the Signature Period; for Indirect Operations, the Final Recipient Transaction shall be signed during the Origination Period; and
 - (f) it shall not take the form of a refinancing of existing capital structures.
- 2. The requirements in Article 4.1 (f) of this Schedule A.2 shall not apply, if (i) a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 6.5 of this Schedule A.2 and the Operation is considered eligible in accordance with Article 6.6 of this Schedule A.2 and (ii) approval of the Steering Committee is obtained with regard to this element. Operations implemented as a part of the original structuring

at the moment of the first financial close regarding projects with a short term bridge-loanto-bond refinancing structure will not be considered as refinancing for the purposes of Article 4.1(f) of this Schedule A.2.

Title 3 - Application and selection process

Article 5

Application process

- 1. EIB shall publish on its website information on the Traffic Management Systems.
- 2. Publicity may be given via one or more of the following channels:
 - (a) publication in the Official Journal,
 - (b) CEF publicity events,
 - (c) website (DG MOVE, ENER, CNECT and CLIMA),
 - (d) press releases (agreement from the EC spokesperson service required), and
 - (e) the info days for CEF.

Article 6

Selection process

- 1. Applicants will be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination.
- 2. Applications shall be assessed by EIB on a "first-come, first-assessed basis", and entail the following steps:
 - (a) Screening
 - (b) Due diligence
 - (c) Signature

At any time of the selection process EIB may decide on a rejection of the application and inform an applicant accordingly. Notwithstanding, an applicant shall have the right to withdraw the application at any stage of the selection process.

- 3. Screening shall comprise an evaluation of the core elements of the application and its compatibility with the eligibility criteria set out in Articles 3 and 4 of this Schedule A.2. EIB shall apply its standard processes and procedures.
- 4. After the positive outcome of the screening process, the EIB shall conduct due diligence of the applicant. EIB shall apply its standard processes and procedures. EIB shall submit to the Designated Service an eligibility checklist in respect of the potential Operation in order to obtain its approval on eligibility. The template of the eligibility checklist for such Operations will be agreed between the Designated Service and the EIB. In case of Indirect Operations only:
 - (a) the approval on eligibility will not concern Article 3 of this Schedule A.2;

- (b) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation that the requirement in Article 3.1 (a) of this Schedule A.2 shall not apply; and
- (c) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation to specify additional eligibility criteria for the Final Recipients or the Final Recipient Transactions.
- 5. Within 15 Business Days after reception of the eligibility checklist, the Designated Service must deliver its decision to EIB. The Designated Service shall provide EIB with appropriate justification why it considers that the potential Operation is not, partially or totally, an eligible Operation, or why it requests more information to assess its eligibility. In the absence of any opinion from the Designated Service within 15 Business Days, the potential Operation may be considered by EIB as eligible, without prejudice to Article 6.8 of this Schedule A.2 below.
- 6. At the time of approval by the EIB's decision-making bodies, EIB must provide the Designated Service with:
 - a project report covering all standard items that EIB provides to its Board of Directors (if applicable); and
 - (1) a confirmation that material changes have occurred or not and (2) if so, information on the impact of such changes on the eligibility of the potential Operation.
- 7. Upon satisfactory completion of the due diligence and assessment of eligibility, EIB can commit to an Operation and such commitment may be subject to certain conditions.
- 8. The EIB shall, without undue delay, notify in writing the Designated Service of the cancellation of an Operation and the reasons for such cancellation.

Title 4 - Risk and revenue sharing

Article 7

Transfer Rates for Debt Type Operations

- 1. The EU Transfer Rate
 - a. in respect of Debt Type Operations that are SA Operations is set at X%.
 - b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.
- 2. The EIB Transfer Rate
 - a. in respect of Debt Type Operations that are SA Operations is set at X%.
 - b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Article 8

Transfer Rate for NSF Type Operations

1. The EU Transfer Rate

- a. in respect of NSF Type Operations that are SA Operations is set at X%.
- b. in respect of NSF Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
- c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Schedule A.3 – Connecting Infrastructure

Title 1 - General principles

Article 1

Interpretation

1. In this Schedule A.3 a reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under the Connecting Infrastructure, except if otherwise specified.

Article 2

Objectives and description

- The objective of the Connecting Infrastructure is to facilitate access to project and corporate financing in order to support 'projects of common interest' as defined in Article 3 of the TEN-T Regulation or Article 2 of the Energy Regulation or Article 2 of the Telecommunications Regulation. 'Projects of common interest' as defined in Article 3 of the TEN-T Regulation include, without limitation:
 - (a) implementing the core and comprehensive network in accordance with Chapter II and III of the TEN-T Regulation, including relating to urban nodes, maritime ports, inland ports and rail-road terminals of the core network as defined at Annex II to the TEN-T Regulation;
 - (b) implementing cross-border links of the comprehensive network in accordance with Chapter II of the TEN-T Regulation;
 - (c) implementing sections of the comprehensive network located in outermost regions in accordance with Chapter II of the TEN-T Regulation, including relating to the relevant urban nodes, maritime ports, inland ports and rail-road terminals of the comprehensive network as defined at Annex II to the TEN-T Regulation;
 - (d) supporting projects of common interest in order to connect the trans-European network with infrastructure networks of neighbouring countries as defined in Article 8(1) of the TEN-T Regulation;
 - (e) supporting motorways of the sea as provided for in Article 21 of the TEN-T Regulation;
 - (f) supporting urban nodes, in accordance with Article 30 of the TEN-T Regulation;
 - (g) supporting telematic applications systems, including for safety purposes, in accordance with Article 31 of the TEN-T Regulation;

- (h) supporting freight transport services in accordance with Article 32 of the TEN-T Regulation;
- supporting new technologies and innovation, including automation, enhanced transport services, modal integration and alternative fuels infrastructure, in accordance with Article 33 of the TEN-T Regulation;
- (j) implementing safe and secure infrastructure and mobility, including road safety, in accordance with Article 34 of the TEN-T Regulation; and
- (k) improving transport infrastructure accessibility for all users in accordance with Article 37 of the TEN-T Regulation.
- 2. The Connecting Infrastructure may be implemented in the form of Direct Operations or Indirect Operations. The Operations may be funded or unfunded.
- 3. Under the Connecting Infrastructure, Operations may take the form of Debt Type Operations or NSF Type Operations.

Title 2 - Eligibility

Article 3

Eligibility of Final Recipients

- 1. To be eligible, a Final Recipient must comply with each of the following eligibility criteria:
 - (a) Final Recipient shall be established in a CEF Country; and
 - (b) Final Recipient shall not be an SME or Small Mid-cap unless the Operation is at least the equivalent of EURX.
- 2. For Direct Operations only, the requirements in Article 3.1 (a) of this Schedule A.3 shall not apply, if a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule A.3 and the Operation is considered eligible in accordance with Article 7.6 of this Schedule A.3. This justification may include, without limitation, that a Project of Common Interest for which the Operation is considered is defined as located on the territory of a third country.

Article 4

Eligibility of Operations

- 1. An Operation shall comply with each of the following eligibility criteria:
 - (a) it shall not be eligible under the Cleaner Transport or the Traffic Management Systems;
 - (b) the purpose of the Operation shall be to contribute to the objectives set out in Article 2.1 of this Schedule A.3. The Operation may, *inter alia*, be regarding

greenfield projects (consisting of construction of new assets) or brownfield projects (consisting of extension, improvement or transformation of existing assets). In addition, the Operations may be:

- (i) regarding highly innovative projects in the transport sector utilising renewable energy, hence complying with the requirement of promoting innovative, replicable and scalable use of renewable energy, whereby "highly innovative" has the meaning in accordance with Article 33 of the TEN-T Regulation;
- (ii) involving mobile assets powered by electricity or by bio-energy; and
- (iii) involving renewable energy used in transport infrastructure;
- (c) it shall take the form of debt financing which term may include without limitation:
 - (i) loans, guarantees, letters of credit, securities (listed or unlisted) and standby credit facilities, in each case with or without warrants or other rights attached; which may be senior, mezzanine or subordinated, and which may include features such as the option to defer or skip interest payments, participation in profits or revenues, contingency of payments or redemption, and convertibility (including convertibility into equity), and
 - (ii) shares, partnership interests or other participation rights in a vehicle that engages in debt financing;
- (d) if the Operation is in the form of unfunded subordinated debt, the resulting aggregate outstanding commitments under all Operations in the form of unfunded subordinated debt in the CEF Portfolio shall not exceed X% of the aggregate nominal exposure for the CEF Portfolio;
- (e) if the Direct Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides for the same purpose to the same Final Recipient, shall not exceed X% of the senior debt financing provided to the Final Recipient for such purpose; if the Indirect Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides, directly or via the relevant Financial Intermediary, for the same purposes to the same Final Recipients, shall not exceed X% of the aggregate of the senior debt financing provided for the same purposes to all the Final Recipients covered, directly or indirectly, by the same Operation;
- (f) the Operation shall be approved by the EIB during the Approval Period and signed during the Signature Period. For Indirect Operations, the Final Recipient Transaction shall be signed during the Origination Period; and
- (g) it shall not take the form of a refinancing of existing capital structures.
- 2. The requirements in Article 4.1 (g) of this Schedule A.3 shall not apply, if (i) a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule A.3 and the Operation is considered eligible in accordance with

Article 7.6 of this Schedule A.3 and (ii) approval of the Steering Committee is obtained with regard to this element. Operations implemented as a part of the original structuring at the moment of the first financial close regarding projects with a short term bridge-loan-to-bond refinancing structure will not be considered as refinancing for the purposes of Article 4.1(g) of this Schedule A.3.

Article 5

NER300 Contribution and its use

- 1. NER300 Contribution may cover fields referred to in Article 4.1(b)(i) to (iii) of this Schedule A.3 subject to the following conditions:
 - (a) the Final Recipient is established in an EU Member State or in an EEA Country (including Liechtenstein), and the Operation is implemented in any of these countries; and
 - (b) in the case of the fields referred to in Article 4.1(b)(iii) of this Schedule A.3, only funded from the NER300 Contribution in proportion to the content of renewable energy used by the transport infrastructure.
- 2. When the Designated Service delivers its decision to EIB in accordance with Article 7.6 of this Schedule A.3, it shall inform EIB of the apportionment of the Aggregate EU Contribution between the Total Contribution and the NER300 Contribution with regard to this Operation. For the aggregate amount of (i) the amount of the NER300 Contribution that EIB has been so informed of and (ii) the relevant amount of EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9 regarding this NER300 Contribution, the EIB shall transfer the funds or assets which had previously been held for the account of the NER300 process, of the value stated in the EIB's request, to the Financial Instrument Account in accordance with Article 14a.6 of the NER300 Cooperation Agreement.
- 3. The indicative Aggregate EU Contribution set out in Article 9.5 of the Agreement, including in footnote 2, does not imply any obligation for EIB to implement a certain volume or reach certain targets of signed Operations under the eligibility referred to in Article 4.1 (b)(i) to (iii) of this Schedule A.3, under any Financing Category or under CEF in general. The Parties acknowledge that, the level of the potential Operations that would satisfy the eligibility referred to in Article 4.1 (b)(i) to (iii) of this Schedule A.1 (b)(i) to (iii) of this Schedule A.3 is market dependent and may be limited.
- 4. EIB shall inform the promoters of Operations for which NER300 Contribution has been used that they will be invited by the Commission to join the NER300 knowledge sharing network.

Title 3 - Application and selection process

Article 6

Application process

- 1. EIB shall publish on its website information on the Connecting Infrastructure.
- 2. Publicity may be given via one or more of the following channels:
 - (a) publication in the Official Journal,
 - (b) CEF publicity events,
 - (c) website (DG MOVE, ENER, CNECT and CLIMA),
 - (d) press releases (agreement from the EC spokesperson service required), and
 - (e) the info days for CEF.

Article 7

Selection process

- 1. Applicants will be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination.
- 2. Applications shall be assessed by EIB on a "first-come, first-assessed basis", and entail the following steps:
 - (a) Screening
 - (b) Due diligence
 - (c) Signature

At any time of the selection process EIB may decide on a rejection of the application and inform an applicant accordingly. Notwithstanding, an applicant shall have the right to withdraw the application at any stage of the selection process.

- 3. Screening shall comprise an evaluation of the core elements of the application and its compatibility with the eligibility criteria set out in Articles 3, 4 and 5 of this Schedule A.3. EIB shall apply its standard processes and procedures.
- 4. After the positive outcome of the screening process, the EIB shall conduct due diligence of the applicant. EIB shall apply its standard processes and procedures. EIB shall submit to the Designated Service an eligibility checklist in respect of the potential Operation in order to obtain its approval on eligibility. The template of the eligibility checklist for such Operations (which will include the fields referred to in Article 4.1(b)(i) to (iii) of this Schedule A.3) will be agreed between the Designated Service and the EIB. In case of Indirect Operations only:
 - (a) the approval on eligibility will not concern Article 3 of this Schedule A.3;
 - (b) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation that the requirement in Article 3.1 (a) of this Schedule A.3 shall not apply; and

- (c) the EIB and the Designated Service may agree in the eligibility checklist for the relevant Operation to specify additional eligibility criteria for the Final Recipients or the Final Recipient Transactions.
- 5. Within 15 Business Days after reception of the eligibility checklist, the Designated Service must deliver its decision to EIB. Positive decisions shall be accompanied by the information required by Article 5 of this Schedule A.3. The Designated Service shall provide EIB with appropriate justification why it considers that the potential Operation is not, partially or totally, an eligible Operation, or why it requests more information to assess its eligibility. In the absence of any opinion from the Designated Service within 15 Business Days, the potential Operation may be considered by EIB as eligible, without prejudice to Article 7.8 of this Schedule A.3 below.
- 6. At the time of approval by the EIB's decision-making bodies, EIB must provide the Designated Service with:
 - a project report covering all standard items that EIB provides to its Board of Directors (if applicable); and
 - (1) a confirmation that material changes have occurred or not and (2) if so, information on the impact of such changes on the eligibility of the potential Operation.
- 7. Upon satisfactory completion of the due diligence and assessment of eligibility, EIB can commit to an Operation and such commitment may be subject to certain conditions.
- 8. The EIB shall, without undue delay, notify in writing the Designated Service of the cancellation of an Operation and the reasons for such cancellation.

Title 4 - Risk and revenue sharing

Article 8

Transfer Rates for Debt Type Operations

- 1. The EU Transfer Rate
 - a. in respect of Debt Type Operations that are SA Operations is set at X%.
 - b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.
- 2. The EIB Transfer Rate
 - a. in respect of Debt Type Operations that are SA Operations is set at X%.
 - b. in respect of Debt Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
 - c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Article 9

Transfer Rate for NSF Type Operations

1. The EU Transfer Rate

- a. in respect of NSF Type Operations that are SA Operations is set at X%.
- b. in respect of NSF Type Operations that are not SA Operations and are not Zero Provisioning Operations is set at X%.
- c. in respect of Debt Type Operations that are Zero Provisioning Operations is set at X%.

Annex B – Policy and operational guidelines for TF

Article 10

Interpretation

1. In this Annex B a reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under the TF, except if otherwise specified.

Article 11

Objectives and description

- 1. The objective of the TF is to catalyse investments in areas of policy focus with high risk in order to contribute to overcoming deficiencies of the European debt capital markets, including market imperfections, sub-optimal investment situations or particular investment needs constituting a barrier for obtaining financing on reasonable conditions, as further described for each Financing Category in the relevant Schedule.
- 2. The TF is deployed in the form of Direct Operations only. In accordance with the second paragraph of Article 1.1 of Annex 8, the TF is deployed in the form of NSF Type Operations only.
- 3. Operations under TF shall typically have a higher risk profile than Operations under Universal and EIB regular financing (including Special Activity).
- 4. Due to the specific characteristics of the Financial Instrument and with reference to Articles 3.2 and 3.6 of the FAFA and the first paragraph of Article 6 I Part III Annex I of the Legal Basis, EIB's rules, policies and procedures applied to operations it carries out at its own risk shall not be applicable to the Operations under the TF, including the provisions of the CRG and pricing and valuation methodology applicable to operations EIB carries out at its own risk.

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

a) make a Qualitative Assessment of the soundness of the investment rationale and plausible business viability of such Operations; and

b) set a pricing of the Operations using its expert judgement, taking into account its Qualitative Assessment and consistent with the mandate's objectives and if applicable, after reviewing the pricing of co-financiers taking similar risk to the TF on the operations. In accordance with the first paragraph of Article 6 I Part III Annex I of the Legal Basis, the Operations shall bear a price in line with best market practices. However, for the TF, the Commission and the EIB acknowledge that there is no established market for this type of financing operations.

ANNEX B

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

In addition, due to the specific nature of the Operations, a tailor made valuation method may be applied for the Operations using discount rate that takes into account the business case at approval of the Operation, as adjusted when needed (for example in case of imminent sale) in accordance with EIB's expert judgement.

The Commission acknowledges and accepts (i) the risk of full loss and (ii) a lack of a risk-commensurate return for the Operations.

Article 12

Schedules

1. All of the following Schedules and any New Schedule form an integral part of this Annex, and therefore by extension, this Agreement:

Schedule B.1

Future Mobility

Schedule B.1 – Future Mobility

Title 1 - General principles

Article 1

Interpretation

1. In this Schedule B.1 a reference to a Debt Type Operation, Direct Operation, NSF Type Operation, Indirect Operation, Final Recipient, Final Recipient Transaction, Financial Intermediary, Financial Sub-Intermediary, Operation or Sub-Operation is a reference to such transaction or entity under Future Mobility, except if otherwise specified.

Article 2

Objectives and description

- 1. The objective of Future Mobility is to catalyse investments in areas of policy focus with high risk in order to support 'projects of common interest' as defined in Article 3 of the TEN-T Regulation or Article 2 of the Energy Regulation or Article 2 of the Telecommunications Regulation, including, without limitation, projects that contribute to the increased deployment of alternative fuels, such as mobile asset financing (e.g. light and heavy vehicle financing) and the deployment of related infrastructure.
- 2. The Operations may be funded or unfunded.

Title 2 - Eligibility

Article 3

Eligibility of Final Recipients

- 1. To be eligible, a Final Recipient must comply with each of the following eligibility criteria:
 - (a) Final Recipient shall be established in a CEF Country; and
 - (b) Final Recipient shall not be an SME or Small Mid-cap unless the Operation is at least the equivalent of EURX.
- 2. The requirements in Article 3.1 (a) of this Schedule B.1 shall not apply, if a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule B.1 and the Operation is considered eligible in accordance with Article 7.6 of this Schedule B.1. This justification may include, without limitation, that a Project of Common Interest for which the Operation is considered is defined as located on the territory of a third country.

Article 4

Eligibility of Operations

- 1. An Operation shall comply with each of the following eligibility criteria:
 - (a) the purpose of the Operation shall be to contribute to the objectives set out in Article 2.1 of this Schedule B.1. The Operation may, *inter alia*, be regarding greenfield projects (consisting of construction of new assets) or brownfield projects (consisting of extension, improvement or transformation of existing assets). In addition, the Operations may be:
 - (i) regarding highly innovative projects in the transport sector utilising renewable energy, hence complying with the requirement of promoting innovative, replicable and scalable use of renewable energy, whereby "highly innovative" has the meaning in accordance with Article 33 of the TEN-T Regulation;
 - (ii) involving mobile assets powered by electricity or by bio-energy; and
 - (iii) involving renewable energy used in transport infrastructure.
 - (b) it shall take the form of debt financing which term may include without limitation:
 - (i) loans, guarantees, letters of credit, securities (listed or unlisted) and standby credit facilities, in each case with or without warrants or other rights attached; which may be senior, mezzanine or subordinated, and which may include features such as the option to defer or skip interest payments, participation in profits or revenues, contingency of payments or redemption, and convertibility (including convertibility into equity), and
 - (ii) shares, partnership interests or other participation rights in a vehicle that engages in debt financing;
 - (c) if the Operation is in the form of unfunded subordinated debt, the resulting aggregate outstanding commitments under all Operations in the form of unfunded subordinated debt in the CEF Portfolio shall not exceed X% of the aggregate nominal exposure for the CEF Portfolio;
 - (d) if the Operation is in the form of senior debt financing, the sum of the principal of the Operation and (if applicable) of any senior debt financing EIB provides for the same purpose to the same Final Recipient, shall not exceed X% of the senior debt financing provided to the Final Recipient for such purpose;
 - (e) the Operation shall be approved by the EIB during the Approval Period and signed during the Signature Period; and
 - (f) it shall not take the form of a refinancing of existing capital structures.
- 2. The requirements in Article 4.1 (f) of this Schedule B.1 shall not apply, if (i) a justification for an Operation is provided in the eligibility checklist submitted by EIB in accordance with Article 7.5 of this Schedule B.1 and the Operation is considered eligible in accordance with Article 7.6 of this Schedule B.1 and (iii) approval of the Steering Committee is obtained

with regard to this element. Operations implemented as a part of the original structuring at the moment of the first financial close regarding projects with a short term bridge-loan-to-bond refinancing structure will not be considered as refinancing for the purposes of Article 4.1(f) of this Schedule B.1.

Article 5

NER300 Contribution and its use

- 1. NER300 Contribution may cover fields referred to in Article 4.1(a)(i) to (iii) of this Schedule B.1 subject to the following conditions:
 - (a) the Final Recipient is established in an EU Member State or in an EEA Country (including Liechtenstein), and the Operation is implemented in any of these countries; and
 - (b) in the case of the fields referred to in Article 4.1(a)(iii) of this Schedule B.1, only funded from the NER300 Contribution in proportion to the content of renewable energy used by the transport infrastructure.
- 2. When the Designated Service delivers its decision to EIB in accordance with Article 7.6 of this Schedule B.1, it shall inform EIB of the apportionment of the Aggregate EU Contribution between the Total Contribution and the NER300 Contribution with regard to this Operation. For the aggregate amount of (i) the amount of the NER300 Contribution that EIB has been so informed of and (ii) the relevant amount of EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9 regarding this NER300 Contribution, the EIB shall transfer the funds or assets which had previously been held for the account of the NER300 process, of the value stated in the EIB's request, to the Financial Instrument Account in accordance with Article 14a.6 of the NER300 Cooperation Agreement.
- The indicative Aggregate EU Contribution set out in Article 9.5 of the Agreement, including in footnote 2, does not imply any obligation for EIB to implement a certain volume or reach certain targets of signed Operations under the eligibility referred to in Article 4.1 (a)(i) to (iii) of this Schedule B.1, under any Financing Category or under CEF in general.

The Parties acknowledge that, the level of the potential Operations that would satisfy the eligibility referred to in Article 4.1 (a)(i) to (iii) of this Schedule B.1 is market dependent and may be limited.

4. EIB shall inform the promoters of Operations for which NER300 Contribution has been used that they will be invited by the Commission to join the NER300 knowledge sharing network.

Title 3 - Application and selection process

Article 6

Application process

- 1. EIB shall publish on its website information on Future Mobility.
- 2. Publicity may be given via one or more of the following channels:
 - (a) publication in the Official Journal,
 - (b) CEF publicity events,
 - (c) website (DG MOVE, ENER, CNECT and CLIMA),
 - (d) press releases (agreement from the EC spokesperson service required), and
 - (e) the info days for CEF.

Article 7

Selection process

- 1. Applicants will be selected in due consideration of the general principles of transparency, equal treatment and non-discrimination.
- 2. Applications shall be assessed by EIB on a "first-come, first-assessed basis", and entail the following steps:
 - (a) Screening
 - (b) Due diligence
 - (c) Signature

At any time of the selection process EIB may decide on a rejection of the application and inform an applicant accordingly. Notwithstanding, an applicant shall have the right to withdraw the application at any stage of the selection process.

- 3. Screening shall comprise an evaluation of the core elements of the application and its compatibility with the eligibility criteria set out in Articles 3, 4 and 5 of this Schedule B.1. As specified in Article 2.4 of Annex B, EIB may derogate from the rules, policies and procedures applied to operations it carries out at its own risk.
- 4. After the positive outcome of the screening process, the EIB shall conduct due diligence of the applicant. As specified in Article 2.4 of Annex B, EIB may derogate from the rules, policies and procedures applied to operations it carries out at its own risk. The Parties acknowledge that in order to conduct the due diligence of potential Operations of less than EURX, it may be required to engage external consultants. The cost of such engagements will be considered as exceptional and unforeseen expenditures, subject to the limits set out in Annex 9.
- 5. EIB shall submit to the Designated Service an eligibility checklist in respect of the potential Operation in order to obtain its approval on eligibility. The template of the eligibility checklist for such Operations (which will include the fields referred to in Article 4.1(a)(i) to (iii) of this Schedule B.1) will be agreed between the Designated Service and the EIB. With reference to Articles 2.3 and 2.4 of Annex B, the EIB undertakes that it shall not

submit an eligibility checklist in respect of potential Operations that are not beyond the provisions of its CRG applied to operations it carries out at its own risk.

- 6. Within 15 Business Days after reception of the eligibility checklist, the Designated Service must deliver its decision to EIB. Positive decisions shall be accompanied by the information required by Article 5 of this Schedule B.1. The Designated Service shall provide EIB with appropriate justification why it considers that the potential Operation is not, partially or totally, an eligible Operation, or why it requests more information to assess its eligibility. In the absence of any opinion from the Designated Service within 15 Business Days, the potential Operation may be considered by EIB as eligible, without prejudice to Article 7.8 of this Schedule B.1.
- 7. At the time of approval by the EIB's decision-making bodies, EIB must provide the Designated Service with:
 - a project report covering all standard items that EIB provides to its Board of Directors (if applicable); and
 - (1) a confirmation that material changes have occurred or not and (2) if so, information on the impact of such changes on the eligibility of the potential Operation.
- 8. Upon satisfactory completion of the due diligence and assessment of eligibility, EIB can commit to an Operation and such commitment may be subject to certain conditions.
- 9. The EIB shall, without undue delay, notify in writing the Designated Service of the cancellation of an Operation and the reasons for such cancellation.

Title 4 - Risk and revenue sharing

Article 8

Transfer Rate for NSF Type Operations

1. The EU Transfer Rate in respect of NSF Type Operations is set at X%.

ANNEX 1

Annex 1 – Notification by the Commission

of the Aggregate EU Contribution available for commitment or payment in relation to the Financial Instrument

To: [EIB]

From: [Designated Service]

[Date]

Dear Sir, Madam,

We refer to Article 9(6) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "**Agreement**").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein.

We inform you on available commitments in relation to the Financial Instrument in [current year]:

- (a) the indicative annual Initial EU Contribution amounts to EUR $[\bullet]$, and
- (b) Additional Contributions amount to EUR [•]; and
- (c) Other Contributions (excluding NER300 Contributions) amount to EUR [•].

Moreover, subject to Article 6.3 of Annex 8 of the Agreement, during the period ending on the Commitment Period plus two years, the Aggregate EU Contribution shall be increased by the CEF Repayments, notified to the Designated Service in accordance with Article 9.11.

Furthermore, the Aggregate EU Contribution will be increased by an amount up to EUR [*insert remaining amount of NER300 Contribution available for both InnovFin and CEF*] as notified by the Designated Service to EIB in accordance with Articles 5.2 of Schedules A.1, A.2, A.3 and B.1 of the Agreement.

The Aggregate EU Contribution (excluding CEF Repayments and the NER300 Contribution) available for commitment and payment by the EU in [year] thus amounts to [(a)+(b)+(c)]. The amount of CEF Repayments is already available on the Financial Instrument Account. The relevant amount of NER300 Contribution will be transferred in accordance with Article 5.2 of Schedules A.1, A.2, A.3 and B.1 of the Agreement and Article 14a.6 of the NER300 Cooperation Agreement.

[Option1: where Payment Appropriations are lower than (a) in the EU budget]

As Payment Appropriations available for the Financial Instrument are lower than the Commitment Appropriations, the Commission may pay an additional amount of up to [•], equalling the payment appropriations] for [year], subject to Article 9(9) of the Agreement.

ANNEX 1

[Option 2: where Payment Appropriations equal (a) in the EU budget]

The Commission may pay an amount of up to [•], equalling to the Payment Appropriations] for [year], subject to Article 9(7) of the Agreement.

Yours sincerely,

[Designated Service]

ANNEX 2

Annex 2 – Notification by the Commission

of Aggregate EU Contribution committed and Aggregate EU Contributions to be paid

To: [EIB] From: [Designated Service] [Date]

Dear Sir, Madam,

We refer to Article 9(8) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "**Agreement**").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein

We notify you that the Commission, for the Financial Instrument for this period (excluding CEF Repayments and NER300 Contributions):

- has committed an amount of EUR [•] of the Initial EU Contribution.
- has committed an amount of EUR [•] of Additional Contributions.
- has committed an amount of EUR [•] of Other Contributions.

Therefore, the Aggregate EU Contribution committed amounts to:

- EUR [•] of Total Contribution, including:
 - (a) EUR [•] of the Initial EU Contribution; and
 - (b) EUR [•] of Additional Contribution
- and (c) EUR [•] of Other Contributions.

Taking into consideration the disbursement forecast and pipeline report [and the available Payment Appropriations], the Commission has transferred [an amount] [a first tranche] of EUR [(a) + (b) + (c)] [amount of Payment Appropriations if lower] [first tranche] to the Financial Instrument Account, with CEF Repayments being already in your hands. The relevant amount of NER300 Contribution is transferred in accordance with Article 5.2 of Schedules A.1, A.2, A.3 and B.1 of the Agreement and Article 14a.6 of the NER300 Cooperation Agreement.

As from the date of the transfer by the Commission:

- the Aggregate EU Contribution paid, including CEF Repayments (except in accordance with Article 6.3 of Annex 8 of the Agreement) and NER300 Contributions, amounts to EUR [•]
- and the Aggregate EU Contribution committed and not yet paid "Reste à Liquider" amounts to EUR [•].

Yours sincerely,

[Designated Service]

Annex 3 – Notification by the EIB

of amounts no longer required by the Financial Instrument (post Commitment Period)

To: [Designated Service] From: [EIB]

[Date]

Dear Sir, Madam,

[(i) In case of de-commitments or transfers (Article 9(12))

(Aggregate EU Contribution committed and unpaid still available.)]

We refer to Article 9(12) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "Agreement").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein

We notify you that:

- (a) The Aggregate EU Contribution Committed at [date of last notification from Designated Service] amounted to EUR [•];
- (b) The Aggregate EU Contribution required under the Agreement are made up as follows:
 - (i) Committed or to be committed to constitute EU FLP EUR [•]
 - (ii) Paid or reserved to cover EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9
 EUR [•]

Total (b)(i)-(ii)

EUR [•]

The amount of EUR [(a)-(b)] is no longer required under the Financial Instrument and may be de-committed or transferred by the Designated Service in accordance with Article 9(12) of the Delegation Agreement.

[(ii) In case of return of amounts to the Union budget or transfers (Article 9(13))

(No remaining Aggregate EU Contribution to be paid.)]

We refer to Article 9(13) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "Agreement").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein

We notify you that:

- (a) The aggregate balance on the Financial Instrument Account at [31/12/previous year] amounted to EUR [•],
- (b) The funds required to be retained under the Financial Instrument until the termination of the Delegation Agreement are made up as follows:
 - (i) Committed to constitute EU FLP
 - (ii) Reserve to cover EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9 EUR [•]

EUR [•]

EUR [•]

- Total (b)(i)-(ii)
- (c) CEF Repayments received during previous year: EUR [•]
- (d) CEF Revenues received during previous year: EUR [•].

The amount of EUR [(a)-(b)-(c)-(d)] is not required under the Financial Instrument and may be transferred to the Commission in accordance with Article 9(13) of the Delegation Agreement.

[EIB]

Annex 4 – Notification by the EIB

of disbursement forecasts, payment estimates and any amendment to the Aggregate EU Contribution to be committed

To: [Designated Service]

From: [EIB]

[Date]

Dear Sir, Madam,

We refer to Article 9(7) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "Agreement").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein

Herewith, we inform you of the proposed amount of EUR [•] to be paid to the Financial Instrument Account for the current year [with the following breakdown: 1st tranche, 2nd tranche]. Furthermore, we inform you of the disbursements forecasts for the current year, and on best effort basis estimates for the following three years under the Financial Instrument. The amounts are in EUR as follows:

Disbursement forecasts in the month (January / August Year n)

		Estimates on a best effort basis			
Reference period / date	Until 31.12. Year n	Year n+1	Year n+2	Year n+3	
Balance on the Financial Instrument Account brought forward (1)					
Breakdown of disbursement forecasts					
Disbursements regarding the allocation of the Aggregate EU Contribution to EU FLP					
Policy-related incentive fees					

ANNEX 4

Administrative fees		
Treasury management fees		
Exceptional unforeseen expenses		
Total disbursements (2)		
Proposed Aggregate EU Contribution amount for year [n]		
Amount of CEF Repayments likely to be re-used		
Total cash in (3)		
Estimated balance on the Financial Instrument Account (1)- (2)+(3)		
Proposed amount to be paid to the Financial Instrument Account		

We further propose the following changes regarding the Aggregate EU Contribution to be committed in [year(s)]: [insert proposed changes to the Aggregate EU Contribution to be committed and, if applicable, impact of such changes in the disbursement forecasts.]

Please find enclosed the pipeline report referred to in Article 9(7) of the Agreement.

[EIB]

Annex 5 – Notification by the EIB

of CEF Repayments and CEF Revenues

To: [Designated Service]

From: [EIB]

[Date]

Dear Sir, Madam,

We refer to Article 9(11) of delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "Agreement").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein.

We notify you that:

- (a) (i) the CEF Repayments (except in accordance with Article 6.3 of Annex 8) received in [previous year] amount to EUR [•];
 - (ii) the CEF Revenues received in [previous year] amount to EUR [•];

(iii) (if applicable) the CEF Repayments in accordance with Article 6.3 of Annex 8 of the Agreement received in [previous year] amount to EUR [•];

Total of (a) to be considered for transfer:

[During the period ending on the Commitment Period plus two years:] (a)(ii) and (iii): EUR [•]

[After such period:] (a) (i) and (ii)]: EUR [•]; and

(b) the EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9 to be deducted therefrom amount to EUR [•].

The amount of EUR [(a)-(b)] may be transferred in accordance with Article 9(11) of the Delegation Agreement.

We notify you of the following break-down of such amount :

- (a) Amount that may be transferred to a Commission account: EUR [•]; and
- (b) Amount that may be transferred to the Innovation Fund account or otherwise: EUR [•]

[EIB]

Annex 6 – AMG

The EIB shall manage the assets in accordance with Article 9.6 of the FAFA.

The content of these AMG may be amended by agreement between the AMDS and the EIB.

1. Portfolio structure

- 1.1. The portfolio maturity structure shall reflect the projected cash flows from the Financial Instrument Account. Sufficient assets shall be placed in monetary assets to cover the short term (less than X year) outflows from the Financial Instrument Account, at a proportion to be fixed in the annual investment strategy.
- 1.2. The remaining assets may be allocated to medium and long term instruments, with a maximum remaining maturity of X years (X years and X months) from the payment date (medium and long-term portfolio).
- 1.3. 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 EURX the EIB may make a duly motivated proposal in the annual investment strategy to 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, provided that this does not, taken as a whole, lead to a derogation for more than 8 weeks from the allocation principle set out in the annual investment strategy. The 8-week period may be extended in agreement with the AMDS following a written motivated request from the EIB.

2. Types of investment

The monetary assets may comprise units in the Unitary Fund, and other short term instruments with maturities up to X days at value date including fixed rate bonds (with such remaining maturity) and floating rate notes of X years of remaining maturity. It is understood that the Unitary Fund shall constitute the preferred investment option for the monetary assets. In case of unsecured bank deposits, the time to maturity should not exceed X 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 X days and floating rate bonds with more than X years of remaining maturity.

3. <u>Limits</u>

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.

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

In case where there are X or more equivalent ratings, they will be considered as ranked in a strict total order¹⁰.

	Moody's	Standard & Poor's	Fitch
Long term			
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х
	Х	X	Х
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х
Short term			
	Х	Х	Х
	Х	Х	Х
	Х	Х	Х

The equivalents of Moody's ratings are the following:

- 3.1. Criteria for the EIB's Unitary Fund, term deposits, including collateralised deposits, reverse repos/ repos:
- 3.1.1. The Unitary Fund operating and managed in accordance with the Deed Poll and its Information Memorandum, shall be eligible under the condition that (a) the EIB complies at all times with the provisions of Schedule IV Part III of the FAFA, and (b) the AMDS has previously approved such Deed Poll and Information Memorandum, or any subsequent amendments thereto. Up to X% of the assets allocated to the monetary assets (as defined in point 1.1.) may be invested in the Unitary Fund. Concentration limits referred to in 3.4 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 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 the EIB for International Settlements shall be authorised.

¹⁰ A<B<C, e.g. AAA (1st), Aaa (2nd), AA+ (3rd).

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- 3.1.3 The ceiling of authorised investments with banks referred to in 3.1.2 is fixed at X% of the banks' own funds¹¹, capped at EURX per counterparty provided that the counterparty is rated at least X Moody's or equivalent and EURX for counterparties rated below X Moody's or equivalent. Should the nominal size of the total portfolio exceed EURX, increased caps of respectively EURX and EURX shall apply. Should the nominal size of the total portfolio exceed EURX, increased caps of collateralised deposits the limit utilisation rate of the investment may be reduced to X% and the required rating to X provided that collateral haircuts are applied in accordance with the EIB's practices applied to its own treasury assets.
- 3.2. Criteria for securities investments:
- 3.2.1 <u>Short-term securities (remaining term to maturity from acquisition settlement date:</u> less than X days)
- 3.2.1.1. Purchases of long-term and medium-term bonds with less than X 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 3.1.2 and within the limits set out in 3.1.3;
 - instruments are issued by non-credit institutions when the issuer or issuance programme complies with the criteria set out in 3.1.2 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: X 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 the Union or Euratom with long term rating according to the table below;

¹¹ The bank's own funds taken into account shall be the latest figures obtained from the annual audited balance sheet published. For Central Banks, national debt management agencies, and the BIS the cap related to own fund shall not apply.

Applicable rating		Maximum amount	t per issuer or	
(Moody's or equivalent)	guarantor in EUR millions			
	Nominal	Nominal Portfolio	Nominal Portfolio	
	Portfolio size ≤ EURX	size ≤ EURX	size > EURX	
X-X	x	Х	х	
X-X	x	Х	x	
Х	x	Х	x	
X-X	x	Х	x	

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

- bonds issued or guaranteed by other supranational institutions in which Member States of the Union have a participation or by sovereigns that are not Member States of the Union, provided that such institutions or countries have a long term rating of X Moody's or equivalent, for a maximum amount of EURX per issuer or guarantor of the obligations. This amount shall be increased to EURX, should the nominal size of the total portfolio exceed EURX, and to EURX, should the nominal size of the total portfolio exceed EURX;
- bonds issued by other legal entities with a X Moody's or equivalent, for a maximum amount of EURX per counterpart, and in case of X Moody's or equivalent, for a maximum amount of EURX per counterpart. Should the nominal size of the total portfolio exceed EURX, increased maximum amounts of respectively EURX and EURX shall apply. Should the nominal size of the total portfolio exceed EURX, increased maximum amounts of respectively EURX and EURX shall apply. Should the nominal size of the total portfolio exceed EURX, increased maximum amounts of respectively EURX and EURX shall apply.

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) will be considered.

Loss of required rating

In case of a loss of required rating, the EIB shall endeavour to replace the relevant assets in the portfolio by other assets of adequate quality respecting the relevant limits. Alternatively, the EIB may analyse, 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).

This clause applies also to cases where the loss of rating(s) would trigger a lower limit.

The EIB shall:

- (a) inform the AMDS within five (5) Business Days if it becomes aware of a default or a potential event of default of any substantial asset or group of assets in the Financial Instrument Account.
- (b) inform the AMDS within five (5) Business Days of all cases when issuer or bond issues have lost the required rating as specified in these AMG or if the credit limits have been breached.
- 3.4. Concentration limits
- 3.4.1 The total exposure to the same issuer or counterparty (consolidated at the parent level) shall not exceed X% (in the case of Member States, X%) of the total amount of that portfolio.
- 3.4.2 Should the total amount of assets in the portfolio be lower than EURX, the maximum exposure(s) to any individual issuer or counterparty (including entities belonging to the same group) shall not exceed EURX.
- 3.4.3 The total investment in an issue must not exceed X% of the total nominal outstanding amount of the issue.
- 3.4.4 In case limits specified under sections 3.1.3 and 3.2.2.2 are breached when caused solely by a decline of the portfolio size, the EIB shall endeavour, without the immediate obligation to liquidate the position, to bring the exposure in line with the applicable limits.

4. <u>Securities lending and repos</u>

The EIB is authorised, at its discretion, but not obliged, to enter into repo, 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.

5. <u>Remuneration</u>

ANNEX 6

The EIB shall be entitled to remuneration in respect of management of the assets for each accounting period, which is a calendar year, on the basis of the following schedule:

Average value of assets under management (in EUR millions)	Annual remuneration for management (per tranche)
Up to X	X%
From X to X	X%
From X to X	X%
From X	X%

The EIB's annual remuneration shall be invoiced in respect of each accounting period on the basis of the audited financial statements sent to the Commission. The statement of fees shall be sent to the Designated Service for approval and AMDS for information and subsequently charged to the Financial Instrument Account.

The remuneration shall be calculated by the EIB on the basis of (a), in the case of securities and the Unitary Fund, the average market value at the end of each month, and (b) in the case of cash and money market deposits, the average nominal value at the end of each month. In each case "average" means the annual average of month-end values.

Except for the fee paid pursuant to Article 16.3(e) of the NER300 Cooperation Agreement referred to in the paragraph below, 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 5. The total of the management fees charged to the Financial Instrument Account must not exceed those foreseen under this Section. If the pooled investment product directly managed by the EIB charges higher fees than those foreseen under this Section, the excess shall be borne by the EIB. The EIB shall provide the Designated Service and AMDS with detailed information in this respect.

With regard to the NER300 Contributions in order to avoid double-counting with the fee paid pursuant to Article 16.3(e) of the NER300 Cooperation Agreement, from the time when the NER300 Contribution is transferred to the Financial Instrument Account until 31 December 2025, a rebate shall be granted in an amount equal to X% (X per cent) per annum of the NER300 Contribution Utilised. The rebate shall be calculated by the EIB on the basis of the actual number of days elapsed and the actual number of days in a year. The rebate shall be granted as a reduction in the amount of the annual fee payable to the EIB pursuant to Article 16.3(b) of the NER300 Cooperation Agreement.

Any amount charged to the Financial Instrument Account in breach of this Section and reclaimed by the Commission shall bear interest for the benefit of the Financial Instrument Account until it is repaid to it by the EIB. Such interest shall be calculated in accordance with

ANNEX 6

standard inter-bank practice, which is currently represented by the European Interbank Compensation Guidelines published jointly by the European Banking Federation, the European Savings Bank Group and the European Association of Co-operative Bank

Annex 7 – Declaration of honour to be submitted by Financial Intermediaries applying for the Financial Instrument

The content of this Annex 7 shall be amended by Separate Implementing Arrangement following the amendment of the FAFA referred to in Article 2.

(Complete or delete the parts in grey italics in parentheses)

The undersigned (*insert name of the signatory of this form*), representing the following legal person: (*insert name of the financial intermediary*) (the "Financial Intermediary")

full official name: official legal form: full official address: VAT registration number:

- declares that the Financial Intermediary is not in one of the following situations:
- a) the Financial Intermediary is as of the date of this declaration bankrupt or being wound up, is as of the date of this declaration having its affairs administered by the courts, in this context, has during the last five (5) years from the date of this declaration entered into an arrangement with creditors, has as of the date of this declaration suspended business activities, is the subject of proceedings concerning those matters, or is as of the date of this declaration in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) during the last five (5) years from the date of this declaration, the Financial Intermediary or persons having powers of representation, decision-making or control over it has been convicted of an offence concerning its professional conduct by a judgment which has the force of *res judicata*, which would affect its ability to implement the Financial Instrument. Alternatively, where such judgments exist the undersigned declares that the Financial Intermediary can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;
- c) during the last five (5) years from the date of this declaration, the Financial Intermediary or persons having powers of representation, decision-making or control over it has been the subject of a judgment which has force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests. Alternatively, where such judgments exist the undersigned declares that the Financial Intermediary can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over it, who are subject to this judgment;
- d) as of the date of this declaration, the Financial Intermediary is guilty of misrepresentation in supplying information required for selection as a Financial Intermediary or fails to supply this information; and

 e) as of the date of this declaration, the Financial Intermediary is, to its knowledge, subject to a decision on exclusion referenced in the Early Detection and Exclusion System database operated by the European Commission¹².

Full name

Date

Signature

¹² Early Detection and Exclusion System established under Section 2, Article 135 of the Financial Regulation

Annex 8 - Risk and revenue sharing

Title 1 - The CEF Portfolios

Article 1

The Debt Portfolio and the NSF Portfolio

1. An Operation which (i) does not satisfy the requirements of the "supervisory formula approach" under the regulatory securitization framework, as assessed by EIB, or (ii) is considered as non securitisable financing in accordance with EIB's rules, policies and procedures, shall be classified by EIB as an NSF Type Operation. The decision to appraise a potential Operation and whether to classify such Operation as a Debt Type Operation or an NSF Type Operation rests exclusively with EIB.

As a result, Operations under the TF shall always be classified as NSF Type Operations.

- 2. Debt Type Operations shall be assigned to the Debt Portfolio at the date of signature of the relevant Debt Type Operation.
- 3. NSF Type Operations shall be assigned to the NSF Portfolio at the date of signature of the relevant NSF Type Operation.
- 4. Operations classified as NSF Type Operations as a result of the condition set in Article 1.1 (i) of this Annex 8 (i) may be later reclassified by EIB as Debt Type Operations should the condition set in Article 1.1(i) of this Annex 8 cease to apply. If so, the Operation and its EU Transfer Amount or a portion thereof (to be determined by EIB taking into account the specificities of each case) shall be reassigned to the Debt Portfolio as of the date of such reclassification.
- 5. The credit risk pertaining to the CEF Portfolio and to each Operation shall be assessed and, if applicable, quantified by EIB in accordance with the terms of this Annex and with the CRG.

Article 2

Thematic Portfolios

1. Within the CEF Portfolio and on the basis of Additional CEF Contributions or Other Contributions, thematic portfolios may be created (for specific market products, for policy-driven products, etc.), based on a decision by the Steering Committee, as appropriate. A thematic portfolio may have its own FLP, and the principles and procedures of this Annex 8 will fully apply to it, unless the Steering Committee decides otherwise.

Closure of the Commitment Period

- 1. The Steering Committee is entitled, upon request of EIB, to close the Commitment Period for CEF at an earlier date, if the risk profile of EIB's exposure to the Debt Portfolio or the NSF Portfolio exceeds an acceptable level. If so, the Signature Period for CEF and the Origination Period for Operations that are approved thereafter will terminate, respectively, 18 months and 24 months following the end of the Commitment Period.
- 2. The EIB is entitled to suspend signatures of or allocations of Debt Type Operations to the Debt Portfolio if, as a result of such additional allocation(s), the risk profile of the RRT would deteriorate to Special Activity.
- 3. The EIB is entitled to suspend signatures of or allocations of NSF Type Operations to the NSF Portfolio if, as a result of such additional allocation(s), the risk profile of the RRT would exceed an acceptable level.
- 4. EIB must inform the Steering Committee without delay if the risk profile of the RRT of the Debt Portfolio reaches X% and X% of the Special Activity threshold as defined in the CRG, in order to allow for the Steering Committee to take adequate and timely measures to avoid any risk of reclassification of the RRT as a Special Activity or any risk of suspension of signatures or of allocations to any of the CEF Portfolios. The FLP level of any of the CEF Portfolios may be reviewed during the Commitment Period, in function of the composition and risk profile of the underlying CEF Portfolio. The consequences of such review, if any, may be agreed in a Separate Implementing Arrangement endorsed by the Steering Committee.
- 5. EIB must inform the Steering Committee without delay if any of the following conditions occurs prior to the end of the Commitment Period, in order to allow for the Steering Committee to decide whether to close the Commitment Period for CEF at an earlier date:
 - (a) the aggregate of the EU FLP exceeds X% of aggregate nominal exposure under the CEF Portfolio, or
 - (b) the commitments under Operations under TF exceed X% of the total level of commitments under Operations.

Title 2 - The Risk sharing

Article 4

CEF Sums

- 1. The CEF Sums shall be covered as follows:
 - (a) with regard to Debt Type Operations:

- (i) firstly, by the Debt Portfolio's FLP, i.e. the Debt Portfolio's EU FLP and the EIB FLP on a *pari passu* basis and pro rata to their sizes relative to the Debt Portfolio's FLP at the time, (until it has been reduced to X),
- (ii) secondly, by the Debt Portfolio's RRT.
- (b) with regard to NSF type Operations:
 - (i) firstly, by the NSF Portfolio's FLP (i.e. the NSF Portfolio's EU FLP) (until it has been reduced to X),
 - (ii) secondly, by the NSF Portfolio's RRT.
- 2. EIB may decide not to use the FLP immediately or at all, in accordance with its rules, policies and procedures.

Use of the Aggregate EU Contribution & EIB's own resources

- 1. The Aggregate EU Contribution paid to EIB shall be applied in the following order :
 - (a) firstly, to pay EIB's fees and expenses in accordance with Article 12 of the Agreement and Annex 9, and
 - (b) lastly, to constitute the EU FLP.
- 2. The EIB shall cover out of its own resources:
 - (a) the EIB FLP, and
 - (b) the RRT.

Article 6

Release of the FLP

- 1. For the Debt Portfolio, the FLP must remain available in full until the later of (i) the end of the Signature Period and (ii) when the RRT is fully released. As from this point in time, the FLP in excess of the aggregate nominal exposure for the Debt Portfolio will be released on a semi-annual basis. The release shall be calculated on the basis of the semi-annual reporting for the Debt Portfolio as at the previous semester end. The split of the released FLP between the Debt Portfolio's EU FLP and the EIB FLP shall be pro rata to their sizes relative to the Debt Portfolio's FLP at the time. The release of the EU FLP shall be as a CEF Repayment and the release of the EIB FLP shall be to the EIB.
- 2. For the NSF Portfolio, the FLP must remain available in full until the later of (i) the end of the Signature Period and (ii) when the RRT is fully released. As from this point in time, the FLP in excess of the aggregate nominal exposure for the NSF Portfolio will be released on a semi-annual basis. The release shall be calculated on the basis of the semi-annual reporting for the NSF Portfolio as at the previous semester end. The release shall be as a CEF Repayment.

- 3. On an extraordinary basis, an amount of EURX of the Debt Portfolio's FLP shall be released, subject to availability and unless a lower amount is agreed between the Designated Service and the EIB, at the end of the Commitment Period. The split of the released FLP between the Debt Portfolio's EU FLP and the EIB FLP shall be pro rata to their sizes relative to the Debt Portfolio's FLP at the time. The release of the EU FLP shall be as a CEF Repayment and the release of the EIB FLP shall be to the EIB. The CEF Repayment in accordance with this Article 6.3 of Annex 8 shall not affect the Aggregate EU Contribution Committed:
 - (a) except for the purpose of the definition of Leverage Effect in accordance with Article 1.2 of the Agreement, it shall not reduce the Aggregate EU Contribution Committed, Paid or Utilised, and
 - (b) notwithstanding Article 9.5 of the FAFA and the second paragraph of Article 9.11 of the Agreement, it shall not be used within this Financial Instrument and therefore not increase the Aggregate EU Contribution Committed, Paid or Utilised.

The CEF Repayment in accordance with this Article 6.3 of Annex 8 shall be allocated only to the Finance Sources set out in item (a) of the definition.

Title 3 - The Revenue sharing

Article 7

General provisions

- 1. The waterfalls for the Debt Portfolio consist of the debt revenues waterfall and the debt principal waterfall. They define the distribution arrangements between the Commission and EIB of all cash flows received under Debt Type Operations, other than Recoveries and reimbursements of costs, and subject to Article 8.8 of this Annex 8. These cash flows are classified as revenues or principal. Principal is such cash flows that reduce the principal outstanding under Debt Type Operations. Revenues are all such other cash flows.
- 2. The waterfalls for the NSF Portfolio consist of the NSF revenues waterfall and the NSF principal waterfall. They define the distribution arrangements between the Commission and EIB of all cash flows received under NSF Type Operations, other than Recoveries and reimbursements of costs. These cash flows are classified as revenues or principal. Revenues are such cash flows that are classified as revenues in accordance with EIB's accounting policies. Principal is all such other cash flows.
- 3. The waterfalls for the Recoveries consist of the Debt Recoveries Waterfall and the NSF Recoveries Waterfall. They define the distribution arrangement between the Commission and EIB of any Recoveries received by EIB and of any reversals of Value Adjustments.
- 4. For the purpose of applying the waterfalls other than the debt principal waterfall, any cash flows received in a currency other than euro will be converted to euro as reflected in EIB's accounting records.
- 5. The waterfalls will be applied at the end of each semester.

Debt revenues waterfall

- 1. The revenues referred to in Article 7.1 of this Annex 8 are classified as Risk Related Income or Non-Risk Related Income.
- 2. Non-Risk Related Income consists of the items listed in Article 8.8 of this Annex 8. Risk Related Income consists of the risk-related items, namely the risk margin and any other risk-related fees.
- 3. Risk Related Income may be received in two forms, Non Recurrent Risk Income or Recurrent Risk Income. Non Recurrent Risk Income is Risk Related Income that is received upfront and is recognised as instalments over the period to which it relates (instead of as a single amount at one point in time) in accordance with EIB's accounting policies. Recurrent Risk Income is all other Risk Related Income.
- 4. Risk Related Income will be priced according to EIB's pricing methodology. EIB reserves the right to change its pricing methodology in accordance with its rules, policies and procedures.
- 5. For the purpose of determining the Debt Revenues Waterfall, Non-Recurrent Risk Income will be converted notionally into a "recurrent spread equivalent" at or just after the time it is received by EIB. This will be done by EIB by finding the recurrent risk spread which would be economically equivalent (given its planned amortisation schedule) to the receipt of the Non-Recurrent Risk Income. An Operation's "recurrent spread equivalent" will be recalculated only following receipt of a subsequent Recurrent Risk Income or Non-Recurrent Risk Income with regard to the same Operation. Details of the derivation of the "recurrent spread equivalent" have been exchanged between the Parties.
- 6. In case of the conversion of a Unfunded Operation into a Funded Operation, any undistributed Non-Recurrent Risk Income will be re-converted into a "recurrent risk spread equivalent", taking into account the planned amortisation schedule of the converted Operation.

In case of the termination of an Operation, any undistributed Non-Recurrent Risk Income will all be allocated as follows:

- (a) The part of the undistributed Non-Recurrent Risk Income relating to the semester in which the termination occurred will be allocated in accordance with Article 8.9 of this Annex 8;
- (b) The remaining part of the undistributed Non-Recurrent Risk Income will also be allocated in accordance with Article 8.9 of this Annex 8 at the end of the semester in which the termination occurred. For this purpose, the RRT Remuneration shall be the same proportion (as under paragraph (a) above) of the remaining part of the undistributed Non-Recurrent Risk Income.

- 7. At the end of each semester, the Non-Recurrent Risk Income recognised over that period will be aggregated together with the Recurrent Risk Income received over that period, to arrive at the total Risk Related Income to be allocated in accordance with Article 8.9 of this Annex 8. Interest, if any, received or priced over the relevant period on any not yet recognised Non Recurrent Risk Income, will be added to or deducted from the total Risk Related Income.
- 8. Non-Risk Related Income shall be for the sole benefit of EIB (i.e. it will be fully carved out from this waterfall) due to the following rationale:
 - EIB funding cost: for funded and unfunded transactions (the latter only with regard to the funded elements such as drawdown or guarantee call), EIB provides X% of the financing based on its cost of funding;
 - (b) Administrative margin: this item will be charged on each Debt Type Operation according to EIB standard procedures, to compensate EIB for its general operating costs;
 - (c) Fee income: up-front, appraisal and other fees may be charged to counterparts as a compensation for transaction-related structuring work, including support from external consultants;
 - (d) Commitment fees: these may be charged by EIB to borrowers in order to be compensated for the capital allocation costs as long as the respective loans are not drawn down. Since for funded transactions the remuneration of the RRT is paid only for the disbursed part of each Debt Portfolio, undisbursed loan amounts are compensated through a carve-out of the actual Commitment Fees paid by borrowers.
 - (e) Guarantee liquidity premium: for unfunded transactions, specific liquidity provisions may be charged on guarantee beneficiaries in order to meet possible calls on the guarantee, and consequent EIB funding requirements.
 - (f) Upward/downward modulation: modulation is defined as a market-related pricing variation, and not considered to be a risk-related pricing element pursuant to the CRG.

The Debt Revenues Waterfall is thus only composed of the Risk Related Income.

- 9. The Risk Related Income shall be allocated in the following order:
 - (a) firstly, to EIB as remuneration of the RRT up to the RRT Remuneration;
 - (b) secondly, to EIB up to the Special Note Cost;
 - (c) thirdly,

(x) during the period ending on 15 years following the Starting Date:

(i) X% of the remaining revenues shall be allocated as follows:

(X) X% of those remaining revenues:

(I) firstly, as CEF Repayments up to the Synthetic Credit Protection Amount (which shall be X in case the Synthetic Credit Protection Amount is negative), and

(II) lastly, the remaining amount (if any) to the EIB; and

(Y) X% of those remaining revenues:

(I) firstly, to EIB up to the negative of the Synthetic Credit Protection Amount (which shall be X in case the negative of the Synthetic Credit Protection Amount is negative), and

(II) lastly, the remaining amount (if any) as CEF Revenues,

(ii) X% of the remaining revenues shall be allocated as follows:

(X) firstly, to reinstate the CEF Portfolio's EU FLP with an amount up to the Treasury Asset Management Loss, and

(Y) lastly, the remaining amount (if any) as CEF Revenues, and

(y) after the period set out in Article 8.9(c)(x) of Annex 8:

(i) X% of the remaining revenues:

(X) firstly, as CEF Repayments up to the Synthetic Credit Protection Amount (which shall be X in case the Synthetic Credit Protection Amount is negative), and

(Y) lastly, the remaining amount (if any) to the EIB; and

(ii) X% of the remaining revenues:

(X) firstly, to EIB up to the negative of the Synthetic Credit Protection Amount (which shall be X in case the negative of the Synthetic Credit Protection Amount is negative),

(Y) secondly, to reinstate the CEF Portfolio's EU FLP with an amount up to the Treasury Asset Management Loss, and

(Z) lastly, the remaining amount (if any) as CEF Revenues.

Article 9

Debt principal waterfall

1. The principal referred to in Article 7.2 of this Annex 8 shall be allocated to the reduction of the principal outstanding under the relevant Debt Type Operation and thus decrease the aggregate nominal exposure for the Debt Portfolio.

Debt Recoveries waterfall

- 1. Recoveries paid to the EIB under Debt Type Operations shall be allocated in the following manner:
 - (a) firstly, to EIB up to the Debt Portfolio's CEF Sum Shortfall Amount;
 - (b) secondly, to reinstate the EIB FLP with an amount up to the Reinstatement Amount;
 - (c) thirdly, to reinstate the Debt Portfolio's EU FLP with an amount up to the Reinstatement Amount;
 - (d) lastly, to be allocated in accordance with the Debt Revenues Waterfall.

Article 11

NSF revenues waterfall

- 1. The revenues referred to in Article 7.2 of this Annex 8 shall be allocated in the following order:
 - (a) firstly, to EIB up to the RRT Cost;
 - (b) secondly, to EIB up to the aggregate of (i) the NSF Type Funding Cost and (ii) the Special Note Cost, and pro rata to their relative sizes;
 - (c) thirdly,

(x) during the period ending on 15 years following the Starting Date:

(i) X% of the remaining revenues shall be allocated as follows:

(X) X% of those remaining revenues:

(I) firstly, as CEF Repayments up to the Synthetic Credit Protection Amount (which shall be X in case the Synthetic Credit Protection Amount is negative), and

(II) lastly, the remaining amount (if any) to the EIB; and

(Y) X% of those remaining revenues:

(I) firstly, to EIB up to the negative of the Synthetic Credit Protection Amount (which shall be X in case the negative of the Synthetic Credit Protection Amount is negative), and

(II) lastly, the remaining amount (if any) as CEF Revenues,

(ii) X% of the remaining revenues shall be allocated as follows:

(X) firstly, to reinstate the CEF Portfolio's EU FLP with an amount up to the Treasury Asset Management Loss, and

- (Y) lastly, the remaining amount (if any) as CEF Revenues, and
- (y) after the period set out in Article 11.1(c)(x) of Annex 8:
 - (i)X% of the remaining revenues:

(X) firstly, as CEF Repayments up to the Synthetic Credit Protection Amount (which shall be X in case the Synthetic Credit Protection Amount is negative), and

- (Y) lastly, the remaining amount (if any) to the EIB; and
- (ii) X% of the remaining revenues:

(X) firstly, to EIB up to the negative of the Synthetic Credit Protection Amount (which shall be X in case the negative of the Synthetic Credit Protection Amount is negative),

(Y) secondly, to reinstate the CEF Portfolio's EU FLP with an amount up to the Treasury Asset Management Loss, and

(Z) lastly, the remaining amount (if any) as CEF Revenues.

Article 12

NSF principal waterfall

1. The principal referred to in Article 7.2 of this Annex 8 shall be allocated to the reduction of the principal outstanding under the relevant NSF Type Operation and thus decrease the aggregate nominal exposure for the NSF Portfolio.

Article 13

NSF Recoveries waterfall

- 1. Recoveries paid to the EIB and any reversals of Value Adjustments under NSF Type Operations shall be allocated in the following manner:
 - (a) firstly, to EIB up to the NSF Portfolio's CEF Sum Shortfall Amount;
 - (b) secondly, to reinstate the NSF Portfolio's EU FLP with an amount up to the Reinstatement Amount;
 - (c) lastly, to be allocated in accordance with the NSF Revenues Waterfall.

Annex 9 – Remuneration

Article 1

Administrative fees, policy-related incentive fees and treasury management fees

1. Except regarding the NER300 Contribution, the administrative fees shall be X% of the Aggregate EU Contribution Utilised in a given year.

Regarding the NER300 Contribution, the administrative fees shall be X% of the NER300 Contribution Utilised in a given year.

- 2. The policy-related incentive fees shall be constituted of (i) the amount of EURX of policy-related incentive fees that have been accrued up to the Starting Date and of which EURX has been paid and (ii) the amounts linked to the cumulative performance indicators from the Starting Date set out in Schedule 9.2. EIB shall report annually on the achievements of the performance indicators, in accordance with Article 2.3 (o) of Annex 10.
- 3. The performance indicators shall be reviewed and may prospectively be revised accordingly by the Steering Committee, upon request of the EIB, in particular to take into account:
 - (a) the amount of the Aggregate EU Contribution, where
 - the amount of the indicative initial Aggregate Contribution set out in Article 9.5 of the Agreement (excluding footnote (5)) or the indicative initial NER300 Contribution set out in footnote (2) of Article 9.5 of the Agreement is changed, or
 - (ii) when paid amounts of the Aggregate EU Contribution or the NER300 Contribution differs from the indicative initial Aggregate EU Contribution set out in Article 9.5 of the Agreement (excluding footnote (5)) or half of the indicative initial NER300 Contribution set out in footnote (2) of Article 9.5 of the Agreement, respectively; or
 - (b) market circumstances.
- 4. The aggregate amount (both accrued before and after the Starting Date) of all policyrelated incentive fees payable, excluding those regarding the NER300 Contribution in accordance with Article 2(b) of Schedule 9.2, shall not exceed X% of the Total Contribution Utilised at the end of the Signature Period, provided that, except in case of Article 12.6 of the FAFA, in the event of de-commitment of the Aggregate EU Contribution resulting from the termination of the Agreement prior to 31 December 2023 in accordance with Article 21.2(b) of the Agreement, any amounts of policyrelated fees paid or accrued as of such date shall not be subject to any claw back or cancellation (as applicable) for reason of exceeding the fee cap after such decommitment of the Aggregate EU Contribution.

- 5. The treasury management fees shall be as set out in section 5 of Annex 6. The aggregate amount of all treasury management fees payable shall not exceed X% of the Aggregate EU Contribution Paid.
- 6. In accordance with article 13.8 of the FAFA, the aggregate amount of all fees payable under this Article 1 (excluding the reimbursement of exceptional unforeseen expenditures) shall be capped at X% of the Aggregate EU Contribution Committed at the end of the Commitment Period, provided that, except in case of Article 12.6 of the FAFA, in the event of de-commitment of the Aggregate EU Contribution resulting from the termination of the Agreement prior to 31 December 2020 in accordance with Article 21.2(b) of the Agreement, any amounts of fees paid or accrued as of such date shall not be subject to any claw back or cancellation (as applicable) for reason of exceeding the fee cap after such decommitment of the Aggregate EU Contribution.
- 7. Prior to drawing of the fees, EIB shall submit to the Designated Service the statement of fees charged by the EIB, substantially in a form of Schedule 9.1. The Designated Service shall approve such statement of fees within 20 Business Days. In the absence of any written reply from the Designated Service before the end of such period, the approval shall be deemed granted.

Reimbursement of exceptional unforeseen expenses

- 1. In accordance with Article 13.4 of the FAFA, exceptional unforeseen expenses such as recovery and litigation costs in relation to disputes relating to the implementation of the Financial Instrument shall be reimbursed to EIB.
- 2. The maximum amount for the reimbursement of exceptional unforeseen expenses shall be X% of the Aggregate EU Contribution Utilised.
- 3. EIB shall request the prior written approval of the Designated Service for any reimbursement of exceptional unforeseen expenses. In support of its request, EIB shall provide all necessary explanations.

Schedule 9.1 – Statement of fees

To: [Designated Service]

From: [EIB]

[Date]

Subject: CEF statement of fees 20[XX]

Dear Sir, Madam,

We refer to Article 1.7 of Annex 9 of the delegation agreement in respect of the "Debt Financial Instrument under Connecting Europe Facility" signed between EIB and the European Union represented by the Designated Service for the Financial Instrument (the "Agreement").

Terms defined in the Agreement shall have the same meaning wherever used herein, unless otherwise defined herein

Herewith, we notify you with the statement of fees of EUR [*insert amount*] for the year [*insert year*] together with a detail on the fee calculation.

Type of		Fees		X% of	X% of	Intermediar	X% of	Balanc
Fee (All amounts in EUR)	Accrue d prior to the year 20[xx] (a)	Accrue d in the year 20[xx] (b)	Paid to date (C)	Total Contributi on Utilised by year 20[xx] (d)	Aggregate EU Contributi on Utilised by year 20[xx] (e)	y Calculation For administrat ive fees: (a)+(b) For policy- related incentive fees: Min[(d), (a)+(b)] For treasury asset manageme nt fees: Min[(e), (a)+(b)] (f)	Aggregate EU Contributi on Committe d by year 20[xx]	e due for payme nt for the year 20[xx] Min[Σ(f), (g)]- Σ(c)
Administrat ive fees	[Amou nt to be	[Amou nt to be	[Amou nt to be	N/A	N/A	[Amount to be inserted]		[Amou nt to be

	inserte d]	inserte d]	inserte d]				[Amount to be	inserte d]
Policy- related incentive fees	[Amou nt to be inserte d]	[Amou nt to be inserte d]	[Amou nt to be inserte d]	[Amount to be inserted]	N/A	[Amount to be inserted]	inserted]	
Treasury asset manageme nt fees	[Amou nt to be inserte d]	[Amou nt to be inserte d]	[Amou nt to be inserte d]	N/A	[Amount to be inserted]	[Amount to be inserted]		

The administrative fee is a lump sum in relation to the pre-defined level of the Aggregate EU Contribution Utilised. Policy-related incentive fees are calculated in accordance with the performance indicators reached as outlined in the Operational Report. Treasury management fees are calculated in line with Section 5 of Annex 6 of the Agreement.

The administrative fee compensates a share of the administrative expenses incurred by the EIB to set up, implement and manage, monitor and potentially wind down any or all of the Financing Categories and products implemented by EIB under the Financial Instrument.

The administrative fees accrued in the year [yyyy] cover:

1. Activities performed by EIB with respect to the development, implementation and management of the following Financing Categories under the Financial Instrument:

-Cleaner Transport:

- [•] applications processed
- [•] due diligences conducted
- [•] finance agreements approved
- [•] finance agreements signed
- Traffic Management Systems:
- [•] applications processed
- [•] due diligences conducted
- [•] finance agreements approved
- [•]finance agreements signed
- Connecting Infrastructure:
- [•] applications processed

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[•] due diligences conducted

[•] finance agreements approved

[•] finance agreements signed

- Future Mobility:

[•] applications processed

[•] due diligences conducted

[•] finance agreements approved

[•] finance agreements signed

Others...

2. Activities performed during the year [yyyy] by EIB with respect to the monitoring, auditing, reporting and administration of the Financial Instrument, as further outlined in:

[•]Operational Reports for the year [yyyy] (as delivered to the Designated Service on dd/mm/yyyy and on dd/mm/yyyy) in accordance with Article 2 of Annex 10 to the Agreement;

[•] Pipeline Reports for the year [yyyy] (as delivered to the Designated Service on dd/mm/yyyy and on dd/mm/yyyy) in accordance with Article 3 of Annex 10 to the Agreement;

[•] Summary report on audit and controls for the year [yyyy] (as delivered to the Designated Service on dd/mm/yyyy) in accordance with Article 5 of Annex 11 to the Agreement;

[•] Financial reporting and financial statements for the year [yyyy] in accordance with Article 13.2 and Annex 11 to the Agreement.

[•] On-the-spot monitoring visits

The activities listed in item 1 and 2 above are for information purposes only and are not limitative.

In accordance with Article 1.7 of Annex 9 to the Agreement, the Designated Service shall approve this statement of fees within 20 Business Days. In the absence of any written reply from the Designated Service before the end of such period, the approval shall be deemed granted. In case of approval by the Designated Service the EIB shall be entitled to draw the amount of fees stated above from the Financial Instrument Account.

For approval:

(date)

(Designated Service)

Schedule 9.2 – Performance indicators (from the Starting Date) and related fees

- 1. For the signature of the Operation under the working name "TANAP Trans-Anatolian Natural Gas Pipeline (2015-0676)" that has been approved by the EIB and the Commission in accordance with the terms of this Agreement prior to the Starting Date: EURX (X euros).
- 2. For the signature of any other Operation on or after the Starting Date:
 - (a) for any such Operation for which no NER300 Contribution has been utilised: the sum of:
 - (i) EURX (X euros);
 - (ii) EURX(X euros) if the Operation is under the TF; and
 - (iii) EURX (X euros) if it is the first Operation under a Financing Category, without taking into account for the ranking (x) any Operation signed prior to the Starting Date, (y) the Operation referred to in Article 1 of this Schedule 9.2 and (z) Operations for which only NER300 Contribution has been utilised;
 - (b) for any such Operation for which only NER300 Contribution has been utilised: X% of the NER300 Contribution Utilised for such Operation; and
 - (c) for any such Operation for which partially NER300 Contribution has been utilised: the higher of
 - (i) the sum of:

(x) amounts resulting from Article 2(a) of this Schedule 9.2. (as if no NER300 Contribution had been utilised) multiplied by the proportion of the Total Contribution Utilised for such Operation relative to the Aggregate EU Contribution Utilised for such Operation, and

(y) X% of the NER300 Contribution Utilised for such Operations; and

(ii) the amount resulting from Article 2(a) of this Schedule 9.2 (as if no NER300 Contribution had been utilised).

- 3. For the purpose of Article 5.2 of Schedules A.1, A.3 and B.1, the relevant amount of EIB's fees and expenses in accordance with Article 2 of this Schedule 9.2 regarding the NER300 Contribution shall be, as applicable:
 - (a) Any amount resulting from Article 2(b) of this Schedule 9.2;
 - (b) Any amount resulting from Article 2(c)(i)(y) of this Schedule 9.2;
 - (c) In case of Article 2(c)(ii) of this Schedule 9.2, X% of the NER300 Contribution Utilised for such Operation.

Annex 10 - Operational reporting

Article 1 Scope

- 1. The following reports shall be provided:
 - (a) operational report (the "**Operational Report**");
 - (b) pipeline report (the "**Pipeline Report**"); and
 - (c) final implementation report (the "Final Implementation Report").
- 2. The reports shall be based on data and information available to EIB, from internal sources and from reporting received from Financial Intermediaries or Final Recipients.
- 3. Values reported will include cumulative data and information since the beginning of the implementation of the Financial Instrument. Where necessary, explanatory notes shall be included.
- 4. Each report shall be provided in electronic format (PDF and EXCEL format).
- 5. Templates of the reports will be agreed between the EIB and the Designated Service no later than three (3) months after the Starting Date by exchange of letters. The Steering Committee will be informed thereof by the Designated Service.
- 6. Reports will also include graphical representations of reported data, insofar appropriate.

Article 2

Operational Report

- 1. An annual Operational Report shall be prepared as of 31 December and provided to the Designated Service by 31st of March of the following year, until the year following the Termination of the Agreement.
- 2. A mid-year Operational Report shall be prepared as of 30 June and provided to the Designated Service by 30 September of each year.
- 3. Both annual and mid-year Operational Reports shall include the following information relating to the CEF Portfolio:
 - (a) list, amounts, duration and dates of all Operations;
 - (b) average amount of loans/guarantees for all Direct Operations;
 - (c) breakdown (both in volume and number of Operations) by:
 - country,
 - sector (NACE II),
 - type of Final Recipient,
 - loan grading (for Debt Type Operations only), and
 - Financing Category.

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- (d) for all Final Recipients, a list containing:
 - their legal name,
 - country,
 - amount of the Final Recipient Transaction,
 - date of the Final Recipient Transaction;
 - maturity date of the Final Recipient Transaction;
 - Financing Category;
 - the amount of investments financed;
 - status of disbursement and reimbursement.
- (e) for all Financial (Sub-) Intermediaries, if applicable, a list mentioning:
 - their legal name;
 - country;
 - date of the agreement entered into by the Financial (Sub-)Intermediary;
- (f) for the NER300 Contribution, if applicable, the fields of Article 4.1(a)(i) to (iii) of Schedule A.1, Article 4.1(b)(i) to (iii) of Schedule A.3 or Article 4.1(a)(i) to (iii) of Schedule B.1, as indicated by the Designated Service in accordance with Article 5.2 of Schedules A.1, A.3 or B.1;
- (g) identification of Operations included on the EIB watch list;
- (h) list and amount of cancelled, withdrawn and closed Operations, and related explanations;
- (i) list and amount of use of the FLP as well as explanations and remedy measures carried out by the EIB;
- (j) Recoveries and reversal of Value Adjustments;
- (k) FLP amount(s);
- (I) calculation of the Waterfall;
- (m) the Leverage Effect;
- (n) the Reporting Leverage Effect;
- (o) the list of performance indicators which have been reached up to the period under review; and
- (p) Amount of EIB's fees and expenditures in accordance with Article 12 of the Agreement and Annex 9; and
- (q) the choice made by the Final Recipient and Financial (Sub-)Intermediary regarding the publication in accordance with Article 19 of the Agreement.

Pipeline Report

- 1. A Pipeline Report shall be provided on a semi-annual basis by 31 January and 15 August of each year.
- 2. The Pipeline Report shall include information on the applications expected and received from Financial Intermediaries or potential Operations currently under appraisal until 31 December and 30 June of each year, respectively.
- 3. It shall also include Operations which have been approved and not yet signed. It shall not include applications or potential Operations which have been withdrawn or refused.
- 4. The following information shall be provided, when available and subject to confidentiality requirements:
 - (a) Operation identification (name of the Operation, name of the expected Final Recipient or Financial Intermediary);
 - (b) type of Operation:
 - Direct Operation or Indirect Operation;
 - name of the Financing Category;
 - type of financial support provided (loan, (counter-)guarantee, etc.);
 - (c) country;
 - (d) amount expected to be signed;
 - (e) expected signature date (or year);
 - (f) expected total volume and number of signatures.

In accordance with Article 22.2 of the FAFA, if the Commission needs to disclose information on the pipeline on an aggregate basis to CEF Countries, the Parties shall consult with each other with a view to agreeing on a suitable solution prior to disclosure of such information.

Article 4

Final Implementation Report

- 1. A Final Implementation Report as of the end of the Origination Period shall be provided no later than six months after the end of the Origination Period.
- 2. The Final Implementation Report will provide a detailed overview of all Operations signed during the Signature Period (corresponding to the form and content of the last annual Operational Report), as well as qualitative information on the results achieved according to the objectives of CEF.

Annex 11 - Financial reporting

Article 1

Electronic format

1. The reports shall be provided in electronic format.

Article 2

Special Note

- Notwithstanding that, without any distinction regarding Finance Source or sector, all the EU's assets are pooled in a treasury portfolio in accordance with Annex 6 and that the NSF Portfolio's EU FLP covers all NSF Type Operations and the Debt Portfolio's EU FLP covers all Debt Type Operations in accordance with Article 4 of Annex 8, the notes to the financial statements referred to in item (e) of Section 1 (*Financial statements*) of Schedule III of the FAFA, shall include:
 - (a) an additional note presenting a statement of financial performance, balance sheet and statement of changes of contributor's resources prepared at the level of each Finance Source, and
 - (b) a breakdown of the EU FLP at the level of each Finance Source in the note presenting the contingent liabilities .

((a) and (b) together, the "Special Note").

- 2. In the Special Note, the allocation to each Finance Source will be based on the following methodology (unless otherwise agreed between the EIB and the Designated Service in a Separate Implementing Arrangement or unless the context requires otherwise):
 - (a) Regarding items relating to the treasury portfolio:
 - (i) Regarding the balance sheet positions in connection with the treasury portfolio at year end and regarding the treasury management fee: the pro rata split of the shareholdings of each Finance Source in the treasury portfolio at year end; and
 - (ii) Regarding financial revenue and expense items of the statement of financial performance for the financial year (including the revenues from treasury asset management): the pro rata split of the shareholdings of each Finance Source in the treasury portfolio at year end as adjusted to ensure completeness of the balance sheet as at year end;
 - (b) Regarding any other items, including any positive amounts resulting from Articles 8.9(c)(x)(i)(Y)(II), 8.9(c)(x)(ii)(Y), 8.9(c)(y)(ii)(Z), 11.1(c)(x)(i)(Y)(II), 11.1(c)(x)(ii)(Y) or 11.1(c)(y)(ii)(Z) of Annex 8 and the EU FLP referred to in Article 2.1(b) of this Annex 11:

the pro rata split by each Finance Source of the Finance Sources' contributions to the Aggregate EU Contribution Utilised up to that time of each of the Debt Portfolio and the NSF Portfolio, without taking into account any use of the EU FLP, whereby with regard to the CEF Repayment in accordance with Article 6.3 of Annex 8 the allocation specified in such Article 6.3 of Annex 8 will be taken into account .

Article 3

Standardised reporting package

- As referred to in Article 15.3 of the FAFA and the last sentence of section 1 of Schedule III of the FAFA, in addition to the unaudited and audited financial statements, the Designated Service requests from the EIB a standardised reporting package to provide the information required by the accounting rules of the Union, referred to in Article 14.2 (ii) of the FAFA.
- 2. The Accounting Officer of the Commission will provide the EIB in time, at the latest on 1 November of each year, with the reporting package for the next closure of accounts.
- 3. In accordance with Article 15.3 FAFA, the EIB and the Designated Service shall agree on the format of the standardised reporting package, including updates from time to time.

Article 4

Management declaration of assurance

1. The EIB shall provide a management declaration of assurance as referred to in paragraph 3 of Schedule III of the FAFA, that is subject to an agreed upon procedure report by EIB's external auditors (instead of an external audit) and that may cover other financial instruments in addition to this Financial Instrument.

Article 5

Summary report on audit and controls

1. The EIB shall provide a summary report on controls as referred to in paragraph 3 of Schedule III of the FAFA, that is subject to an agreed upon procedure report by EIB's external auditors.

The Designated Service will collaborate with the EIB in drawing up the terms of reference for the agreed upon procedures.

- 2. The summary report shall contain the following information if applicable:
 - (a) error rates detected by controls carried out (annual / cumulative);
 - (b) coverage of sample of controls carried out (annual / cumulative);
 - (c) correction of errors / irregularities (% / EUR) (annual / cumulative); and

- (d) results of the selection procedure of financial intermediaries, number of applicants, number of selected applicants, number of redress procedures, time to select;
- (e) results of the selection procedure of final recipients, number of applicants, number of selected applicants, number of redress procedures, time to select;
- (f) cases of fraud reported to OLAF in accordance with Article 16.3 of the FAFA.
- 3. To the extent that such information is available to the EIB, the EIB shall provide, within a reasonable time, any additional information that the Designated Service may reasonably request, including key control indicators needed by the Authorising Officer of the Designated Service concerned, for management, reporting and discharge purposes in terms of assurance building on the achievement of the internal control objectives.

Reporting on financial risk

1. The EIB shall provide the Designated Service with information in relation to the risk exposure related to the Operations in accordance with section 3 (*Reporting on financial risk*) of Schedule III of the FAFA. The explanatory notes referred to in item (b) of section 3 (*Reporting on financial risk*) of Schedule III of the FAFA shall be on the performance of each Operation and the of the overall CEF Portfolio.

Annex 12 - Controls and monitoring

Article 1

EIB's controls and monitoring

- 1. Based on its internal rules, policies and procedures, EIB shall:
 - (a) monitor the compliance of Operations with this Agreement;
 - (b) assess the eligibility of Financial Intermediaries and Final Recipients;
 - (c) monitor of the proper execution by, where relevant, Financial Intermediaries or Final Recipients of their contractual obligations, including reporting obligations;
 - (d) monitor the payment demands by and payments due to, where relevant, Financial Intermediaries and Final Recipients; and
 - (e) monitor the progress of the implementation of the CEF, including the performance indicators.

Article 2

Financial Intermediaries' controls and monitoring

- 1. EIB shall require Financial Intermediaries to:
 - (a) monitor the contractual compliance of Final Recipient Transactions or Sub-Operation, as applicable;
 - (b) assess the eligibility of Financial Sub-Intermediaries at signature; and
 - (c) assess the eligibility of Final Recipients at signature.
- 2. To that end, EIB shall obtain the undertaking from the Financial Intermediaries that the agreement between the Financial Intermediary and the Financial Sub-Intermediary contains an undertaking to transpose the requirement under Article 2.1(c) of this Annex 12.

Article 3

Commission's controls and monitoring

1. With reference to the on-the-spot checks on the Financial Intermediaries or Final Recipients set out in Article 16.6 of the FAFA, based on the list of project monitoring reports due in the next calendar year, as stated in the Operational Report, the Commission may decide to accompany EIB to monitoring visits to some of the projects at its own cost. The Commission shall inform EIB of its decision to participate in a visit within twenty (20) working days after receipt of the Operational Report.

2. With reference to the representative or risk-based samples set out in Article 16.6 of the FAFA, the Commission may request EIB to ensure access to representative and/or risk-based samples of transactions for its control and monitoring activities. If possible, EIB will provide electronic or paper copies of the requested information within a reasonable delay following the Commission's request.

Article 4

Record keeping and access to documents

- 1. In accordance with Article 14.4 of the FAFA and the second paragraph of Article 16.7 of the FAFA, the EIB shall keep all the documentation related to the implementation of the Financial Instrument for a period of seven (7) years following the Termination Date or the closure of the Operations, whichever period is the longest.
- 2. Each financing agreement shall provide that the Financial Intermediary shall maintain and be able to produce all documentation related to the implementation of the financing agreement for a period of seven (7) years following the termination of the financing agreement.
- 3. Each financing agreement shall provide that the Financial Intermediary shall require each Final Recipient and Financial Sub-Intermediary to maintain and be able to produce all documentation related to implementation of the relevant Final Recipient Transaction or Sub-Operation (as applicable) for a period of seven (7) years following the termination of the Final Recipient Transaction or Sub-Operation (as applicable).
- 4. The Commission may request the EIB to transmit a description of the rules, policies and procedure (as amended, restated, supplemented or substituted from time to time), banking practices and monitoring, control and audit measures it has or may develop specifically for the management and implementation of the Financial Instrument, if any. The EIB will provide electronic copies (in searchable format) of the requested information within a reasonable delay following the Commission's request.

Annex 13 – Financial Identification Form

The account details should be notified by means of the standard Entrusted Entities' Account Financial Identification Form:

	BANKING	DETAILS ()	
ACCOUNT NAME (2)	EUROPEAN INVESTMENT BANK	andra an		
BAN/ACCOUNT NUN	IBIR (D)			
CURRENCY	EUR			
BIC/SWIFT CODE		BEAN	CHCODE)	
BANK NAME	EUROPEAN INVESTMENT BANK			
9	ADDRESS OF	BANK BRAN	СН	
STREET & NUMBER				ne men sasang na sing n
	L			
TOWN/CITY		e an mhlinn a sglad ann a dheana a sao	POSTCOOC	
COUNTRY				candidated 1 million and 21
	ACCOUNT H AS DECLAR	OLDER'S D		
ACCOUNT HOLDCR	CUROPEAN INVESTMENT BANK			
STREET & NUMBER	100, BOULEVARD KONRAD ALE	NAUER		ang ting a set of the spectrum and the set of
TOWN/CITY	LUXEMBOURG	nin almon i da na da lan na mada	POSTCODE	1-2950
COUNTRY	LUXEMBOURG			
REMARK				
BANK STAMP + HGN	ATURE OF BANKREPRESENTATIVE	DATE (Obligat	90)	
		SIGNATURE O	FACCOUNTH	DLDER (Obligatory)
	i deta and not this data of the intermediary to the type of account. The account name i		•	ier. However, the account holde

O Unity applicable for US (ABA 6604), for AU/N2 (USB 6604) and for CAT ransit code). Does not apply for other countries. (3) It is preferable to attach a copy of RECENT bank statement. Neese note that the bank statement has to confirm all the

Information listed above under "ACCOUNT NUME", "ACCOUNT NUMBER/1844" and BANK NAME". With an attached statement, the stamp of the bank and the signature of the bank's representative are not requised. The signature of the account-holder and the date are ALWAYS mandatory.

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