Call for Expression of Interest to select a financial intermediary under the Lithuanian Leveraged Fund to implement a financial instrument in Lithuania

Ref.: MHA-1584

1. Introduction

As part of the 2014-2020 Programming Period of the “Operational Programme for Union Funds Investments in 2014-2020” approved by the decision of the European Commission No C(2014)6397 (“Operational Programme”), with the purpose of tackling the market failure identified by the initial and updated ex-ante assessments approved by the Public Infrastructure and Energy Efficiency Project Evaluation and Monitoring Committee on 7 November 2014, 29 August 2016 and 9 September 2019 respectively (“Ex-ante Assessment”), the Ministry of Finance of the Republic of Lithuania, acting as Managing Authority (“MA”), has dedicated resources to the implementation of the Lithuanian Leveraged Fund (“Leveraged Fund”) managed by EIB in accordance with Article 38 (4)(b)(i) of the Common Provisions Regulation (“CPR”) (as amended in accordance with Article 272 paragraph 11(b)(i)(b)(i) of the Omnibus Regulation as defined below) and the provisions of a funding agreement of Jessica II Fund of Funds Lithuania (“Jessica II”) entered into force on 7 May 2015 (as amended on 5 October 2016, 7 December 2018 and December 2019) between the Ministries of Finance and of Environment of the Republic of Lithuania (“ Ministries”) respectively and the European Investment Bank (“EIB”) (“Funding Agreement”). The Leveraged Fund is co-financed by European Structural and Investment Funds from the Operational Programme as described below.

Relevant rules for implementing the Financial Instrument (“FI”) are primarily stipulated in the CPR, the Commission Delegated Regulation (“CDR”), the Commission Implementing Regulation and the European Regional Development Fund (“ERDF”) Regulation (respectively as defined below) and applicable Lithuanian law and regulations.

This Call for Expression of Interest is addressed to eligible financial institutions in the European Union, which are interested in receiving resources from the Leveraged Fund for implementation of the Financial Instrument in Lithuania. The tasks for implementation of this Financial Instrument, among others, will include setting up an investment platform (“Investment Platform”), providing the required equity to the Investment Platform, leveraging received resources from the Leveraged Fund by concluding negotiations with senior and junior debt providers to the Investment Platform and using the funds of the Investment Platform to issue loans for the modernisation of multi-apartment buildings.

2. Definitions and Interpretation

In this Call for Expression of Interest, capitalised terms and expressions shall have the meaning attributed to them below, unless otherwise defined above or the context requires otherwise:
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Incentives</td>
<td>means additional support elements that Final Recipients may be eligible for, including subsidy-type incentives as indicated in the Rules for Provision of State Support or Law on Support for Renovation, which might be amended from time to time;</td>
</tr>
<tr>
<td>Administrative Criteria</td>
<td>means the administrative criteria listed in Section 9;</td>
</tr>
<tr>
<td>Administrator or Administrator of Common Property</td>
<td>means (i) the association of the owners of apartments and other premises of multi-apartment building, (ii) a person acting under a partnership agreement concluded by the apartment owners, (iii) any other person authorized by the decision or agreement of the owners of apartments and other premises of multi-apartment building, which is entitled to administer the property under applicable laws, (iv) an administrator, appointed under Article 4.84 of the Civil Code of the Republic of Lithuania (Official Gazette (Valstybės Žinios) 2000 No. 74-2262, 2000 No. 77, 2000 No. 80, 2000 No. 82) which will implement or is implementing a Renovation Project or, (v) an administrator appointed by a municipality to implement municipality renovation programme as established in the Law on Support for Renovation, or (vi) any other person or entity that may enter into the Modernisation Loan Agreement in accordance with relevant legal acts;</td>
</tr>
<tr>
<td>AML/CFT</td>
<td>Anti-Money Laundering and Combating Financing of Terrorism Financing Framework;</td>
</tr>
<tr>
<td>Applicable Laws</td>
<td>means the CPR, the CDR, the Implementing Regulation, the ERDF Regulation, State aid Rules and all other applicable EU rules and guidelines, and national law, regulations and guidelines (including procurement and environmental law and other regulations where appropriate);</td>
</tr>
<tr>
<td>Applicant</td>
<td>means an applicant under this Call for Expression of Interest which must be a body or firm authorised under laws of an EU member state to carry out activities related to the implementation of the Financial Instrument in Lithuania;</td>
</tr>
<tr>
<td>Assessment Criteria</td>
<td>means the assessment criteria listed in Section 10;</td>
</tr>
<tr>
<td>BETA</td>
<td>means Housing and Energy Saving Agency (lith. Būsto ir energijos taupymo agentūra);</td>
</tr>
<tr>
<td>Business Plan</td>
<td>means the business plan of the Applicant which must be contained in its Expression of Interest and which should address as a minimum the matters set out at Section 7;</td>
</tr>
<tr>
<td>Call for Expression of Interest</td>
<td>means this call for expression of interest;</td>
</tr>
<tr>
<td>Commission Delegated Regulation or CDR</td>
<td>means the Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing the CPR, as amended from time to time;</td>
</tr>
</tbody>
</table>
### Table 1: Definitions

<table>
<thead>
<tr>
<th>Term</th>
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</thead>
<tbody>
<tr>
<td>EC or Commission</td>
<td>means the European Commission;</td>
</tr>
<tr>
<td>ECB</td>
<td>means the European Central Bank;</td>
</tr>
<tr>
<td>EIB or Bank</td>
<td>means the European Investment Bank;</td>
</tr>
<tr>
<td>EIF</td>
<td>means the European Investment Fund;</td>
</tr>
<tr>
<td>Eligibility Period</td>
<td>means the period from the date of signature of the Operational Agreement until 31 December 2023;</td>
</tr>
<tr>
<td>Eligible Expenditure</td>
<td>means payments to Final Recipients in the form of loans, or other form of payments for the benefit of Final Recipients and eligible management fees;</td>
</tr>
<tr>
<td>ERDF</td>
<td>means the European Regional Development Fund;</td>
</tr>
<tr>
<td>ESIF</td>
<td>means the European Structural and Investment Funds;</td>
</tr>
<tr>
<td>EUR</td>
<td>means euro currency;</td>
</tr>
<tr>
<td>EU or Union</td>
<td>means the European Union;</td>
</tr>
<tr>
<td>Ex-Ante Assessment</td>
<td>means the initial and updated ex-ante assessments approved by the Public Infrastructure and Energy Efficiency Project Evaluation and Monitoring Committee on 7 November 2014, 8 September 2016 and 9 September 2019 respectively;</td>
</tr>
<tr>
<td>Exclusion Criteria</td>
<td>means the exclusion criteria with which the Expressions of Interest and the Applicant must comply and which are listed in 8;</td>
</tr>
<tr>
<td>Expression of Interest or EoI</td>
<td>means a proposal sent by an Applicant in response to this Call for Expression of Interest which shall be prefixed by a table in the form contained in Annex 2 and include the documents mentioned therein, and includes declarations contained in Annexes 3 and 4;</td>
</tr>
<tr>
<td>Final Recipient or FR</td>
<td>means, in line with Article 2(12) of the CPR, a legal or natural person receiving financial support from a financial instrument, as described in Annex 4;</td>
</tr>
<tr>
<td>Financial Intermediary</td>
<td>means an entity selected in accordance with the terms of this Call for Expression of Interest, with whom an Operational Agreement has been signed, and who will be responsible for establishing the Investment Platform, providing the required equity in the Investment Platform and closing negotiations with senior and junior debt providers, for the purpose of distributing Modernisation Loans to the Final Recipients;</td>
</tr>
<tr>
<td>Financial Instrument</td>
<td>means any financial instrument, including loans, guarantees, equity or mezzanine investments for the benefit of Final Recipients, as described in Annex 6;</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<td>------------------------------------------------</td>
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</tr>
<tr>
<td>Funding Agreement</td>
<td>means the agreement signed between the Ministry of Finance and the Ministry of Environment of the Republic of Lithuania and the EIB on 7 May 2015 and amended on 5 October 2016, 7 December 2018 and December 2019 for the implementation of the measure No. 04.3.1-FM-F-001 “Modernisation of the multi-apartment buildings” establishing Jessica II and the Leveraged Fund;</td>
</tr>
<tr>
<td>FSMA</td>
<td>means Financial Services and Market Act;</td>
</tr>
<tr>
<td>GGE</td>
<td>means Gross Grant Equivalent;</td>
</tr>
<tr>
<td>Investment Board</td>
<td>means the board specifically established for supervision of the Leveraged Fund;</td>
</tr>
<tr>
<td>Investment Platform</td>
<td>a Limited Liability Company or a Limited Partnership established by the Financial Intermediary for the purpose of leveraging ESIF funds by attracting financing from banks and other financial institutions;</td>
</tr>
<tr>
<td>Implementing Regulation</td>
<td>means the Commission Implementing Regulation (EU) No 821/2014 of 28 July 2014 laying down rules for the application of the CPR;</td>
</tr>
<tr>
<td>Irregularity</td>
<td>means any breach of Union law or of national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of ESIF which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union;</td>
</tr>
<tr>
<td>JESSICA I</td>
<td>means JESSICA Holding Fund Lithuania;</td>
</tr>
<tr>
<td>Jessica II</td>
<td>means Jessica II Fund of Funds Lithuania, established through the Funding Agreement in line with Article 2(27) of the CPR;</td>
</tr>
<tr>
<td>Law on Support for Renovation</td>
<td>means the Law on the State Support for Renovation (Modernisation) of Multi-apartment Buildings as may be amended or supplemented;</td>
</tr>
<tr>
<td>Leveraged Fund or Lithuanian Leveraged Fund</td>
<td>means the portion of Jessica II, which governs Financial Instruments that are structured to attract additional funds from private sources for Modernisation Loans to create leverage;</td>
</tr>
<tr>
<td>Limited Liability Company</td>
<td>a private legal person having a limited civil liability established under the Law on Companies of the Republic of Lithuania;</td>
</tr>
<tr>
<td>Limited Partnership</td>
<td>a private legal person with unlimited liability established under the Law on Partnership of the Republic of Lithuania;</td>
</tr>
<tr>
<td>Managing Authority or MA</td>
<td>means Ministry of Finance of the Republic of Lithuania as managing authority for the Operational Programme;</td>
</tr>
<tr>
<td>Member State</td>
<td>means member state of the European Union;</td>
</tr>
<tr>
<td>Ministries</td>
<td>means the Ministry of Finance and the Ministry of Environment of the Republic of Lithuania;</td>
</tr>
<tr>
<td>Modernisation Programme</td>
<td>means the Programme for the Renovation (Modernisation) of Multi-apartment Buildings approved by Resolution No. 1213 of the Government of the Republic of Lithuania of 23 September 2004;</td>
</tr>
<tr>
<td>Modernisation Loan Agreement</td>
<td>means the loan agreements signed between the Financial Intermediary and the Final Recipient or the Administrator of Common Property for the implementation of the Project;</td>
</tr>
<tr>
<td>Modernisation Loan</td>
<td>means preferential loans for energy efficiency renovations of residential housing to eligible Final Recipients;</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Definition</td>
</tr>
<tr>
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</tr>
<tr>
<td>NCJ</td>
<td>means Non-Cooperating Jurisdiction;</td>
</tr>
<tr>
<td>Offer</td>
<td>means the Business Plan to be submitted by Applicants of this Call for Expression of Interest in the form of an offer to become a Financial Intermediary, to be prepared in line with the Call for Expression of Interest, including application and supporting documents;</td>
</tr>
<tr>
<td>OJ</td>
<td>means Official Journal of the European Union;</td>
</tr>
<tr>
<td>OLAF</td>
<td>means European Anti-Fraud Office;</td>
</tr>
<tr>
<td>Operational Agreement</td>
<td>means an agreement entered into between EIB acting on behalf of the Lithuanian Leveraged Fund and a Financial Intermediary on the basis of this Call for Expression of Interest and the selection process;</td>
</tr>
<tr>
<td>Operational Programme or OP</td>
<td>means the Lithuanian &quot;Operational Programme for European Union Funds Investments in 2014-2020&quot; approved by the decision of the European Commission No C(2014)6397;</td>
</tr>
<tr>
<td>Operational Priority</td>
<td>means Priority No 4 &quot;Promotion of Energy Efficiency and Production and Use of Renewable Energy&quot; of the Operational Programme;</td>
</tr>
<tr>
<td>Project or Modernisation Project</td>
<td>means projects co-financed from the Leveraged Fund for the energy efficiency renovation of multi-apartment buildings in accordance with the Law on Support for Renovation, approved by BETA or another agency or authority, as the case may be, as an eligible Project;</td>
</tr>
<tr>
<td>Rules for Provision of State Support</td>
<td>means the Rules for Granting State Support for Renovation (Modernisation) of Multi-Apartment Buildings and the Maximum Amount of a Monthly Instalment of the Accumulative Contribution approved by Resolution No. 1725 of the Government of the Republic of Lithuania of 16 December 2009 on the approval of the rules for granting State support for renovation (modernisation) of multi-apartment buildings and the establishment of the maximum monthly instalment of the accumulative contribution and (or) other instalments for the implementation of the renovation (modernisation) project of a multi-apartment building, as may be amended or supplemented from time to time;</td>
</tr>
<tr>
<td>Selected Applicant</td>
<td>means Applicant selected as a result of this Call for Expression of Interest.</td>
</tr>
</tbody>
</table>

In this Call for Expression of Interest, words denoting:

(i) the singular number only shall include the plural number also and vice versa;

(ii) one gender only shall include the other gender; and

(iii) persons only shall include firms and corporations and vice versa.

**DISCLAIMER**

The EIB (including any employees, officers, Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this document) make no representation, warranty or undertaking of any kind in relation to the accuracy or completeness
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The EIB will not be liable or responsible to any person in relation to any inaccuracy, error, omission or misleading statements contained in the Information. The EIB will not be liable or responsible to any person in relation to any failure to inform any person of any inaccuracy, error, omission or misleading statement contained in such Information of which it becomes aware after the date of release of that Information. The EIB shall not be liable to any person for any damages, losses, costs, liabilities or expenses of any kind which it may suffer as a consequence of relying upon such Information.

Any person considering making a decision to enter into contractual relationships with the EIB and/or any other person on the basis of the Information provided to (or otherwise received by) Applicants (whether prior to this Call for Expression of Interest or at any point during the Financial Intermediary selection process) in relation to the selection process should make their own investigation and form their own opinion. In particular, the distribution or receipt of this Call for Expression of Interest shall not constitute or be construed as the giving of investment advice or a recommendation of any kind by the EIB.

Only the express terms of any written contract (as and when it is executed) shall have any contractual effect.

All Applicants are solely responsible for their costs and expenses incurred in connection with this selection process including the preparation and submission of applications and participation in all future stages of this process. Under no circumstances will the EIB be liable for any costs or expenses borne by the Applicants or any of their supply chain, partners or advisors in this process.

For the purposes of the selection process, all advisors of the EIB are acting exclusively as the advisors to the EIB and will not be responsible or owe any duty of care to anyone other than the EIB in respect of the selection process.

This Call for Expression of Interest does not represent a public procurement procedure in the sense of Directive 2014/24/EU.

**CONFLICTS**

The EIB requires all actual or potential conflicts of interest to be resolved to the EIB’s satisfaction prior to the delivery of an Applicant’s submission. Failure to declare such conflicts and/or failure to address such conflicts to the reasonable satisfaction of the EIB could result in an Applicant being disqualified at the sole discretion of the EIB.

**CANVASSING AND NON-COLLUSION**

The EIB reserves the right to disqualify (without prejudice to any other civil remedies available to the EIB and without prejudice to any criminal liability which such conduct by an Applicant or
consortium member, as the case may be, may attract) any Applicant or consortium member who, in connection with this document:

(i) offers any inducement, fee or reward to any Investment Board member, employee or officer of the EIB;

(ii) contacts any Investment Board member, employee or officer of the EIB about any aspect of this document in a manner not permitted by this document;

(iii) fixes or adjusts the amount of its Eoi by or in accordance with any agreement or arrangement with any other Applicant or consortium member or supply chain member of any other Applicant (other than its own consortium members or supply chain);

(iv) enters into any agreement or arrangement with any other Applicant or potential Applicant or consortium member of any other Applicant or potential Applicant to the effect that it shall refrain from making a submission or as to the amount of any submission;

(v) causes or induces any person to enter into such agreement as is mentioned above or to inform the Applicant or a consortium member of the Applicant of the amount or approximate amount of any rival submission;

(vi) canvasses any person in connection with this document who is not one of its own consortium members or one of its own team;

(vii) offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other submission or proposed submission; or

(viii) communicates to any person other than EIB the amount or approximate amount of its proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

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All documentation supplied by the EIB in relation to this selection process is and shall remain the property of the EIB and must be returned on demand, without any copies being retained. Applicants are not authorised to copy, reproduce or distribute such documents at any time except as is necessary to produce a submission.

PUBLICITY

Applicants shall not undertake (or permit to be undertaken) at any time, any publicity activity with any section of the media in relation to this selection process other than with the prior written agreement of the EIB. Such agreement shall extend to the content of any publicity. In this paragraph, the word "media" includes (but without limitation) radio, television, newspapers,
trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

3. The Investment Strategy of the Leveraged Fund and the role of the Financial Intermediaries

3.a Set-up and sources of funds

Lithuania is currently engaged in a long-term programme to mitigate climate change by improving the energy efficiency of its housing stock, the country’s largest national asset by value. Around 30,000 multi-apartment buildings in Lithuania have inefficient heating systems and equipment and low-quality windows, roofs and seals between panels. The Multi-apartment Buildings Modernisation Programme (“Modernisation Programme”) is one of the main priorities of the Lithuanian Government, which addresses the energy efficiency of residential buildings.

The Ministries and the EIB established Jessica II as a follow-up fund to the fully disbursed JESSICA Holding Fund Lithuania (“JESSICA I”) in order to cater to the Modernisation Programme’s demand not met by JESSICA I. Both funds were established as separate blocks of finance within EIB, to be managed by EIB for the benefit of the Republic of Lithuania, for the primary purpose of investing funds in residential energy efficiency projects in Lithuania.

Since 2009, through loan and guarantee instruments (as applicable) under JESSICA I, Jessica II and Leveraged Fund, around EUR 600 million reached the market for modernisation of multi-apartment buildings. The updated ex-ante assessment\(^1\) identified an outstanding unmet demand of over EUR 1.8 – 2 billion for financing such projects.

For this purpose, a new loan Financial Instrument is being structured under the Leveraged Fund where a selected Financial Intermediary will set up an investment platform by using the ESIF resources awarded to it (by virtue of the Operational (contingent loan) agreement to be signed between the selected Financial Intermediary and EIB) and own co-financing as its equity layer (i.e. first-loss piece) and attract additional financing in junior and senior debt layers from market participants (i.e. commercial banks, International Financial Institutions (“IFIs”)). The envisaged scheme allows for one Investment Platform to be established in order to streamline the aggregation of financing for the Modernisation Loans and maximise the desired leverage effect in Lithuania and consequently one Financial Intermediary is required to establish and manage it. Under this Call for Expression of Interest up to EUR 50 million of ESIF funds are expected to be awarded to a single selected Financial Intermediary, which shall be tasked with establishing the Investment Platform, making their own contribution to the equity layer of the platform and bringing in additional financing from various sources for the total portfolio value of up to EUR 250 million. The target is to have five times the amount of available ESIF funds reaching the market in the form of Modernisation Loans.

\(^1\) https://www.esinvesticijos.lt/lt/dokumentai/energijos-efektyvumo-isankstinis-ex-ante-vertinimas
The suggested, but not mandatory (as long as any deviations from it fit within the parameters described in the updated ex-ante assessment\(^2\)), structure for the platform, which will be established and managed by the selected Financial Intermediary, could be financed as follows:

- the first-loss piece from contributions from ESIF and the Financial Intermediary (in pari passu split) – highest risk level since all the defaults in the underlying Modernisation Loan portfolio would first result in losses for this layer;
- the junior debt (e.g. from International Financial Institutions) – a lower risk layer acting as a further credit enhancement for the senior debt layer; and
- the senior debt (e.g. from commercial banks) – lowest risk layer since any losses would be incurred in case the volume of defaults in the Modernisation Loan portfolio exceed the sum of the first-loss piece and the junior debt layers.

Further to raising the required financing through the structure described above, the Financial Intermediary will be responsible for issuing and administrating the Modernisation Loans at its own cost (to be covered by the management fees as described in Section 7).

The overall envisaged structure is depicted in the diagram below:

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**3.b Selection, legal form and responsibilities**

The Financial Intermediary will be selected according to the criteria set out in this Call for Expression of Interest. The Financial Intermediary will enter into Operational Agreement with the EIB on the basis of which they will receive contributions from the Leveraged Fund. In order to carry out their mandate:

(a) the Financial Intermediary shall establish an Investment Platform (e.g. as a Limited Partnership or a Limited Liability Company), in accordance with Applicable Laws.

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\(^2\) See footnote 1.
Please refer to Annex 6 for suggested indicative terms of reference for the Investment Platform; and

(b) the Financial Intermediary shall establish within its organisation a separate block of finance or an independent legal entity in accordance with Applicable Laws.

Under the Investment Platform the Financial Intermediary shall have to raise financing from various sources (as describe above) aiming to achieve the leverage ratio of 5 times the contributions received from the Leveraged Fund. The Financial Intermediary shall be responsible for negotiating and signing loan agreements with creditors for senior and junior debt layers. A number of parties have expressed their interest in participating in such platform as senior and junior creditors and have submitted their non-binding letters of interest. This information will be shared with the Financial Intermediary further to its selection.

The Financial Intermediary will have to undertake full management and responsibility in respect of the Modernisation Loan Agreements with Final Recipients and shall carry out due diligence on proposed investments, including credit risk, investments appraisal and structuring. In addition to ensuring that the eligible investments are viable from an economic and financial point of view, the Financial Intermediary must ensure that they meet the requirements of the Operational Programme, all applicable national and EU rules. For the avoidance of any conflict of interest, a mechanism needs to be put in place, where any submission of terms and conditions for participation in either to the junior or the senior tranche needs to be submitted in sealed envelopes and opened simultaneously in the presence of an EIB officer, in case that the Financial Intermediary also submits or offer for either or both of the tranches.

Additional key tasks of the Financial Intermediary will include, but are not be limited to, monitoring and control of Projects to provide the necessary information to the EIB, the Ministries, the Investment Board and authorised entities in order to comply with the reporting obligations towards the Commission in accordance with Applicable Laws, and undertaking information, marketing and publicity measures on the involvement of the Financial Intermediary.

3.c Investment products to be offered by Financial Intermediary

The EU has set itself the objective of achieving 20% primary energy savings by 2020 under the Energy Efficiency Directive 2012/27/EU (OJ L 315/1 of 14.11.2012) (the “Energy Efficiency Directive”) and in 2016, the Commission proposed an increased energy efficiency target of up to 30% by 2030 under an update to the Energy Efficiency Directive as well as identified measures such as savings through improving the efficiency of heating systems, installing double glazed windows or insulating roofs one of the key means to achieve significant energy savings. The idea of the Energy Efficiency Directive is to oblige Member States to take additional steps towards achieving these energy saving targets and to give priority to increasing energy efficiency and recognizing the important role cities and local authorities play in helping to deliver this.
Against this background, the Financial Intermediary is required to extend Modernisation Loans pursuant to Modernisation Loan Agreements to Final Recipients or to Administrators of Common Property to implement eligible Projects, in accordance with the provisions of the Law on Support for Renovation.

The Financial Intermediary is required to demonstrate its ability to develop a robust pipeline of Modernisation Projects (as further set out in Section 7 below) and to set out how it will work with potential Final Recipients, Administrators of Common Property and local stakeholders regarding the identification of Projects.

Please consult Annex 7 for the Description of Modernisation Loan.

3.d Co-financing

The first-loss piece layer of the Investment Platform is to be formed with contributions from the Leveraged Fund to the Financial Intermediary and co-financing by the Financial Intermediary in a pari passu split. Either Financial Intermediary’s own funds or funds of another member of the consortia in a joint offer (please refer to Section 7, sub-section V for conditions regarding joint offers) could be considered as co-financing by the Financial Intermediary. The target is for co-financing to constitute 20% of the first-loss piece layer (i.e. EUR 12.5 million of co-financing for EUR 50 million of ESIF funds).

Since the Financial Intermediary has to secure leverage of 5 times of the awarded amount of ESIF funds, it will have to attract additional financing from junior and senior creditors to the Investment Platform. If the co-financing by the Financial Intermediary accounted for 20% of the first-loss piece layer, the entire first-loss piece layer would form the bottom 25% of the Investment Platform. Then the remaining funding of the Investment Platform could consist of, for example, 25% of junior debt layer and 50% of senior debt layer (please see Section 3.a for a visual depiction of such proportion). The Financial Intermediary could be allowed by EIB at its discretion (subject to the approval by the Investment Board) to reduce their co-financing if during the negotiation process with junior and senior debt providers the Financial Intermediary managed to secure enough financing that could make up the difference following the reduction. The co-financing shall not be reduced to 0 (zero) under any circumstances. For the avoidance of doubt, the 5 times leverage of the available ESIF funds must be achieved.

Both, the amount of co-financing by the Financial Intermediary and ability to secure necessary financing for the desired level of leverage, will be evaluated as per assessment criteria in Section 10.

3.e Risk guidelines

The risk profile and creditworthiness of the Final Recipients will be assessed independently by the Financial Intermediary. In carrying out its responsibilities, the Financial Intermediary shall act as diligent business entity applying at least the standard of professional care that can be expected from an EU-regulated financial institution, its own internal procedures and
policies, as well as best practices of the financial sector. In particular, the Financial Intermediary shall use all reasonable efforts to assess the creditworthiness of the Final Recipients in line with the above. It will have to implement reasonable recovery procedures, in line with its internal standards and policies, and may write off amounts due only in cases where the collection of such amounts can no longer be reasonably expected according to standard market practice. The Financial Intermediary will be responsible for the origination, underwriting and servicing of loans to Final Recipients, including the recovery of defaulted loans in accordance with the Operational Agreement to be signed with the EIB.


4.1 Amounts allocated under the Call for Expression of Interest

Under this Call for Expression of Interest it is planned to allocate up to EUR 50 million of ESIF resources (the “Initial Amount”). Applicants may respond to this Call for Expression of Interest by expressing their interest for at least 80% of the amount of resources allocated by the Leveraged Fund.

The Initial Amount under this Call for EoI may be increased at a later stage due to, for example, positive interest in the market or additional funding contributed to the Leveraged Fund for this purpose. Furthermore, in the future the Government may choose to contribute resources to the Investment Platform under its own rules and procedures in order to achieve the same leverage effect. Any increase of the Initial Amount will be agreed with the Financial Intermediary. The principle conditions of this Call for Expression of Interest will apply mutatis mutandis, in particular the minimum leverage ratio, Management Fees, Price and the mandatory terms highlighted in Annex 6 and 7 set out herein. EIB or the Managing Authority has the right to offer the increase of the Initial Amount to the Applicants in the reserve list3 in case the Financial Intermediary refuses to take upon the increase.

The EIB will select one (1) Financial Intermediary, to whom EIB, in its absolute discretion, may allocate the full or portion of the amount requested, subject to the quality of its EoI, its capacity to absorb the said funds within the investment period as well as raise the additional financing in order to achieve the desired leverage effect.

The allocated ESIF resources will be made available to the Financial Intermediary on the basis of its performance (as described below) and, depending on and subject to the availability of funds, will be paid by the Leveraged Fund in up to 5 tranches (before any increase of the Initial Amount).

1. A first tranche of at least 20% (i.e. EUR 10m) will be distributed to the selected Financial Intermediary.

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3 Applicant in the reserve list will be subject to a due diligence assessment, in accordance with section 11 of this Call for EoI.
2. After payment of the first tranche, subsequent tranches will be distributed by the EIB to the Financial Intermediary when it has disbursed at least 60% of the previous tranche to eligible projects.

Depending on the proposed structure of the Investment Platform and requirements to establish it as well as subject to the approval of the Investment Board, the allocated ESIF resources may be made available to the Financial Intermediary in full in order to form the first-loss piece layer.

If the Financial Intermediary has not managed to secure additional financing from junior and/or senior creditors in order to achieve the leverage of 5 times the allocated ESIF resources in the form of signed loan agreements by **15 May 2020**, as of 16 May 2020, the EIB, at its discretion and subject to the decision of the Investment Board, shall be entitled without any notice to de-commit in part or in full the amount of ESIF resources awarded to the Financial Intermediary and: i) re-allocate such funds to another Applicant on the reserve list, ii) re-allocate such funds to another Financial Intermediary under Jessica II or the Leveraged Fund, or iii) return the funds to the Ministries.

The EIB may further decide, at its sole discretion, to propose to increase or, if the Financial Intermediary lags significantly behind its portfolio ramp up time schedule, which will be agreed in the Operational Agreement on the basis of the indicative timetable provided by the Applicant in the Business Plan (see Section 7), decrease at set points in time its commitment to a particular Financial Intermediary.

The disbursement of all and any tranches is subject to the availability of funds received by the EIB from the Ministries.

**4.2 Obligations under the Operational Agreement**

The Applicant with whom the Operational Agreement will be entered into shall be required to comply with obligations including, but not limited to, the following:

- The requirement to establish the Investment Platform in the form of a Limited Liability Company or a Limited Partnership under Lithuanian law, in compliance with the provisions of this Call for Expression of Interest and Applicable Laws;
- The requirement to contribute not less than the amount proposed in the Business Plan to the equity of the Investment Platform;
- The requirement to procure that the contingent loan from the Leveraged Fund Manager to the Financial Intermediary by virtue of the Operational Agreement will rank pari passu with the Financial Intermediary’s own contribution to the Investment Platform;
- The requirement to secure senior and / junior debt for the investment platform (from commercial banks and/or IFIs);
- The requirement to achieve a leverage effect of up to 5 times the amount of Leveraged Fund funds lent to the Financial Intermediary under the Operational Agreement;
- The requirement to select senior and / or junior tranche creditors applying standard due diligence and internal funding policies;
- The requirement to procure that no substantial change is made to the general nature of the business of the Investment Platform as well as restrictions on change of control of it;
- The requirement to provide regular reports to the Leveraged Fund Manager in agreed form and scope;
- The requirement to comply with Applicable Laws (including tax laws) and to report any breaches;
- The requirement to indemnify the Leveraged Fund Manager or the Ministries for any loss caused by failure to comply with the Applicable Laws or with the terms of the Operational Agreement;
- The requirement to indemnify the Leveraged Fund or the Ministries for any Irregularity occurring at the level of the Final Recipients unless the Financial Intermediary can prove that it has exercised due diligence in selecting and pursuing, at its own expense, appropriate contractual and legal measures against the Final Recipients to recover the amounts affected by the Irregularity;
- The requirement to act with a degree of professional care, efficiency, transparency and diligence expected from a professional body experienced in implementing Financial Instruments;
- The requirement to select the Final Recipients benefiting from the support of the Financial Instrument with due account of the nature of the Financial Instrument and their potential economic viability or, as relevant, the potential economic viability of the investment projects of the Final Recipients which are to be financed;
- The requirement that the selection of the Final Recipients is transparent and can be justified by the Financial Intermediary on objective grounds and that such selection does not give rise to any conflict of interest;
- The requirement to inform the Final Recipients, in accordance with Article 115 and Annex XII of the CPR, that the funding is provided under co-financed ESIF programmes;
- The requirement to ensure that agreements with Final Recipients incorporate the publicity requirements applicable to Final Recipients set out in Section 2.2 of Annex XII of the CPR;
- The requirement to provide support to Final Recipients in a proportionate manner, which has the least distortive effect on competition;
- Save where otherwise agreed, the requirement to select the Final Recipients benefiting from the support in line with the Applicant’s credit risk policy guidelines applicable to comparable products funded through the Applicant’s own resources;
- The requirement to monitor the implementation of investments and deal flows including regular reporting to the Leveraged Fund Manager;
- The requirement to comply with publicity requirements under the rules applicable to ESIF, national regulations and the Operational Agreement;
- The requirement to agree that the Financial Intermediary may be audited (including on the spot verifications) by or on behalf of the MA, Audit Authority and/or any other competent National Authority, the Commission and the European Court of Auditors or other properly appointed body;
- The requirement to agree that the Applicant cannot make a claim for any amount beyond the amount committed to it;
- The requirement to hold, maintain and require the Final Recipients to hold and maintain amounts received from the Leveraged Fund Manager in a bank account with a credit institution situated within the territory of a Member State;
- The requirement to ensure that the Final Recipients undertake to comply with applicable State aid rules and that the Financial Intermediaries shall repay any support received through the Leveraged Fund Manager which constitutes incompatible State aid;
- The requirement to set up and maintain a separate accounting system or use a separate accounting code for disbursements to Final Recipients and to maintain an audit trail regarding investments (including identification of amounts disbursed for investment in accordance with the Operational Programme and EIB rules);
- The requirement that the Final Recipients retain the funded investments in infrastructure or productive investment for a period of 5 years from the last disbursement of the loan or within the time limit laid down in the State aid rules in accordance with Article 71 of CPR;
- The requirement to comply with the provision and standards, as implemented in the governing national law, set out Directive 2015/849 on the prevention of the use of the financial system for the purposes of Money Laundering (“ML”) or Terrorist Financing (“TF”); the Financial Intermediary should meet the standards described in the “Anti-Money Laundering Questionnaire” issued by the Wolfsberg Group;
- The requirement to apply (i) European restrictive measures issued pursuant to Chapter 2 of Title V of the Treaty on European Union as well as Article 215 of the Treaty on the Functioning of the European Union, (ii) United Nations sanctions decided by the UN Security Council pursuant to Article 41 of the UN Charter and (iii) to the extent applicable sanctions imposed by the competent US sanctions authorities (such as the Office of Foreign Asset Control);
- The requirement to comply with the applicable legislation and market standards, concerning, inter alia, tax fraud, tax evasion, tax avoidance, aggressive tax planning and harmful tax practices;
- Requirements on the eligibility of all entities to be financed through the Leveraged Fund;
- Requirements as to the visibility of the involvement of the Financial Instrument;
- Requirements on data protection and document retention by the Financial Intermediaries and/or the Final Recipients;
- The requirement that all the supporting documents regarding amounts received from the Leveraged Fund are made available to the Commission and the European Court of Auditors upon request for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included on the basis of the Article 140 CPR. In any case the documents are destroyed only after consultation with the DG EPCD;
- Requirements on the distinction and eligibility of the expenditure in accordance with the applicable rules and targets of their source of finance (OP, MS National Public Funds), on the basis of Article 37(8) CPR.

Financial Intermediary shall not: (i) be established and shall not maintain business relations with entities incorporated in territories whose jurisdictions do not cooperate with the European Union in relation to the application of internationally agreed standards with respect to money laundering, financing of terrorism, tax fraud, tax evasion, tax avoidance, aggressive tax planning or harmful tax practices; or (ii) engage or promote the engagement in any jurisdiction in activities, arrangements or series of arrangements which, having regard to all relevant facts and circumstances, could reasonably be considered as having been implemented for the purposes of any of the aforementioned. The Financial Intermediary will be required to pass on certain of these obligations (including but not limited to obligations regarding sanctions compliance, Anti-Fraud and AML/CFT to the extent applicable) to Final Recipients and ensure that certain rights and obligations are included in their agreements with Final Recipients (including the right to recover from the Final Recipients any amount that forms an Irregularity).

Financial Intermediary shall acknowledge the EIB Anti-Fraud Policy which sets out the policy of the EIB for preventing and deterring corruption, fraud, collusion, coercion, obstruction, money laundering and terrorist financing and shall take appropriate measures (as may be further specified in the Operational Agreement) to facilitate implementation of such policy.

The Operational Agreement signed with the Financial Intermediary, including main terms and conditions, may be subject to modifications, to be agreed between parties, in case of changes of prevailing circumstances, following also the agreement of the Investment Board, as the case may be.

4.3 Duration of the Operational Agreement

On an indicative basis, Operational Agreement will remain in force from the date of entering into force up to the winding up of the FI.

5. Instructions for Submission of Expression of Interest and Important Notices

The selection of Financial Intermediary will proceed as described below. If you wish to participate in this Call for Expression of Interest, please forward your EoI and appendices (prepared in accordance with the instructions in this document) enclosed in two sealed envelopes, the outer envelope bearing instructions not to open the inner envelope (which should contain the original and a copy), which should be marked:
DO NOT OPEN:

Ref.: MHA-1584
Deadline for receipt of expression of interest: 05/02/2020

and delivered either:

(a) By registered post, to the following address:

EUROPEAN INVESTMENT BANK
For the attention of CS/procurement
Ref.: MHA-1584
Procurement and Purchasing Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

dispatched by midnight on 05/02/2020 at the latest, as evidenced by the postmark; or

(b) By handing it in (by messenger or courier) at the reception desk of the

EUROPEAN INVESTMENT BANK
For the attention of CS/procurement
Ref.: MHA-1584
Procurement and Purchasing Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

The EoI must be posted or handed in by 05/02/2020 at the latest (up to midnight Luxembourg time in the case of delivery as described in (b) above).

The receipt dated and signed by the employee at the reception desk of the EIB who receives the EoI (reception desk open 24 hours a day) shall form the evidence of the EoI having been handed in.

Applications will not be accepted if they:

a) are not sent in two sealed envelopes;

b) are not sent or delivered by hand to the EIB before the specified deadline (as evidenced by the postmark or receipt signed and dated by the officer at the reception desk);

c) do not conform to the provisions of this Call for Expression of Interest.

A template for the EoI together with its appendices is attached hereto in Annex 2. The EoI shall also include the Business Plan.
No later than 13/01/2020, the Applicants may request clarifications regarding this Call for Expression of Interest which for the avoidance of doubt shall be valid only if in written form. Such requests must indicate the Call for Expression of Interest reference number and the name of the Applicant and shall be submitted in English via e-mail to:

CS-procurement@eib.org

Requests for clarifications from Applicants shall not receive individual replies. Instead, answers to relevant requests for clarifications received within the relevant deadline will be in a Clarification Document to be emailed to all Applicants and to be published on the EIB’s website. The indicative timetable for this Call for Expression of Interest, which may be subject to change, is:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of Call for Expression of Interest</td>
<td>19/12/2019</td>
</tr>
<tr>
<td>Deadline for requests for additional information</td>
<td>13/01/2020</td>
</tr>
<tr>
<td>Deadline for submission of EoI</td>
<td>05/02/2020</td>
</tr>
<tr>
<td>Notification to Applicants of the outcome of the selection process (for further details please see Section 6)</td>
<td>12/03/2020 (indicative)</td>
</tr>
<tr>
<td>Anticipated conclusion of the Operational Agreement with the Selected Applicants</td>
<td>20/04/2020 (indicative)</td>
</tr>
</tbody>
</table>

Applicants are directed to the important notices below. Unless expressly stated otherwise the terms and expressions used in this document shall have the meanings set out in Section 2 above:

1. All monetary amounts contained in EoIs must be firm and non-revisable, quoted in Euro and free of taxes and duties, the EIB being exempt from those charges under the Protocol on the Privileges and Immunities of the European Communities.

2. The Applicant must declare that it has taken note of the conditions of the Call for Expression of Interest and has had the opportunity to gauge the scope and quality of the services required, as well as the possible risks and difficulties in the implementation.

3. The Applicant cannot invoke any error, inaccuracy or omission in its EoI to call any Operational Agreement into question or to attempt to have any contract amended.

4. The EIB reserves the right to reject any application that fails to comply with the specifications of this Call for EoI.

5. The EIB reserves the right to reject any Applicant:
(i) guilty of material misrepresentation;
(ii) who contravenes any of the terms of this document; and/or
(iii) undergoing a change in identity, control, financial standing or other factor impacting on the selection and/or the evaluation process affecting the Applicant.

6. EoIs must be drawn up in writing in English (applications in other languages will not be accepted). Any official documents in a language other than English must be accompanied by a certified translation.

7. Applicants must respond to the requirements set out in this Call for Expression of Interest item by item.

8. The EIB may cancel this Call for Expression of Interest without notice at any time. The EIB reserves the right not to sign an Operational Agreement with any Applicant. Applicants shall respond to this Call for Expression of Interest on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt or cancel the Call for Expression of Interest before an Operational Agreement is signed.

9. The EIB has no obligation to enter into an Operational Agreement with a Selected Applicant. Following the selection of an Applicant, the EIB may enter into an Operational Agreement subject to: (i) successful commercial and legal negotiations, and (ii) the relevant EIB internal approvals under the EIB’s own rules and procedures.

10. Participation in this Call for Expression of Interest shall be taken as acceptance of all the terms and conditions mentioned in this Call for Expression of Interest and the conditions of the specifications.

11. The EIB reserves the right to seek additional details from an Applicant to clarify any part of the Applicant’s EoI.

12. EoIs must be drawn up on paper in duplicate, i.e. one original and one copy: each clearly marked “Original” or “Copy” as well as an electronic copy on CD or USB stick clearly marked with the name of the Applicant and the Ref. Number. Electronic copies shall be provided in searchable OCR PDF format identical to the paper version and MUST NOT be password protected. In case of discrepancies between the paper and electronic versions, the paper version shall prevail.

13. All Applicants will be informed in writing of the outcome of their applications.

14. All Applicants may be invited to a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their EoI during their presentation or at any other time after the application has been submitted to the EIB.

15. The EIB Complaints Mechanism Policy shall apply. In addition, any legal dispute arising out of or related to this procedure shall be resolved by the European Court of Justice.
6. Selection process

Financial Intermediary shall be selected on the basis of an open, transparent, proportionate, non-discriminatory and objective selection procedure avoiding conflicts of interest, in line with the EIB’s policies, rules, procedures and statutes.

Stages of the selection process

1. The EIB will reject the EoIs from Applicants, which do not comply with the Exclusion Criteria set out under Section 8 below.
2. Applicants whose EoI is not rejected according to the Exclusion Criteria will go through the EIB evaluation process based on the Administrative Criteria set out under Section 9 below.
3. Those Applicants whose EoI passes the Administrative Criteria will thereafter be assessed on the basis of the Assessment Criteria set out under Section 10 below.
4. The selection shall be done by establishing a ranking amongst the EoIs on the basis of the Assessment Criteria.
5. The Selected Applicant and its EoI will be subjected to a compliance due diligence by EIB.
6. Thereafter a summary of the EoI of the Selected Applicant, who have not been otherwise rejected following the compliance due diligence performed by EIB, shall be submitted to the Investment Board of the Leveraged Fund following EIB recommendation for its consideration and approval. Following the approval of the Investment Board, the EIB shall commence negotiations with the Selected Applicant with a view to concluding an Operational Agreement.
7. The remaining Applicants, if any, that have not been excluded on the basis of the Exclusion Criteria and have passed the Administrative Criteria, may be included in a closed reserve list for a period of twelve months from the date of submissions of the EoIs which may be renewed for further periods of 24 months at the discretion of the EIB.
8. All Applicants who have submitted EoIs will be informed in writing of the outcome of the evaluation.
9. If the EIB and the Selected Applicant fail to reach agreement on the terms of an Operational Agreement or if the Operational Agreement with the Selected Applicant is fully or partially terminated irrespective of the cause, the EIB may enter into negotiations with a view to concluding an Operational Agreement with the Applicant ranked first on the reserve list and so on.
10. The EIB may provide a loan through its own resources to a Financial Intermediary, according to its own rules and procedures. For the avoidance of doubt, the Call for Expression of Interest and Selection process do not apply to such transaction.
7. Minimum Content of the Business Plan

Applicants are expected to submit in their EoI one Business Plan that includes all the applicable elements and specific information required under each lot in order to comply with the requirements of this Call for Expression of Interest.

The Business Plan must address the following areas:

I. Investment strategy

The Applicant should put forward its investment policy and explain how this can reach the objectives initially specified in the OP. In particular, the investment strategy should address the following:

i. Consistency with Operational Programme’s objectives: This section should explain what role the Applicant will assume in implementing the FI. It should outline the objectives of the Applicant and link these to the Operational Programme’s objectives and the Modernisation Programme.

ii. Compliance with eligibility conditions: In this section the Applicant should evidence how it meets the conditions to implement a Financial Instrument as set out in Article 7(1) of the CDR:
   a. entitlement to carry out the implementation tasks under EU and national law;
   b. adequate economic and financial viability;
   c. adequate capacity to implement the FI, including organisational structure and governance framework providing the necessary assurance to the Ministries;
   d. existence of an effective and efficient internal control system;
   e. use of an accounting system providing accurate, complete and reliable information in a timely manner;
   f. agreement to be audited by Member State audit bodies, the Commission and the European Court of Auditors.

Furthermore, the Applicant should confirm that it complies with the requirements set out in Articles 33(1) and 209(2) of the Omnibus Regulation.

iii. Description of the products: The below description of the terms of Modernisation Loans to be offered by the Financial Intermediary to Final Recipients is indicative and non-exhaustive and may be subject to change in accordance with the relevant legal acts and the final terms of the Operational Agreement. Please consult Annex 7 for Description of Modernisation Loan.

The Modernisation Loan shall include the following indicative parameters:
• EUR-denominated preferential loans for carrying out renovation (modernisation) works to multi-apartment buildings in Lithuania in accordance with Applicable laws;

• Modernisation Loans should be newly generated (financing additional renovation (modernisation) works in an ongoing project is ineligible);

• Modernisation Loan maturity period: up to 240 months;

• The eligible Final Recipients are defined in the relevant national legal acts, and are owners of apartments and other types of premises of a multi-apartment building receiving financial support from the Financial Instrument. Modernisation Loans may be extended to the Administrator(s).

• Modernisation Loans shall be provided for the Modernisation Projects of the multi-apartment buildings that comply with the following requirements: not less than 80 per cent of the eligible expenditure complies with energy efficiency measures listed in the Points No 1-9 of the Table in the Section 1 of the Annex “Special Technical Requirements of Multi-apartment Buildings Renovation (Modernisation) Projects” (which might be changed from time to time) to the Modernisation Programme.

• Final Recipients will be compensated 30% of the investments into measures, increasing energy efficiency. Additionally, if the heating system (boiler) is being installed or modernised (with individual accounting), 10% of costs of such investment will be compensated. The Final Recipients may also become eligible for Additional Incentives as indicated in the Rules for Provision of State Support or Law on Support for Renovation, which might be amended from time to time.

• The Financial Intermediary shall ensure that the annual interest rate on the Modernisation Loans granted to the Final Recipients or the Administrator of Common Property does not exceed 3 % p.a. during the first 5 years of a Modernisation Loan. The interest subsidy to Financial Intermediary (any variable component beyond the 3 % p.a. on the underlying assets) will be paid by the Government under the Rules for Provision of State Support.

• Final Recipients will have the right to refinance the Modernisation Loan after 5 years, as well as negotiate a fixed interest rate with the Financial Intermediary instead of the offered floating rate.

The Applicant should describe its credit risk policy guidelines and its credit risk policy that would apply to the Modernisation Loans and, if applicable, any deviations from its credit risk policy guidelines applicable to the Applicant’s lending of comparable loan products.

iv. **Leverage and capacity to take on increased contributions**: The Applicant should indicate the amount of co-financing it would provide to form the first-loss piece layer of
the Investment Platform in pari passu split with the awarded ESIF resources. The Applicant should also describe the envisaged strategy for attracting additional public/private investments into the Investment Platform in the form of junior and senior debt layers. It should also outline how the leverage effect will be generated from all of the additional financing on a portfolio level (required leverage 5:1 of available ESIF resources).

For the avoidance of doubt, offers that do not include co-financing by the Financial Intermediary will not be considered and will lead to disqualification of the Expression of Interest.

The Applicant should also describe their capacity to achieve the required leverage effect in case further contributions for the 80% of the first-loss piece layer beyond the Initial Amount were made available. In the description the Applicant should outline the evidence of this capacity, such as: (i) their ability to raise required co-financing to match the increased contribution, (ii) experience in and infrastructure for managing portfolios in excess of EUR 250 million, (iii) capacity to make sure that additional financing (increased contribution beyond the Initial Amount and required leverage) may reach the market in the form of Modernisation Loans in a timely manner (e.g. sufficient amount of workforce or possibility to increase it, competitive geographical outreach, etc.).

v. **Investment Platform and portfolio definition**: This section should describe the structure, establishment and operation of the Investment Platform according to the Applicant (with reference to section 3), type of investments it will make and their characteristics. It should demonstrate additionality compared to present activity. The Applicant may propose a pipeline of potential projects to be funded. Details of potential projects could include:

- The key stages/parameters that will be used to assess Projects;
- Type of transaction under which financing will be provided by the Financial Intermediary to Final Recipients (i.e. directly to Final Recipients or to an Administrator for the ultimate benefit of Final Recipients);
- Description of other measures intended to be undertaken so as to facilitate timely build-up of the Portfolio (e.g. seminars to the Administrators of Common Property, meetings with the Final Recipients, etc);
- Proposed maximum portfolio volume to be originated during the Availability Period;
- Expected timing of launch of the product in the market following the signature of the Operational Agreement; etc.
vi. **Marketing of the Financial Instrument**: This section should briefly describe a strategy for making the Financial Instrument and its benefits known to its target market. Final Recipients should be made aware that financial assistance is available to them and then be informed that the assistance they receive is co-financed through ESIF. The Applicant should describe the approach to managing the engagement with potential Final Recipients, Administrators of Common Property and local stakeholders (including municipalities) regarding the identification of Projects. If the MA makes additional efforts to inform the general public about the Modernisation Loans, these should be described in this section together with potential synergies between the proposed marketing strategy and other information efforts.

vii. **Selection methodology for Final Recipients**: This section should take the elements mentioned in the ‘portfolio definition’ and ‘risk management’ parts and set forward a selection methodology that addresses the objectives and risks already identified. Selection should be in line with the requirements of the CPR and the CDR, in particular Article 6(1)(a) of the CDR, as well as applicable State aid rules and public procurement rules where relevant. The Applicant should describe in this section how it intends to check and control eligibility criteria of the Operational Programme when selecting the Final Recipients.

This section should briefly describe the following:

- The methodology for identifying and appraising Final Recipients and/or Administrators;
- Methodology for appraising the construction companies; and
- Methodology for appraising any other relevant participants in the process.

viii. **Exit strategy**: The Applicant should describe its normal exit strategy and, where necessary, early withdrawal procedures from projects of Final Recipients, along with their trigger conditions.

ix. **State aid**: The Ministries, as the Managing Authority, have the overall responsibility for compliance with State aid rules, and will have the right to verify the compliance with such guidance through specific monitoring and control activities.

In this respect, the Financial Intermediary will be contractually responsible for satisfying State aid Rules and requirements within the parameters given by the Managing Authority, in the context of the Operational Agreement to be signed with the EIB. In this context, the selected Financial Intermediary should calculate the Gross Grant Equivalent (“GGE”) of each investment in accordance with the Commission’s methodology⁴.

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Unless otherwise proposed by the Applicant, investments under the Leveraged Fund should normally fall under de-minimis Regulation. Project contracts with recipients must specify the GGE of aid and include a declaration by the recipient identifying any de minimis support received in the last three years to verify that the de minimis thresholds are not exceeded.

Any benefit which is received by the Financial Intermediary due to its participation in the scheme, shall be fully passed-on to Final Recipients and reflected in the pricing of the loan. No benefit shall be kept in the level of the Financial Intermediary.

The Applicant shall be obliged to prepare and present the methodology explaining in a sufficient detail the benefits obtained from the participation in the scheme and how these benefits are passed to the Final Recipients. Specifically, the Applicant shall demonstrate the price difference for Final Recipients as a result of the Investment Platform in terms of the estimated interest rate charged for the Modernisation Loan (see section 7.IV.ii), compared to an equivalent product without such financing provided from the Investment Platform. The Applicant shall provide the methodology for calculating the Investment Platform’s effect on pricing.

The aid received by the Final Recipients in the form of subsidized loans shall be subject to de minimis rule, including cumulation requirements. In case the Final Recipient does not satisfy the de minimis requirements, it shall not be eligible for the participation in the scheme and obtainment of a respective Modernisation Loan.

II. Management team

The Applicant should outline the roles and responsibilities of the management team and detail how specific departments or individuals fit their proposed roles.

It should describe how the management team fits into the broader organisation of the Financial Intermediary and indicate the experts and departments that would contribute to both the Financial Instrument and other activities of the Financial Intermediary such as the risk management or legal departments. Where relevant, it should also show how conflicts of interest are avoided.

This section can also detail any capacity building activities for existing staff or delegation of knowledge-intensive tasks to sub-contractors. It should further outline the roles and responsibilities of internal teams such as project selection team/risk management team or internal control bodies. Key experts should be nominated. Short CVs for the key experts as well as other key persons should be provided.

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The Applicant should also demonstrate adequacy and relevance of the experience with the implementation of similar Financial Instruments, putting together financial structures, managing received funds. Experience in selecting and investing in Modernisation Projects is desired but not mandatory.

III. Governance and implementation

i. **Legal, ownership, governance and management structure:** The Applicant should indicate and describe the legal and ownership structure of the FI, relevant roles and responsibilities for the implementation of the FI, including any stakeholder representation. The Applicant should also present its legal and ownership structure as well as describe its corporate governance including adherence to regulatory requirements and best banking practices; in addition, the Applicant should describe the responsibilities of the management (and if applicable advisory) bodies, together with their composition and method of appointment, and decision procedures such as the organisation of meetings, voting procedure, acceptance threshold and veto rights.

ii. **Risk management, internal control systems and organizational capacity:** The Applicant shall demonstrate its organisational capacity which shall, in line with the applicable regulatory framework and best banking practices, include (i) description of its risk governance and demonstration of adherence with regulatory requirements and best banking practices (ii) an internal control system in conformity with international standards; (iii) the use of an accounting system providing accurate, complete and reliable information in a timely manner, also taking into consideration the necessary monitoring of the Operational Programme and EIB requirements (iv) risk management framework including but not limited to risk assessment, internal risk models, internal credit risk guidelines and policies, other internal risk guidelines, loan approval procedures, collateral requirements, early warning systems, limits framework, credit risk monitoring practices and procedures, management of arrears and non-performing loans (incl. recovery track record and capabilities); and (v) a governance structure which integrates internal control and risk management procedures. In addition, the Applicant shall demonstrate how it intends to manage the investment risks, including the risk of Irregularities, when implementing the FI. The proposals with respect to risk management should generally be based on the experience of the Applicant with similar instruments. This section should address typical risks and how to address these, recovery procedures (including in respect of amounts affected by Irregularities), typical default rates and forecasts of losses, risk mitigation measures, diversification measures and monitoring procedures.

iii. **Financial and economic capacity:** The Applicant shall provide evidence to the satisfaction of EIB evidencing its economic and financial viability and its entitlement to carry out the tasks foreseen herein and in its Business Plan under EU and national law. Among key evidence that can be submitted are (a) banking licence and/or proof of being a financial institution under the laws of an EU member state, with a sound governance structure allowing for a large-scale lending programme in line with best banking practice;
(b) financial statements for the past 3 years, demonstrating sound financial management to the satisfaction of EIB; (c) documents regulating its economic activities (by-laws, founding documents, licences, etc.); or (d) external rating, if any. Applicants, which are not rated or are not Investment Grade Institutions, should propose adequate measures to mitigate the risks related to the probability of default, if applicable, and thus failing to fulfil the contractual obligations. The Applicant should also demonstrate its competitive position within the relevant market and its market share.

iv. **Conflicts of interest:** The Applicant should describe how it will ensure the impartiality of the selection process for Final Recipients and the management of the funds allocated to it. It should identify any existing conflicts of interest and describe conflict of interest preventive mechanisms. In cases where the body implementing the financial instrument allocates its own financial resources to the financial instrument or shares the risk, the Applicant shall indicate the proposed measures to align interests and to mitigate possible conflicts of interest.

v. **Treasury management:** The Applicant should specify how idle funds shall be managed. The Financial Intermediary shall bear any losses and costs related to treasury investments of idle funds.

vi. **Monitoring and reporting procedures:** The Applicant shall provide details of the quality of its IT systems, its monitoring and reporting procedures, and how they will be applied (and if necessary adapted) in the context of the implementation of the eligible investments. Furthermore, it is to be noted that the selected Financial Intermediaries will have to comply with the monitoring and reporting requirements stemming from the applicable laws, and defined in the Operational Agreement.

**IV. Terms and conditions**

i. **Management fees:** The fees related to the distribution of ESIF funds are regulated and capped, as described below and in accordance with the applicable CPR / CDR provisions, during the Eligibility Period as per in Article 65(2) of CPR. After the end of the Eligibility Period until the conclusion of their services, the Financial Intermediary shall continue to charge fees based on the same percentage and in accordance with the same methodology as those proposed for during the Eligibility Period. The fee caps shall no longer apply to management fees charged after the end of the Eligibility Period.

The applicant shall indicate in its Business Plan the percentage and the methodology used in the calculation of the percentage, for each of the following components that make up its total annual management fee offer with regard to the distribution of the ESIF funds in respect of each of the contribution ranges indicated in Article 13 (2) and (3) of CDR.

a. A maximum of 0.5 % per annum of programme contributions paid to the financial instrument, calculated pro rata temporis from the date of effective payment to the financial intermediary until the end of the eligibility period, the repayment to the
managing authority, or to the fund of funds, or the date of winding up, whichever is earlier;

b. A maximum of 1 % per annum of the programme contributions paid within the meaning of Article 42(1)(a) of CPR to Final Recipients in the form of loans, as well as of resources re-invested which are attributable to programme contributions, which have yet to be paid back to the financial instrument, calculated pro rata temporis from the date of payment to the Final Recipient until repayment of the investment, the end of the recovery procedure in the case of defaults or the end of the eligibility period, whichever is earlier; and

c. The aggregate amount of management costs and fees over the eligibility period laid down in Article 65(2) of CPR do not exceed a maximum of 8 % of the total amount of programme contributions paid to the financial instrument.

The management fee shall include all fees and expenses to be incurred by the Financial Intermediary in relation to administration services and other auxiliary activities provided.

The management fee shall not be calculated on the interest earned by a Financial Intermediary on any deposits of funds contributed to the Financial Intermediary by the Leveraged Fund and not yet invested in projects or returned to the Financial Intermediary from investments in projects.

The Financial Intermediary will charge the same management fees that follow the above-described methodology for all funds managed under the Investment Platform. For the avoidance of doubt, offers that include rates not in line with the maximum values for each of the three fee components described above will not be considered, and will lead to the disqualification of the EoI.

ii. **Price:** The Applicant shall indicate the price for the proposed co-financing to be used for the Investment Platform’s equity layer pari passu with the awarded ESIF funds. For the purpose of this Call for Expression of Interest, the price should be presented in a form of an annual interest rate.

In addition, the Applicant shall present the indicative pricing that could be applied to the new Modernisation Portfolio, taking into account possible interest rates for junior and senior debt layers and the fact that no interest would be charged on the contributions from ESIF funds. The price should also reflect state support mechanisms for Modernisation Loans (i.e. compensation of interest above 3% charged by the Financial Intermediary for the first 5 years of Modernisation Loan’s tenor and compensation to the Final Recipients of 30% of the investments in measures increasing energy efficiency, etc.) (“Additional Incentives”){6}.

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{6} The Law No I-2455 on State Support for Renovation (Modernisation) of Multi-apartment Building of the Republic of Lithuania).
The Ministries have set the goal for the Investment Platform through its form to achieve the most attractive possible price for the Final Recipients, targeting the maximum interest rate of 3% + 6 month EURIBOR (unless otherwise approved by the Investment Board). In case fixed interest rate is proposed as the price for the Final Recipient, the Applicant should also describe how the interest rate risk could be managed if junior and senior debt layers were charging a floating interest rate.

The price for the Final Recipient indicated in this Call for Expression of Interest would not be binding for the actual price achieved after the negotiations with junior and senior debt providers are concluded. The price for the Final Recipients will be subject to the approval by the Investment Board.

iii. **Financial planning**: The Applicant should present the expected future key financial figures of the FI, based on the assumptions made. In this part the Applicant should set out its annual operational budget and the cash flow forecast for the duration of the Modernisation Loans. The cash flow forecasts and operational budget should include clearly stated assumptions about the indicative timeline as to how quickly the Financial Intermediary forecasts to disburse the funds to the Final Recipients.

iv. **Indicative timetable**: For the purpose of the Business Plan, Applicants are requested to prepare:

   a. a forecasted timeline for expected establishment of the Investment Platform following the signature of the Operational Agreement and subsequent closure of negotiations with lenders to junior and/or senior layers;

   b. a financial model (that shall cover the entire period until the winding up of the FI) for the selection of the Final Recipients and the related disbursements.

v. **Winding up provisions**: The Applicant should briefly describe the winding up procedures for the FI, including conditions for returning any resources attributable to the Leveraged Fund contributions, the MA, or to another designated competent public authority. This would include receipts from the original investments. Winding up may take place before or after the end of the eligibility period and the repayment of the contributions to the MA or to the Leveraged Fund.

Certain aspects of the Business Plan (which shall not include fees) may be developed by mutual consent during the negotiation period of the Operational Agreement.

**V. Conditions regarding joint offers and subcontracting**

i. **Joint offers in general**: Groups of economic operators, including consortia and temporary associations (the “Groups”) are authorised to submit EoIs (“Joint Offers”). In this case, each member of the Group shall fulfil the requirements and accept the terms and conditions
set out in this Call for Expression of Interest. The members of the Group shall designate one member as Group Leader with full authority to bind the Group and each of its members. The Group Leader shall act as a single point of contact with EIB in connection with the present procurement procedure. While Groups are not required to have a specific legal form in order to submit an EoI, the Group selected may be required to adopt a given legal form after it has been selected and before an Operational Agreement is signed.

ii. **Documentation and information to be provided.** In the section of the EoI related to the exclusion and administrative criteria situation, the Group shall clearly specify the role and tasks of each member of the Group (see Annex 3). In addition, each member of the Group must provide the following:

a. documentation related to its exclusion situation;

b. documentation related to the administrative criteria;

c. a letter of intent, designating the Group Leader and ensuring the proper execution of the respective share of tasks if the Group is awarded the contract by using the declaration contained in Appendix 2 of Annex 3.

iii. **Joint Offers submitted by Groups will be assessed as follows:**

a. the exclusion criteria and the administrative criteria will be assessed in relation to each member of the Group individually;

b. the assessment criteria will be assessed in relation to the Offer/EoI.

c. the compliance due diligence assessment in accordance with section 11.

Since all members of the Group will be jointly and severally liable towards EIB for the performance of the Agreement, statements included in the joint offer saying, for instance:

- that each member of the Group will be responsible only for a specific part of the Operational Agreement, or
- that a separate Operational Agreement should be signed with each member of the Group if the joint offer is successful,

are incompatible with the principle of joint and several liability. EIB will disregard any such statement contained in a Joint Offer/EoI, and it reserves the right to reject such Offers without further evaluation, on the grounds that they do not comply with these requirements.

If any member of the joint offer fails either the exclusion or administrative criteria, the Applicant will be excluded from further evaluation in the competition.

iv. **Joint offer during the contract implementation.** All members of the Group shall be jointly and severally liable towards EIB for the performance of the Agreement and they shall
comply with the terms and conditions of the Operational Agreement and ensure the proper execution of their respective share of the services.

The Group Leader – duly authorised by the other members of the Group – shall act as a single point of contact with EIB in connection with the services to be provided under the Operational Agreement; it shall co-ordinate the provision of the services by the Group members to EIB; it shall guarantee a proper administration of the contract.

The composition of the Group and the allocation of tasks among the members of the Group shall not be altered without prior written information to the EIB.

v. **Subcontracting in general.** The Applicants may subcontract part of the tasks specified in this Call for Expressions of Interest to other economic operators, as long as the services are provided in accordance with this document but with the exception of the following critical tasks, which cannot be subcontracted as these are fundamentally linked with the management of the mandator’s funds and are closely linked with the quality of the Applicant both in terms of its capacity to underwrite/service the loans and its capacity to apply adequate risk management practices. (the “Core Activities”):

- activities relating to lending (indicatively selection, appraisal, financing / underwriting and servicing of loans);

- activities relating to risk management framework (including but not limited to risk assessment, internal risk models, internal credit risk guidelines and policies, other internal risk guidelines, loan approval procedures, collateral requirements, early warning systems, limits framework, credit risk monitoring practices and procedures).

By way of exception, the Applicants may subcontract tasks related to the recovery process, (despite the fact that they would otherwise be considered as Core Activities). Without prejudice to the other provisions of the EoI relating to subcontractors, in the case of subcontracting of activities relating to the recovery process, the Applicant should provide:

- a description of how this process will be managed; and

- all relevant information requested in the EoI with respect to the Applicant as part of the Business Plan also for the relevant subcontractor (including recovery track record and capabilities).

In case of subcontracting the Applicants shall clearly state in the section of the EoI related to the Applicant’s exclusion situation and capacity as per Annex 3 and its Appendices:

a. which tasks it intends to subcontract and clearly indicate the roles, activities and responsibilities of the subcontractor(s);

b. specify the volume or proportion of the activities likely to be subcontracted.

vi. **Assessment of subcontractors.** In case of subcontracting, the EoI will be assessed as follows:
a. the exclusion criteria and the administrative criteria will be assessed in relation to each proposed subcontractor individually;

b. the assessment criteria will be considered on a consolidated basis – Applicant plus subcontractor(s) – and will be evaluated in relation to the Offer/EoI;

c. the compliance due diligence assessment in accordance with section 11.

Where an Applicant is relying on the capacity of subcontractor(s), such entities must (i) be proposed to perform those services for which these capacities are required and (ii) submit a letter of undertaking in the EoI to that effect.

N.B. If a subcontractor does not fulfil one of the exclusion or administrative criteria, the Bank will require that the Applicant replaces that subcontractor. Failure to provide such replacement to the full satisfaction of the Bank within a deadline specified by the Bank shall result in the elimination of the Applicant.

vii. **Subcontracting during the contract implementation.** Once the Operational Agreement has entered into force, the successful Applicant shall retain full liability towards EIB for the performance of the Operational Agreement as a whole. EIB will not have any direct legal commitment with the subcontractor(s). During the execution of the Operational Agreement, the Selected Applicant will need EIB’s express authorisation to replace a subcontractor with another subcontractor and/or to subcontract tasks for which subcontracting was not envisaged in the original EoI.

8. **Exclusion Criteria**

All Applicants shall provide the declaration in Annex 5 ("Declaration of Honour on Exclusion Criteria and on Absence of Conflict of Interest") regarding the Exclusion Criteria and the absence of conflict of interest, duly signed and dated by an authorised representative, stating that they are not in one of the situations listed in Annex 5.

All Applicants shall provide a completed Wolfsberg Questionnaire, duly signed and dated by an authorised representative; copies of internal policies and procedures regarding AML-CFT, sanctions compliance and Anti-Fraud/Corruption; and further information, if requested by the EIB.

The selected Financial Intermediary shall provide the documents mentioned as supporting evidence in Annex 5 to the EoI before signature of the Operational Agreement and within the deadline specified by the EIB.

9. **Administrative Criteria**

Applications not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the following Administrative Criteria:
• The EoI includes a completed table in the form attached as Annex 2 to the EoI and all supporting documents are provided; and

• The declarations indicated in Annex 3 and 4 to the EoI are completed, supported by the necessary documentary evidence, and are acceptable to the EIB;

10. **Assessment Criteria**

EoIs which have not been excluded on the basis of the Exclusion Criteria and which meet the Administrative Criteria will be evaluated on the basis of the Assessment Criteria, as described below.

In case the score received in any of the below Assessment Criteria is equal to 0, such EoI will be excluded.
<table>
<thead>
<tr>
<th>Assessment Criteria</th>
<th>Assessment rules</th>
<th>Scoring for Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualitative Assessment Criteria (1 – 8)</strong></td>
<td></td>
<td>[0 – 70]</td>
</tr>
<tr>
<td><strong>1. Relevant experience</strong></td>
<td>• The Applicant shall demonstrate relevant experience in identifying and extending financing from own or other funds for Projects or in participating in other EU Structural Funds funding schemes, managing third party funds or in financing similar type of projects in the market, such as mortgage lending to private households (for avoidance of doubt, previous involvement in the Modernisation Programme is not required).&lt;br&gt;• The Applicant shall indicate a team of experts with expertise and experience in relevant fields. &lt;br&gt;For further information, please see Business Plan, section III Governance and implementation, sub-section ii, and section II Management Team.</td>
<td>[0 – 15]</td>
</tr>
<tr>
<td><strong>2. Operational capacity</strong></td>
<td>• The Applicant shall describe accounting systems to ensure accurate, complete and reliable information in a timely manner.&lt;br&gt;• The Applicant shall describe their ability to adapt any necessary internal procedures, IT systems for the implementation of the Investment Platform, and/or the train sales force and loan approval bodies for Modernisation Loans.&lt;br&gt;• The Applicant shall describe their loan monitoring and workout procedures that will be applied for overdue loans. &lt;br&gt;For further information, please see Business Plan, section I Investment Policy, sub-section ii, and section III Governance and implementation, sub-section ii.</td>
<td>[0 - 10]</td>
</tr>
<tr>
<td>3. Economic and Financial capacity</td>
<td>The Applicant shall provide evidence to the satisfaction of EIB evidencing its economic and financial viability and its entitlement to carry out the tasks foreseen herein and in its Business Plan under EU and national law. Among key evidence that can be submitted are: (a) banking licence and/or proof of being a financial institution under the laws of an EU member state, with a sound governance structure allowing for a large-scale lending programme in line with best banking practice; (b) financial statements for the past 3 years, demonstrating sound financial management to the satisfaction of EIB; (c) documents regulating its economic activities (by-laws, founding documents, licences, etc.); or (d) external rating, if any. For further information, please see Business Plan, section III Governance and implementation, sub-section iii.</td>
<td>[0 – 5]</td>
</tr>
<tr>
<td>4. Quality of governance and legal structure</td>
<td>The Applicant shall demonstrate adequate capacity to implement the financial instrument, including governance structure, risk management, organisational and administrative capacities and efficient and effective internal control and accounting systems and procedures, to meet objectives as presented in the Business Plan. For further information, please see Business Plan, section III Governance and implementation, sub-sections i and ii.</td>
<td>[0 – 5]</td>
</tr>
<tr>
<td>5. Quality of investment strategy</td>
<td>The Applicant shall describe the investment strategy with respect to (as a minimum): • Level of understanding of Investment Platform structure, purpose and implementation as set out in Section 3 of this Call for Expression of Interest, the role of the Financial Intermediary and the process of setting up the Investment Platform; • Level of understanding of the market and investments in the targeted areas;</td>
<td>[0 – 15]</td>
</tr>
<tr>
<td><strong>6. Robustness and credibility of methodology for the identification and evaluation of Investments, including Final Recipients</strong></td>
<td>The Applicant shall describe:</td>
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<tr>
<td>• Approach / envisaged strategy to securing financing for junior and senior debt layers, including the ability to raise resources for investments in Final Recipients additional to programme contributions;</td>
<td>• The methodology with respect to identification and appraisal of eligible Investments, including Final Recipients;</td>
<td></td>
</tr>
<tr>
<td>• The ability to demonstrate additional activity in comparison to present activity;</td>
<td>• The strategy to develop a robust project pipeline and to manage the relationship with potential Final Recipients, Administrators of Common Property and other local</td>
<td></td>
</tr>
<tr>
<td>• The terms and conditions (except in those matters that are regulated by the Law on Support for Renovation and provided for in Annex 7) for extending Modernisation Loans, such as the amount of the advance payment, requirement of pledge, deposit, etc (if any), including pricing;</td>
<td>benefits;</td>
<td></td>
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<tr>
<td>• Exit policy from investments, the winding up procedures;</td>
<td>• Exit policy from investments, the winding up procedures;</td>
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<tr>
<td>• Presentation of recently completed projects in the respective investment areas, if any;</td>
<td>• Forecasted timeline between receiving resources from the Leveraged Fund to setting up the Investment Platform and to securing financing for junior and senior debt layers;</td>
<td></td>
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<tr>
<td>• Forecasted timeline between contracting funds to the Final Recipients and disbursement/completion of the Project.</td>
<td>• Forecasted timeline between contracting funds to the Final Recipients and disbursement/completion of the Project.</td>
<td></td>
</tr>
</tbody>
</table>

For further information, please see Business Plan, section I. Investment Policy, subsections i-viii and section 7. IV, sub-sections iv-v.
| 7. Proposed measures to align interests and to avoid any possible conflicts of interest | The Applicant shall describe the proposed measures to align interest and to mitigate possible conflicts of interest.  
For further information, please see Business Plan, section III Governance and implementation, sub-section iv. | [0 – 5] |
|---|---|---|
| 8. Leverage and capacity to take on increase contributions | The Applicant shall indicate that they will provide required amount of co-financing to the first-loss piece layer of the Investment Platform pari passu with the awarded ESIF funds (20% of co-financing and 80% of ESIF funds, e.g. EUR 12.5 million of co-financing for EUR 50 million of ESIF).  
The Applicant shall outline their capacity to achieve the required leverage effect in case the contribution for the 80% of the first-loss piece layer was increased beyond the Initial Amount. Evidence of such capacity could be:  
- Ability to raise additional co-financing to match the increased contribution;  
- Experience in and infrastructure for managing loan portfolios beyond EUR 250 million;  
- Capacity to ensure that additional financing (increased contribution and required leverage) may reach the market in the form of Modernisation Loans in a timely manner (e.g. sufficient workforce or possibility to increase it, competitive geographical outreach, etc.).  
For further information, please see Business Plan Section I, sub-section iv. | [0 – 10] |
| 9. Management fees | The Applicant shall present the level of management fee required to managed funds under the Investment Platform in accordance with the methodology and caps set out in Article 13 of CDR. For further information, please see Business Plan Section IV, sub-section i. |
| 9.1 Base fee | [0 – 5] |
| 9.2 Performance fee | [0 – 5] |
| 10. Price for co-financing | The Applicant shall indicate the price for the proposed co-financing to be used for the Investment Platform’s equity layer pari passu with the awarded ESIF funds. For the purpose of this Call for Expression of Interest, the price should be presented in a form of an annual interest rate. | [0 – 20] |
Note 1 – Scoring of items 1 - 8

Scoring of items from 1 to 8 will be given on the basis of a qualitative analysis.

The Applicants must receive a score of at least 20 points combined for items 1 and 5 in order to be considered for selection as a Financial Intermediary.

The Applicants who do not offer required co-financing by the Financial Intermediary under item 8 will not be considered and it will lead to disqualification of the Expression of Interest.

Note 2 – Scoring of items 9.1 and 9.2

All management fee proposals under items 9.1 and 9.2 will be assessed individually and the lowest proposal for each separate management fee component (as defined in section 7.IV of this Call for Expression of Interest) will be compared to each individual proposal for each management fee component (i.e. Lowest proposal of all Applicants / proposal of Applicant being measured), resulting in the best proposal (i.e. lowest value) achieving a rating of 1. Inferior proposals will hence score proportionately lower than 1. The maximum number of points under this item will be awarded to the proposal with a rating of 1. The number of points for inferior proposals will be awarded proportionally:

\[ \text{Score for Applicant } X = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant } X} \times \text{[applicable highest score]} \]

Note 3 – Scoring of item 10

All co-financing price proposals under item 10 will be assessed individually and the lowest proposal for co-financing price (as defined in section 7.IV of this Call for Expression of Interest) will be compared to each individual proposal for co-financing price (i.e. Lowest proposal of all Applicants / proposal of Applicant being measured), resulting in the best proposal (i.e. lowest value) achieving a rating of 1. Inferior proposals will hence score proportionately lower than 1. The maximum number of points under this item will be awarded to the proposal with a rating of 1. The number of points for inferior proposals will be awarded proportionally:

\[ \text{Score for Applicant } X = \frac{\text{Lowest Proposal}}{\text{Proposal of Applicant } X} \times \text{[applicable highest score]} \]

The EIB reserves the right to verify the correctness of the information received. The EIB may, on its own initiative, inform Applicants of any error, inaccuracy, omission or any other error in their application. If clarification is required or if obvious clerical errors in the application need to be corrected, the EIB may request the Applicant to provide clarifications and/or additional information provided the terms of the submitted EoI documents are not modified as a result.
11. Compliance due diligence assessment

The EIB will carry out a compliance due diligence assessment of the Selected Applicants’ (and their subcontractors’, where applicable, with regard to relevant activities) suitability to manage the Financial Instrument in terms of their risk management framework, systems, policies and procedures, financial standing, governance and origination capacity, as described in the EoI taking into account the specific market.

In case of joint offer, the above compliance due diligence assessment will be conducted in relation to each member of the Group individually. The assessment will be conducted on a pass/fail basis. If a negative assessment results in respect of the Selected Applicant (whether sole or joint offer), the Selected Applicant will no longer be included in the EIB recommendation to the Investment Board. In the case of a subcontractor, the Bank may require that the Selected Applicant replaces that subcontractor with another having equal or greater quality - failure to provide such replacement to the full satisfaction of the Bank shall result in the elimination of the Selected Applicant.

12. Privacy Statement

During a call for expression of interest the EIB may get access to certain personal data (information related to an identified or identifiable natural person). The purpose of this Privacy statement is to provide information about the collection and use of personal data at EIB. By applying to this Call for Expression of Interest, the Applicant hereby provides consent to have the personal data processed in accordance with this Section.

i. What is the purpose of the collection of personal data?

Upon reception of your EoI, your personal data is collected and further processed for the purpose of a call procedure (e.g. the selection of experts and financial intermediaries, verifying the representation right, contact details etc., and the evaluation) and the management of the resulting contracts. Personal data collected and further processed concerns the staff employed by the Applicant, including consortium partners and subcontractors participating in call procedures and entering into a contractual relation with the EIB.

ii. What is the legal basis for processing personal data?

Personal data are processed by the EIB in accordance with Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC. The legal basis for processing of personal data in the course of the implementation of financial instruments, is Article 38 (4)(b)(i) of the CPR of Commission Regulation 1303/2013.
iii. What personal data is collected?

Personal data are inter alia:

- Personal details (e.g. name, address, ID number, passport number, e-mail address, phone/fax numbers, date of birth);
- Professional details (e.g. function, company department, e-mail address, phone/fax numbers);
- Education and training details (CV’s or short descriptions (pen portraits) of team members);
- Information required in relation to the evaluation of the exclusion criteria such as certificates for social security contributions and taxes paid, extracts from judicial records, etc.;
- VAT registration number;
- Bank details.

iv. Who has access to your personal data and to whom is it disclosed?

- EIB’s Staff of the Procurement and Purchasing Division;
- EIB’s Staff of the Operations Directorate;
- EIB’s Staff of the Legal Directorate;
- Relevant senior management of the requesting EIB Department and contract managers;
- External legal advisers;
- Investment Board;
- Only in special situations to:
  - EIB’s Office of the Chief Compliance Officer;
  - EIB Internal Audit;
  - EIB legal services;
  - EIB’s Inspectorate General;
  - European Court of Auditors;
  - European Data Protection Supervisor.

Or other authorities EIB is obliged to provide such personal data under applicable legal frameworks.

v. Actors in the data collection

- Controller: EIB Corporate Services Directorate
- Processor: EIB Procurement and Purchasing Division

vi. How does the EIB process personal data?

The data collected is processed either manually or electronically.
Manual processing: hard copies of the submitted offers (which may contain personal data, as specified above) are stored unopened until the opening session. Then, they are made available to the duly appointed members of the opening committee. Upon termination of the evaluation process, the “hard” originals of the offers together with electronic copies in the form of CDs/USB sticks are stored in EIB Central Archives.

Electronic processing: personal data included within offers submitted to EIB will be processed electronically e.g. storage within EIB electronic document management system, transmission via electronic means, etc.

vii. How do we protect and safeguard your information?

Data are stored:

- Electronically in specific areas of EIB electronic document management system (Livelink) with restricted access rights;
- Paper files are stored in archives, locked and only accessible to EIB’s Central Archiving team. In both cases, access and control rights to the files are limited and granted only on a need-to-know basis.

viii. How long is your personal data kept?

The data of the Selected Applicant shall be retained for the duration of the Operational Agreement between the EIB and the Selected Applicant, plus two years in the central archives, unless these are needed in the context of litigation or claims extending beyond this duration. The data of unsuccessful Applicants shall be retained for four years, unless these are needed in the context of litigation or claims extending beyond this duration.

After the periods mentioned above have elapsed, the files are destroyed.

ix. What are your rights and how can you exercise them?

You as a Data Subject shall have the right of access to your personal data and the right to request to rectify or to erase any such data that is inaccurate or incomplete. You also have the right to object to processing and the right to request a restriction of the processing. You can exercise these rights by contacting the processor (acting on behalf of the controller) CS/IMP/PROCUR division (CS-procurement@eib.org) or EIB’s Data Protection Officer (p.donos@eib.org or dataprotectionofficer@eib.org). In addition, you also have the right to have recourse at any time to the European Data Protection Supervisor edps@edps.europa.eu.
Annex 1 – Cover Letter

To:
European Investment Bank
Attention:

Call for Expression of Interest No.:

Deadline for the submission of the Expression of Interest:

Expression of Interest for Financial Instrument:

Applicant submitting the Expression of Interest: ____________, ____________
(company name, registration number / standard identification code, if applicable)

Madam/Sir,

Herewith we are submitting our Expression of Interest on behalf of [name Applicant] in response to the Call for Expression of Interest No. [Applicable Lots] to select financial intermediaries that will receive resources from the Leveraged Fund established under the cooperation of the Ministries of Finance and of Environment of the Republic of Lithuania (the “Ministries”) and the European Investment Bank (“EIB”), to implement a financial instrument. Capitalised expressions utilised herein shall have the meaning attributed to them in the above-mentioned Call for Expression of Interest.

The undersigned, duly authorised to represent [name of Applicant], by signing this form, certifies/certify and declare(s) that the information contained in this Expression of Interest and its Appendices is complete and correct in all its elements, and that the Applicant has examined and accepts without any reservation or restriction the entire contents of the Call for Expression of Interest.

The undersigned duly authorised to represent [name of Applicant], by signing this form certifies and declares to have read the EIB Anti-Fraud Policy and declares not to have made nor to make any offer of any type whatsoever from which an advantage can be derived under the Operational Agreement and not to have granted nor to grant, not to have sought nor to seek, not to have attempted nor to attempt to obtain, and not to have accepted nor to accept, any advantage, financial or in kind, to or from any party whatsoever, constituting an illegal practice or involving corruption, either directly or indirectly, as an incentive or reward relating to signing of the Operational Agreement. The Applicant acknowledges and agrees that, if selected, it shall accept the obligations listed in the Call for Expression of Interest.
The undersigned duly authorised to represent [name of Applicant], by signing this form, certifies and declares that the Applicant shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud and that is not established and shall not maintain business relations with entities incorporated in territories whose jurisdictions do not cooperate with the European Union in relation to the application of the internationally agreed tax standard.

The undersigned, duly authorised to represent [name of Applicant], by signing this form, certifies and declares that [name Applicant] does not perform illegal activities according to the applicable legislation in the countries of establishment.

Yours sincerely,

Signature(s): Stamp of the Applicant (if applicable):
Name and position in capitals:
Applicant's name:
Place: Date (day/month/year):

Appendices to be submitted with the Expression of Interest:

1. Expression of Interest (in the form set out in Annex 2)
2. Declarations to be made by the Applicant (in the form set out in Annexes 3 to 5)
3. Business Plan (in line with the provisions set out in section 7)
Annex 2 – Expression of Interest

EXPRESSION OF INTEREST

____________________________________________
(name of Applicant)

____________________________________________
(place of signature)

________________________________
(date)

<table>
<thead>
<tr>
<th>Company Name*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Full legal name)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address*</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Postal code &amp; City*</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Country *</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Legal form of the Applicant*</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Date of registration (entry into the trade register)*</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Country of registration*</th>
<th></th>
</tr>
</thead>
</table>

| Registration number *   |  |
| (copy of registration certificate to be attached) | --- |

<table>
<thead>
<tr>
<th>VAT registration number*</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>SME</th>
<th>yes</th>
<th>no</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*SMEs are defined in Commission Recommendation 2003/361/EC as companies with fewer than 250 staff and a turnover not exceeding 50 million euros.*
<table>
<thead>
<tr>
<th>Contact Person 1*</th>
<th>Contact Person 2*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Title*</td>
<td>Work Title*</td>
</tr>
<tr>
<td>E-mail address 1*</td>
<td>E-mail address 1*</td>
</tr>
<tr>
<td>E-mail address 2</td>
<td>E-mail address 2</td>
</tr>
<tr>
<td>Telephone number 1*</td>
<td>Telephone number 1*</td>
</tr>
<tr>
<td>Telephone number 2</td>
<td>Telephone number 2</td>
</tr>
</tbody>
</table>

I hereby certify the above information to be true.

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>DATE</th>
</tr>
</thead>
</table>

Signature*


NB: All mandatory fields (marked by an asterisk*) must be filled in.
Legal Disclaimer: the Applicant is responsible for the above information. The EIB does not accept any responsibility or liability for the accuracy, content, completeness, legality, or reliability of the information received via this form.
Annex 3: Deed of Undertaking

1. Organisation of the Applicant

1.1 Please tick the box below, as applicable:

<table>
<thead>
<tr>
<th>☐</th>
<th>☐</th>
<th>☐</th>
<th>☐</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sole Applicant</td>
<td>Sole Applicant</td>
<td>Consortium (joint offer by a group of economic operators)</td>
<td>Consortium (joint offer by a group of economic operators)</td>
</tr>
<tr>
<td>with no declared subcontractor</td>
<td>with declared subcontractor(s)</td>
<td>with no declared subcontractor</td>
<td>with declared subcontractor(s)</td>
</tr>
</tbody>
</table>

1.2 In case of a sole Applicant, please provide the information in the table below:

<table>
<thead>
<tr>
<th>Name of the Applicant</th>
<th>Legal form</th>
<th>Address in full</th>
<th>Name of the authorised representative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.3 In case of consortium, please provide the information in the tables below:

<table>
<thead>
<tr>
<th>Information on the leader of the consortium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the consortium leader</td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

---

7 Please include declaration contained in Appendix 1 (Consortium member declaration) signed by each consortium member appointing the legal entity indicated above as the leader of the consortium which will represent the consortium and act as the single contact point for communication. This entity shall also have full authority to bind the consortium and each of its members for the purposes of the Operational Agreement.

8 If necessary, please include reference to other documents which form part of your offer and which describe the roles, activities and responsibilities of the consortium members more in detail.
### Information on the members of the consortium

<table>
<thead>
<tr>
<th>Name of the consortium member</th>
<th>Legal form</th>
<th>Address in full</th>
<th>Name of the authorised representative</th>
<th>Roles, activities and responsibilities within the consortium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(please add as many lines to the table as necessary)

1.4 In case of subcontracting, please provide the information in the table below:

<table>
<thead>
<tr>
<th>Name of the subcontractors</th>
<th>Address in full</th>
<th>Reason for subcontracting and scope of subcontracting</th>
<th>Value of the subcontracted part of contract (in EUR and as a percentage of estimated total amount of contract)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(please add as many lines to the table as necessary)

---

9 If necessary, please include reference to other documents which form part of your offer and which describe the roles, activities and responsibilities of the consortium members.

10 Please include the declaration contained in **Appendix 2** (Subcontractor Declaration) from each subcontractor, stating their intention to collaborate with the Applicant, if the Applicant is awarded an Agreement.
Appendix 1 - Consortium member declaration

To be completed and signed by each member of the consortium in the case that a consortium submits an offer/EoI.

I the undersigned, as an authorized representative of:

<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Address</th>
</tr>
</thead>
</table>

hereby declare

- the intention to collaborate with [name of the consortium leader] in the execution of the tasks related to the Call for Expression of Interest referenced below;

- that I have appointed [name of the consortium leader] as the leader of the consortium which (i) will represent the consortium and act as the single contact point for communication and (ii) shall also have full authority to legally bind the consortium and each of its members (including the entity represented by me), and (iii) shall be responsible for the administrative management of the Operational Agreement on behalf of all other consortium members (including the entity represented by me).

- that, if successful in the award of the tender referenced below, I undertake to provide [name of the consortium leader] with the necessary resources to perform the services which [name of the consortium leader] intends to entrust to us under that contract;

- to have examined and accepted in full the content of the “Call for expression of Interest” and all their annexes:

<table>
<thead>
<tr>
<th>Call for Expression of Interest Number</th>
<th>Title</th>
</tr>
</thead>
</table>

I also hereby acknowledge to have taken special note of and subsequently declare
• that I, or the entity I represent, are not in any of the situations concerning exclusion and conflict of interest;

• that I have provided a duly signed Declaration on honour on exclusion criteria and selection criteria and on absence of conflict of interest (Annex 5);

• to have examined and accepted the provisions set in the Call for Expression of Interest in their entirety without reservation or restriction.

Name:

Signature:

Position:

Date:
Appendix 2: Subcontractor declaration

To be completed and signed by each respective subcontractor in the case that tasks will be subcontracted.

I, the undersigned, as an authorized representative of:

Subcontractor’s Name

Address

hereby declare

- the intention to collaborate with [name of the Applicant] in the execution of the tasks related to the Call for Expression of Interest referenced below;
- hereby declare to have examined and accepted in full the Call for Expression of Interest referenced below:

Call for Expression of Interest

Title

I also hereby acknowledge to have taken special note of and subsequently declare

- that I, or the entity I represent, are not in any of the situations concerning exclusion and conflict of interest;
  - that, I have provided a duly signed Declaration on honour on exclusion criteria and selection criteria and on absence of conflict of interest (Annex 5).
• to have examined and accepted the provisions set in the Call for Expression of Interest without reservation or restriction;

Name: 
Signature: 
Position: 
Date: 
Annex 4 – Declaration to be made by the Applicant

1. Name of the Applicant

2. Type of business

3. Represented by (name and position)
   In case of the EoI being submitted by a consortium, a power of attorney or a cooperation agreement authorising the attorney to submit the EoI and the Business Plan and to represent the consortium at all stages of the selection procedure on behalf of the partners jointly applying for the contract should be submitted

4. ESMA Authorisation / Custodian Bank etc. where applicable.

Questions 5 to 11 should be answered on behalf of the Applicant and any proposed subcontractors / consortium members. These questions will be assessed on a pass/fail basis. Responses should be stated in the form of “Yes”/“No” or “Certified” with accompanying detail provided where requested, either in the space provided or on separate sheets which should be referenced by the applicant.

5. Are there any liens or charges outstanding against the organisation at a commercial court (or any other relevant authority)?

6. Is the Applicant in receivership (or the subject of equivalent proceedings)?
   If so:
   (a) date of the receivership order:
   (b) on what terms is the applicant authorised to carry on its activity? Specify in particular:
       the name and address of the receiver(s):
       the date and period of validity of the authorisation given by the official receiver or the court to continue the business or activity:

7. The Applicant certifies that neither the organisation nor any of the persons authorised to act on its behalf are in liquidation

8. Has the Applicant been the subject of any sentence, disqualification or penalty regarding the proper pursuit of commercial or industrial occupations, or under the rules on prices and competition?

9. Has the Applicant or any of the persons authorised to act on its behalf a conflict of interest that may affect
the performance of the tasks referred to in this Call for Expression of Interest?

10. The Applicant certifies that it has complied with its tax and social obligations

11. The Applicant certifies that it is entitled to carry out to implement Financial Instruments under the laws and regulations of the EU and Lithuania

12. The Applicant certifies that the information given above is correct

Done at ................................................. (date) ............................................................

STAMP NAME(S) SIGNATURE(S)
Annex 5 – Declaration on Honour on Exclusion Criteria and absence of Conflict of Interest

Call for Expression of Interest to select financial intermediaries to implement a financial instrument

Declaration on Honour on Exclusion Criteria and absence of Conflict of Interest

The undersigned [insert name of the signatory of this form], representing:

| (only for natural persons) himself or herself | (only for legal persons) the following legal person: |
| ID or passport number: | Full official name: |
| ('the person') | Official legal form: |
| | Statutory registration number: |
| | Full official address: |
| | VAT registration number: |
| | ('the person') |

I – SITUATION OF EXCLUSION CONCERNING THE PERSON

| (1) declares that the above-mentioned person is in one of the following situations: | YES | NO |
| (a) it is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under national legislation or regulations; | ☐ | ☐ |
| (b) it has been established by a final judgement or a final administrative decision that the person is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the contracting authority is located or those of the country of the performance of the contract; | ☐ | ☐ |
| (c) it has been established by a final judgement or a final administrative decision that the person is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the person belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following: |  |
| (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract; | ☐ | ☐ |
| (ii) entering into agreement with other persons with the aim of distorting competition; | ☐ | ☐ |
(iii) violating intellectual property rights;

(iv) attempting to influence the decision-making process of the contracting authority during the award procedure;

(v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

(d) it has been established by a final judgement that the person is guilty of the following:

(i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;

(ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of EU Member States, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the legal provisions of the country where the contracting authority is located, the country in which the person is established or the country of the performance of the contract;

(iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;

(iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;

(v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;

(vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;

(e) the person has shown significant deficiencies in complying with the main obligations in the performance of a contract financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an Authorising Officer, OLAF or the Court of Auditors;

(f) it has been established by a final judgment or final administrative decision that the person has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;

(g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:

i. facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;

ii. non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;

iii. decisions of the ECB, the EIB, the European Investment Fund or international organisations;
iv. decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law; or

v. decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

(h) is the target of a sanction or restrictive measure\(^1\) imposed or administered by:

<table>
<thead>
<tr>
<th></th>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>the European Union;(^2)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>the United States of America.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### II – Situations of exclusion concerning natural persons with power of representation, decision-making or control over the legal person

**Not applicable to natural persons, Member States and local authorities**

(2) declares that a natural person who is a member of the administrative, management or supervisory body of the above-mentioned legal person, or who has powers of representation, decision or control with regard to the above-mentioned legal person (this covers company directors, members of management or supervisory bodies, and cases where one natural person holds a majority of shares) is in one of the following situations:

<table>
<thead>
<tr>
<th>Situations of exclusion</th>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Situation (c) above (grave professional misconduct)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation (d) above (fraud, corruption or other criminal offence)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation (e) above (significant deficiencies in performance of a contract)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Situation (f) above (irregularity)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Situation (h) above (sanctions)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### III – Situations of exclusion concerning natural or legal persons assuming unlimited liability for the debts of the legal person

(3) declares that a natural or legal person that assumes unlimited liability for the debts of the above-mentioned legal person is in one of the following situations:

<table>
<thead>
<tr>
<th>Situations of exclusion</th>
<th>YES</th>
<th>NO</th>
<th>N/A</th>
</tr>
</thead>
</table>

---

\(^1\) Being "the target of a sanction or restrictive measure" means the economic operator (i) being listed on a sanctions list, or (ii) being (directly or indirectly) 50% or more (individually or on aggregate basis) owned or controlled by, or acting on behalf of or at the direction of, a person or entity listed on, any sanctions lists, or (iii) being located or resident in, or organised or incorporated under the laws of a Sanctioned Country, or owned or controlled by, or acting on behalf or at the direction of such a person or entity. A "Sanctioned Country" shall mean a country or territory that is, or whose government is, at any time, the target of comprehensive country or territory-wide sanction or restrictive measure imposed or administered by the competent authorities described in this sub-section (h).

\(^2\) Pursuant to Chapter 2 of Title V of the Treaty on European Union or Article 215 of the Treaty on the Functioning of the European Union, either autonomously or pursuant to the sanctions decided by the United Nations Security Council on the basis of Article 41 of the UN Charter.
Situation (a) above (bankruptcy) ☐ ☐ ☐
Situation (b) above (breach in payment of taxes or social security contributions) ☐ ☐ ☐

IV – GROUNDS FOR REJECTION FROM THIS PROCEDURE

(4) declares that the above-mentioned person: YES NO
(i) has distorted competition by being previously involved in the preparation of documents for this selection procedure. ☐ ☐

V – CONFLICT OF INTEREST

(5) declares that the above-mentioned person: YES NO
(j) is aware of any conflict of interest due to its participation in the selection procedure. If yes, please provide details ☐ ☐
(k) has advised the EIB or otherwise been involved in the preparation of the selection procedure If yes, please provide details. ☐ ☐

VI - REMEDIAL MEASURES

If the person declares one of the situations of exclusion listed above, it must indicate measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to this declaration. This does not apply for situations referred in section I(h) of this declaration.

Regarding paragraph (h) of section II of this Declaration (Sanctions - Natural Persons), the person may propose as a remedial measure that the natural person(s) concerned shall not be involved in the proposed contract.

VII – EXCLUSION EFFECT

i. The contracting authority shall exclude the person from participation in a procurement procedure:
   - if the contracting authority has established by verification or is otherwise aware that the person is in one of the situations listed in sections I to V of this Declaration, and/or
   - if the person would find itself in a situation of conflict of interest due to its participation or has advised the contracting authority or has otherwise been involved in the preparation of the procurement procedure, as per section VII of this Declaration.
ii. Regarding paragraph (h) of section I of this Declaration (Sanctions), the contracting authority shall exclude the person from participation in a procurement procedure:

- if the contracting authority has established by verification or is otherwise aware that the person is the target of a sanction or restrictive measure (imposed or administered by the European Union or by the United States of America, and
- in the case of US Sanctions, (1) the proposed contract for which the person is applying has a US Nexus,\(^{13}\) or (2) the sanction or restrictive measure in question is not in conflict with EU Regulation (EC) 2271/96 (“Blocking Regulation”) as amended from time to time.

iii. Regarding paragraph (h) of section II of this Declaration (Sanctions - Natural Persons), the contracting authority shall exclude the person from participation in a procurement procedure if:

- the conditions under sub-section (ii) above apply to the natural person(s) concerned, and
- the person has not confirmed, to the full satisfaction of the contracting authority, that the natural person(s) concerned shall not be involved in the proposed contract.

VIII – EVIDENCE UPON REQUEST

Upon request and within the time limit set by the contracting authority the person must provide information on the persons that are members of the administrative, management or supervisory body. It must also provide the following evidence concerning the person itself and concerning the natural or legal persons which assume unlimited liability for the debt of the person:

For situations described in (a), (c), (d) or (f), production of a recent extract from the judicial record is required or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of establishment of the person showing that those requirements are satisfied.

For the situation described in point (b), production of recent certificates issued by the competent authorities of the State concerned are required. These documents must provide evidence covering all taxes and social security contributions for which the person is liable, including for example, VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

Where any document described above is not issued in the country concerned, it may be replaced by a sworn statement made before a judicial authority or notary or, failing that, a solemn statement made before an administrative authority or a qualified professional body in its country of establishment.

\(^{13}\) “US Nexus” means where there is any US involvement or connection, including (without limitation): (i) any US dollar denominated transaction; (ii) any payment in any currency that is cleared through the US financial system, including foreign branches of US banks, and US branches, agency or representative offices or US accounts of non-US financial institutions; and (iii) any US Person, including US financial institutions, foreign branches of US banks, and US branches, agency or representative offices or US accounts of non-US financial institutions.

“US Person” means: (i) any US citizen, US permanent resident alien or green card holder, wherever they are located or employed; (ii) any entity organised under the laws of the US or any jurisdiction within the US, including foreign branches of such an entity; and (iii) any individual or entity located in the US.
The person is not required to submit the evidence if it has already been submitted for another selection procedure. The documents must have been issued no more than one year before the date of their request by the contracting authority and must still be valid at that date.

The signatory declares that the person has already provided the documentary evidence for a previous procedure and confirms that there has been no change in its situation.

_The above-mentioned person may be subject to rejection from this procedure if any of the declarations or information provided as a condition for participating in this procedure prove to be false._

Full name  Date  Signature
Annex 6 - Indicative Term Sheet of the New Loan Instrument under the Leveraged Fund Scheme

This indicative summary is an outline of the principal terms and conditions of the new Loan Instrument under the Leveraged Fund described herein, which are subject to change and non-exhaustive.

This document is intended to provide a basis to guide Applicants on what is expected to be contained within the proposed scheme and does not constitute a binding commitment either explicit or implicit on the part of the EIB or the Leveraged Fund to enter one or more transactions. A commitment to provide a Loan Instrument under the Leveraged Fund will only be made after approval by the Investment Board and the signature of the relevant Operational Agreement.

The EIB does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document. The EIB does not accept any responsibility or liability for suitability or accuracy of the scheme and indicative terms provided in the term sheet. It will be ultimate responsibility of the financial intermediary selected in the process of call for expression of interest to design and to implement legal arrangements to achieve goals agreed under the new Loan Instrument.
Scheme of Possible Legal Arrangements under the New Loan Instrument

Limited partnership

Creditors – Senior Debt

Creditors - Junior debt

GP SPV

ESIF funds (EIB)

FI

Modernization Loan

Modernization Loan

Modernization Loan

Syndicated/Separate Loan Agreement

Syndicated/Separate Loan Agreement

Establishment of new SPV

Operational Agreement (including Contingent Loan)

Activities Agreement (public)

Partners’ Agreement (confidential)

Contingent Loan or Service Agreement

Equity Loan /Equity contribution

Contribution

Intercreditor Agreement
### A. ESTABLISHMENT OF INVESTMENT PLATFORM

**General description of the Investment Platform**

The Investment Platform is a Limited Partnership (in Lithuanian “komanditinė ūkinė bendrija”) or Limited Liability Company (in Lithuanian “uždaroji akcinė bendrovė”), established by Financial Intermediary and registered in Lithuania, dedicated to implement the financial instrument – the Loan Instrument to be included in the Leveraged Fund.

The Limited Partnership shall be governed by Activities Agreement and Partners’ Agreement. Limited Liability Company shall be governed by the Articles of Association.

The Investment Platform’s initial equity will be up to EUR 62,500,000 (this amount shall be composed of ESIF and financial intermediary (“FI”) funds, at the ratio of 80/20). First loss from the Modernisation Loans will be covered from the equity of Limited Partnership.

### DOCUMENTS GOVERNING THE INVESTMENT PLATFORM

**The Partners’ Agreement**

Certain specific provisions and detailed rights and obligations of Partners may be included in Partners’ Agreement.

Governing law – Lithuanian.

**Activities Agreement (for public register) or Articles of Association**

To be signed by all the partners (investors) of the Limited Partnership (GP and LP) in front of a Lithuanian notary (“Activities Agreement”). This agreement must be made public. In case of Limited Liability company the rights and obligations of the shareholder are included in the Articles of Association.

Governing law – Lithuanian.

### B. INVESTMENT OF ESIF FUNDS

**Operational Agreement (including Contingent Loan Facility)**

**Parties**

EIB, in its capacity as Leveraged Fund manager and FI.

**Contingent Loan Facility amount**

EUR 50,000,000

**Subject matter of the Agreement**

Contingent loan facility - EUR 50,000,000 to finance FI’s contribution into equity of the Limited Partnership.
<table>
<thead>
<tr>
<th>Terms and conditions</th>
<th>New Loan Instrument under the Leveraged Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Rate</strong></td>
<td>0 %                                                                -----------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>As per the Offer of the Selected Applicant</td>
</tr>
<tr>
<td><strong>Utilization</strong></td>
<td>Tranches may be drawn in the minimum principle amount defined in the Operational Agreement, during agreed availability period</td>
</tr>
<tr>
<td><strong>Voluntary prepayment</strong></td>
<td>FI may at any time without a penalty prepay the whole or any part of the Loan in minimum amount to be defined in the Operational Agreement.</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>To be recovered from the management fees under Operational Agreement.</td>
</tr>
<tr>
<td><strong>Repayment</strong></td>
<td>Liability of FI to repay the contingent loan will be limited to proceeds received by FI as LP from equity of the Investment Platform after repayment of senior and junior tranche loans or earlier, from cash of the Investment Platform exceeding loss amortization reserve accumulated by the Investment Platform.</td>
</tr>
<tr>
<td></td>
<td>Limitation of FI's liability does not apply if FI's actions or decisions violates terms and conditions of the documentation of Investment Platform, Operational Agreement or legal acts.</td>
</tr>
<tr>
<td></td>
<td>The Contingent Loan will rank and be repaid pari passu with FI's Equity Loan.</td>
</tr>
<tr>
<td><strong>Obligations of FI</strong></td>
<td>Obligations of the FI shall include (without limitation):</td>
</tr>
<tr>
<td></td>
<td>- To comply with all applicable laws, including tax laws, ESIF Regulations and State aid rules and to report any breaches;</td>
</tr>
<tr>
<td></td>
<td>- To comply with standard EIB policy clauses;</td>
</tr>
</tbody>
</table>

14 Any recovery expenses for implementation of the New Loan Instrument outside the scope of Operational Agreement may need to be determined when negotiating loans from financial institutions.
<table>
<thead>
<tr>
<th>Terms and conditions</th>
<th>New Loan Instrument under the Leveraged Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>- To establish the Investment Platform in compliance with the requirements of the Call for Expression of Interest and applicable law;</td>
<td>- To provide the required equity to Investment Platform in accordance with the requirements of the Call for Expression of Interest and applicable law;</td>
</tr>
<tr>
<td>- To provide the required equity to Investment Platform in accordance with the requirements of the Call for Expression of Interest and applicable law;</td>
<td>- To contract Senior and Junior Tranche creditors applying usual due diligence and standard internal funding policies;</td>
</tr>
<tr>
<td>- To contract Senior and Junior Tranche creditors applying usual due diligence and standard internal funding policies;</td>
<td>- To procure senior and junior debt to the Investment Platform of at least EUR 187,500,000;</td>
</tr>
<tr>
<td>- To procure senior and junior debt to the Investment Platform of at least EUR 187,500,000;</td>
<td>- To procure investment of not less than EUR 12,500,000 into equity of Investment Platform either by making contribution to equity or by providing equity loan.</td>
</tr>
<tr>
<td>- To procure investment of not less than EUR 12,500,000 into equity of Investment Platform either by making contribution to equity or by providing equity loan.</td>
<td>- The investment shall be made directly by FI in accordance with the requirements for the Call for Expression of Interest (EUR 12,500,000).</td>
</tr>
<tr>
<td>- The investment shall be made directly by FI in accordance with the requirements for the Call for Expression of Interest (EUR 12,500,000).</td>
<td>- To achieve a leverage effect of up to 5 times the amount of Leveraged Fund funds lent to the Financial Intermediary under the Operational Agreement;</td>
</tr>
<tr>
<td>- To achieve a leverage effect of up to 5 times the amount of Leveraged Fund funds lent to the Financial Intermediary under the Operational Agreement;</td>
<td>- To procure that the contingent loan from the Leveraged Fund Manager to the FI by virtue of the Operational Agreement will rank pari passu with the FI's own contribution in the Investment Platform;</td>
</tr>
<tr>
<td>- To procure that the contingent loan from the Leveraged Fund Manager to the FI by virtue of the Operational Agreement will rank pari passu with the FI's own contribution in the Investment Platform;</td>
<td>- To procure that no substantial change is made to the general nature of the business of the Investment Platform, as well as restrictions on change of control;</td>
</tr>
<tr>
<td>- To procure that no substantial change is made to the general nature of the business of the Investment Platform, as well as restrictions on change of control;</td>
<td>- provide regular reports to EIB in agreed form and scope.</td>
</tr>
</tbody>
</table>

**Security package**

Third ranking pledge of claim rights under Modernisation Loans, claim rights under the Contingent Loan granted by the Investment Platform to the FI, Collection/Disbursement Accounts of FI and the Investment Platform; first ranking pledge of shares: in case of Limited Liability Company – shares of the Limited Liability Company itself, in case of Limited Partnership, shares in GP.

**Governing law**

Law of Luxembourg
<table>
<thead>
<tr>
<th>Terms and conditions</th>
<th>New Loan Instrument under the Leveraged Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. FI CONTRIBUTION TO THE INVESTMENT PLATFORM’S EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>Contribution by the GP</td>
<td>Nominal.</td>
</tr>
<tr>
<td>Contributions by the LP or shareholders of Limited Liability Company</td>
<td>EUR 50,000,000 provided by FI as LP/shareholder from proceeds of the Contingent Loan Facility.</td>
</tr>
<tr>
<td><strong>Equity Loan</strong></td>
<td>Amount - EUR 12,500,000 provided by FI without prejudice to the obligation of the FI to ensure the procurement of the full amount of the Equity Loan. Interest rate – to be determined in the Call for Expressions of Interest. Maturity - for the life of all Modernisation Loans (preliminary until 2046). Utilization - Tranches may be drawn in minimum principle amount of 2,500,000 during agreed availability period. Repayment - <em>pari passu</em> with EIB’s Contingent Loan repayment. Governing law – Lithuanian.</td>
</tr>
<tr>
<td><strong>D. LOANS FROM FINANCIAL INSTITUTIONS</strong></td>
<td></td>
</tr>
<tr>
<td>The origination, due diligence, documentation and servicing of both Junior Tranche loan agreements and Senior Tranche loan agreements shall be performed without involvement of the EIB. The EIB (including any employees, officers, Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this indicative document) makes no representation, warranty or undertaking of any kind in relation to the accuracy, completeness, or compliance with applicable rules and regulations of any Junior Tranche loan agreements and Senior Tranche loan agreements, and does not accept liability or responsibility for the performance thereof. Indicative terms, provided below, are based on market standards and is for information purposes only.</td>
<td></td>
</tr>
<tr>
<td><strong>1. Junior Tranche loans</strong></td>
<td></td>
</tr>
<tr>
<td>Parties</td>
<td>Commercial banks or International Financial Institutions as “Lenders” and the Investment Platform as “Borrower”.</td>
</tr>
<tr>
<td>Facilities</td>
<td>Syndicated or separate lending facilities to the Investment Platform.</td>
</tr>
<tr>
<td>Facility amount</td>
<td>EUR 62,500,000</td>
</tr>
<tr>
<td>Purpose</td>
<td>To finance activities of the Investment Platform.</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>New Loan Instrument under the Leveraged Fund</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Maturity</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Expenses</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Utilization</td>
<td>Loans may be drawn in the minimum principle amount provided for in the junior loan agreement during agreed availability period.</td>
</tr>
<tr>
<td>Repayment</td>
<td>Loans will be repaid after the Senior Tranche Loans are repaid in full.</td>
</tr>
<tr>
<td>Voluntary prepayment</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Commitment fees</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Security package</td>
<td>Second ranking pledge (ranking after the first ranking pledge in favour of Senior Tranche creditors) of claim rights under Modernisation Loans, under the Contingent Loan granted by the Investment Platform to the FI, Collection/Disbursement Accounts of FI and the Investment Platform.</td>
</tr>
<tr>
<td>Governing law</td>
<td>Chosen by the Lenders/Lithuanian.</td>
</tr>
</tbody>
</table>

2. Senior Tranche loans

<table>
<thead>
<tr>
<th>Parties</th>
<th>Commercial banks or International Financial Institutions as “Lenders” and the Investment Platform as “Borrower”.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility amount</td>
<td>EUR 125,000,000</td>
</tr>
<tr>
<td>Purpose</td>
<td>To finance activities of the Investment Platform.</td>
</tr>
<tr>
<td>Commitment Fees</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Utilization</td>
<td>Loans may be drawn in minimum principle amount of 25,000,000 during agreed availability period.</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>New Loan Instrument under the Leveraged Fund</td>
</tr>
<tr>
<td>------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Maturity</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Voluntary prepayment</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Expenses</td>
<td>To be agreed between the Lenders and the Borrower.</td>
</tr>
<tr>
<td>Repayment of Loan</td>
<td>According to agreed amortization schedule.</td>
</tr>
<tr>
<td>Security package</td>
<td>First ranking pledge of claim rights under Modernisation Loans, under the Contingent Loan granted by the Investment Platform to the FI, Collection/Disbursement Accounts of FI and the Investment Platform.</td>
</tr>
<tr>
<td>Governing law</td>
<td>Chosen by the Lenders/Lithuanian.</td>
</tr>
</tbody>
</table>

### 3. Intercreditor Agreement

The origination, due diligence, documentation and servicing of Intercreditor Agreement shall be performed by the Parties of the Intercreditor Agreement without involvement of the EIB. The EIB (including any employees, officers, Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this indicative document) make no representation, warranty or undertaking of any kind in relation to the accuracy, completeness, or compliance with applicable rules and regulations of Intercreditor Agreement, and does not accept liability or responsibility for the performance of thereof.

Indicative terms, provided below, are based on market standards and is for information purposes only.

<table>
<thead>
<tr>
<th>Parties</th>
<th>Junior Tranche Lenders, Senior Tranche Lenders, Security Agent, Equity Loan Provider as Lenders and the Investment Platform as the Borrower.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Agent</td>
<td>To be agreed among the Parties to the Intercreditor Agreement</td>
</tr>
<tr>
<td>Ranking and Priority</td>
<td>Order of priority: (i) Senior Tranche Lenders; (ii) Junior Tranche Lenders.</td>
</tr>
<tr>
<td>Effect of Event of Default of the Investment Platform</td>
<td>To be agreed among the Parties to the Intercreditor Agreement.</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>New Loan Instrument under the Leveraged Fund</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Change of Parties</td>
<td>To be agreed among the Parties to the Intercreditor Agreement.</td>
</tr>
<tr>
<td>Enforcement of Security</td>
<td>Only by instruction of majority of Lenders. Should be specific and described in detail when enforcement could be triggered.</td>
</tr>
<tr>
<td>Turnover of enforcement proceeds</td>
<td>According to the ranking and priority.</td>
</tr>
<tr>
<td>Governing law</td>
<td>To be agreed among the parties to the Intercreditor Agreement.</td>
</tr>
</tbody>
</table>

### E. INVESTMENT OF FUNDS OF THE INVESTMENT PLATFORM

**Options**  
The FI can distribute available Funds either (i) in its own name or (ii) in the name of the Investment Platform. In case of option (i), the Investment Platform will provide the Contingent Loan to FI. In case of option (ii), Service Agreement will be concluded between the Investment Platform and FI.

#### Option A. Contingent Loan from Investment Platform to FI

<table>
<thead>
<tr>
<th>Parties</th>
<th>The Investment Platform and FI.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td>Contingent Loan to FI.</td>
</tr>
<tr>
<td>Facility amount</td>
<td>EUR 250,000,000</td>
</tr>
<tr>
<td>Purpose</td>
<td>To finance Modernisation Loans.</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>As for the Modernisation Loans.</td>
</tr>
<tr>
<td>Maturity</td>
<td>In accordance with the provisions of the Contingent Loan, for the life of all Modernisation Loans (preliminary until 2046). Regular cash sweeps of inflows from Modernisation Loans.</td>
</tr>
<tr>
<td>Management fee</td>
<td>In accordance with the offer of the Selected Applicant and the requirements of the Call for Expressions of Interest</td>
</tr>
<tr>
<td>Utilization</td>
<td>Loans may be drawn in minimum principle amount to be defined in the Contingent Loan. A schedule of tranches shall be planned in advance. The schedule of the Payment Requests should be updated and submitted with each subsequent Payment Request, also, immediately after the necessity to adjust the timeline and (or) amounts of the Payment Requests occurs.</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>New Loan Instrument under the Leveraged Fund</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Repayment of Loan</td>
<td>Contingent Loan will be repaid from proceeds collected from the Modernisation Loans.</td>
</tr>
<tr>
<td>Commitment fee</td>
<td>None.</td>
</tr>
<tr>
<td>Security package</td>
<td>Unsecured.</td>
</tr>
<tr>
<td>Governing law</td>
<td>Lithuanian.</td>
</tr>
</tbody>
</table>

**Option B. Service Agreement**

<table>
<thead>
<tr>
<th>Parties</th>
<th>The Investment Platform and the FI.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject matter of the agreement</td>
<td>The Investment Platform appoints the FI to manage the amounts made available under the Service Agreement.</td>
</tr>
<tr>
<td>Service fee</td>
<td>In accordance with the offer of the Selected Applicant and the requirements of the Call for Expressions of Interest.</td>
</tr>
<tr>
<td>Rights and obligations of the FI</td>
<td>Under this agreement the FI shall undertake to grant modernisation loans in the name of the Investment Platform, pursuant to modernisation loan agreements either to natural or legal persons owning premises in multi-apartment buildings and implementing a renovation project or to administrators thereof meeting the eligibility criteria set out in the Law on the State Support for Renovation (Modernisation) of multi-apartment buildings and in the documentation of the Investment Platform.</td>
</tr>
<tr>
<td>Governing law</td>
<td>Lithuanian.</td>
</tr>
</tbody>
</table>

**1. Modernisation Loan Agreements**

<table>
<thead>
<tr>
<th>Parties</th>
<th>FI and Final Recipients, when the FI grants Modernisation Loans in its own name/ in the name of the Investment Platform and Final Recipients, when the FI grants Modernisation Loans in the name of the Investment Platform.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility amount</td>
<td>As requested by Final Recipients.</td>
</tr>
<tr>
<td>Terms and conditions</td>
<td>New Loan Instrument under the Leveraged Fund</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>Modernisation of multi-apartment buildings.</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>20 years.</td>
</tr>
<tr>
<td><strong>Voluntary prepayments</strong></td>
<td>Allowed, no fees will be applied.</td>
</tr>
<tr>
<td><strong>Eligibility criteria</strong></td>
<td>For transactions to be considered Eligible Transactions, they shall comply with the eligibility criteria, established in the Law on Support for Renovation and other implementing legal acts, and approved by the competent authority, entrusted with this function in accordance with the legal acts and in the documentation of the Investment Platform.</td>
</tr>
<tr>
<td><strong>Security Package</strong></td>
<td>Unsecured.</td>
</tr>
<tr>
<td><strong>Governing law</strong></td>
<td>Lithuanian.</td>
</tr>
<tr>
<td><strong>Obligations of FI</strong></td>
<td>Modernisation Loans shall include terms and conditions, set forth in the Operational Agreement.</td>
</tr>
</tbody>
</table>
Annex 7 – Description of Modernisation Loan

Disclaimer:
This description of the terms of a Modernisation Loan is indicative and non-exhaustive, may be subject to change in accordance with the relevant legal acts and the final terms of the Operational Agreement.

1. Financing under the Leveraged Fund will be implemented as part of the state support for renovation of multi-family apartment houses under the Law on Support for Renovation, as may be amended or supplemented from time to time.

2. The Project will comply with the provisions of the Modernisation Programme, as may be amended from time to time.

3. Support for renovation of multi-apartment houses may be granted to Final Recipients or to an Administrator of Common Property, implementing a Project and meeting the eligibility criteria set out in the Law on Support for Renovation. This support will consist of several key elements: a preferential Modernisation Loan with an interest of up to 3% p.a. for the first 5 years and additional support elements, including subsidy-type incentives to Final Recipients (“Additional Incentives”).

4. Final Recipients may become eligible for Additional Incentives as indicated in the Rules for Provision of State Support or Law on Support for Renovation, which might be amended from time to time. The Final Recipients will be compensated 30% of the investments into measures, increasing energy efficiency. Additionally, if the heating system (boiler) is being installed or modernised (with individual accounting), 10% of costs of such investment will be compensated.

5. Financing under the Leveraged Fund shall be provided to Projects, implemented according to the Modernisation Programme, approved by the Government or municipalities programme, and complying with the Modernisation Programme.

6. A basic description of selected parameters of Modernisation Loans and Additional Incentives is provided in the Law on Support for Renovation.

7. Modernisation Loans shall be denominated in Euro.

8. Modernisation Loans shall be granted for the period of up to 20 years.

9. The FI shall ensure that the annual interest rate on the Modernisation Loans granted to the Final Recipients or the Administrator of Common Property does not exceed 3% p.a. during the first 5 years of a Modernisation Loan. The interest subsidy to FIs (any variable component beyond the 3% p.a. on the underlying assets) will be paid by the Government to the Financial Intermediaries in accordance with the Law on Support for Renovation and other laws.

10. Modernisation Loans may be provided:
   10.1. For preparation of the investment or technical project or a part of it (including technical expertise of the project and technical supervision); and
   10.2. For contractual works to implement the Modernisation Projects.

11. The FI has the right to issue Modernisation Loans only after confirmation of compliance by BETA (or another agency or authority, as the case may be) of Projects with the legal and technical requirements indicated in the Rules for Provision of State Support.

12. The FI shall use all reasonable efforts to assess the creditworthiness of Final Recipients and/or Administrators of Common Property.

13. The FI may require from the Final Recipients or the Administrators of Common Property a down payment accounting for not more than 5% of the value of the projects representing the Final Recipients’ own contribution to the financing of the projects.
14. Modernisation Loans shall be disbursed by making payments to contractors against invoices or deeds of completion, issued by contractors for works performed unless the applicable laws require payments of the taxes otherwise. Advance payments may be also foreseen in the agreements with the contractors. Modernisation Loans shall be disbursed only after the eligibility of expenses or advance payments has been confirmed in accordance with applicable legislation.

15. Upon the completion of a Project, its eligibility to benefit from the state support shall be verified in accordance with applicable legislation. Following the verification, the Project may become eligible to benefit from Additional Incentives, which shall be financed from such other funds outside the Leveraged Fund as indicated in the Rules for Provision of State Support in accordance with the procedure established therein.

16. The Financial Intermediary may offer the option to defer the repayment of the Modernisation Loan upon request of the Final Recipient or the Administrator of Common Property until the completion of the Project.

17. The Final Recipients or the Administrator of Common Property shall have the right to prepay the Modernisation Loan before their maturity date without incurring penalties or administrative charges, subject to the condition that the repayable part of the Modernisation Loan Agreements shall be of a reasonable amount, by submitting to the FI a notification within a reasonable time prior to such repayment. Detailed procedures for prepayment should be set out in the Modernisation Loan Agreements.

18. The Final Recipient or the Administrator of Common Property shall have the right to refinance the Modernisation Loan without incurring penalties or administrative charges after 5 years from the conclusion of the Modernisation Loan Agreement. Detailed procedures and terms of the refinancing should be set out in the Modernisation Loan Agreements.

19. Administrators of Common Property shall collect payments from the apartment owners for the implementation of the Project in a separate ring-fenced account (“kaupiamoji sąskaita”), designated only for this purpose. The FI shall ensure that access by the Administrators of Common Property to such account shall be limited to the payment for the implementation of the Project and shall secure the right of FI to directly debit monthly instalments to the account.

20. The FIs shall agree with the Administrator of Common Property the procedure for delays in payments and events of defaults by multi-apartment building apartment owners, which shall provide for the assignment of the demand rights to recover the due amounts directly from the Final Recipients.

21. The FI shall ensure that Final Recipients and the Administrators of Common Property comply with all obligations imposed on them by EU laws and regulations and any other applicable laws and that the Final Recipient and the Administrator of Common Property shall do such things as may be necessary to allow the FI to comply with its obligations under EU laws and regulations and any other applicable laws.