Call for Expression of Interest:

Ref.: MHA-1281

Subject:
Jessica II Fund of Funds Lithuania –
Selection of Financial Intermediaries

The European Investment Bank (“EIB”) in its capacity as manager of the Jessica II Fund of Funds (“FoF”) Lithuania (“Jessica II” or “FoFL”) is launching a Call for Expressions of Interest (“Call for EoI”), a decentralised financial instrument in the framework of the 2014-2020 Programming Period of the European Union, utilising European Structural and Investment Funds (“ESIF”) of the Republic of Lithuania.

The aim of the Call for EoI is to select up to four financial intermediaries (“FIs”), which shall receive financing from Jessica II and contribute their own funds alongside Jessica II funds. The total available funds, consisting of Jessica II funds and the FI’s own funds, will be used by the FIs to extend preferential loans to natural or legal persons owning premises in multi-apartment buildings (“Final Recipients” or “Final Beneficiary”) or to administrators of common property (“Administrators of Common Property”) for the energy efficiency renovation of multi-apartment buildings (“Renovation Projects”) in accordance with the Lithuanian legal basis (“Modernisation Loans”).

The selection of the FIs will proceed as described below, and the Jessica II funds will be made available across the selected FIs in accordance with the conditions set out below. The initial amount of Jessica II funds allocated to this Call for EoI is EUR 40 million. The maximum amount of FoF L funds allocated to this Call for EoI is up to EUR 80 million subject to the demand for funds expressed in the Expression of Interest (“EoI”) and a respective decision by the Jessica II investment board (“Jessica II Investment Board”). It is not excluded that the Jessica II Investment Board may decide not to allocate more than the initial EUR 40 million amount towards this Call for EoI, and instead advise the launch of a separate Call for EoI, which may be based on different conditions, including different risk-sharing model(s). Applicants should note that selection of FIs is contingent on the approval of the Jessica II Investment Board.

If you wish to participate in this Call for EoI, please forward your EoI, 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 be marked:

DO NOT OPEN:
Ref.: MHA-1281
Subject: Jessica II Fund of Funds Lithuania –
Selection of Financial Intermediaries
Deadline for receipt of expression of interest: 07/01/2016
and hand it in (by messenger or courier) at the reception desk of the

EUROPEAN INVESTMENT BANK
For the attention of Marie-Hélène Armand
Ref. MHA-1281
Purchasing and Administrative Services Division
98-100 boulevard Konrad Adenauer
L-2950 LUXEMBOURG

The applications, as described below, must be handed in by 07/01/2016 at the latest (up until midnight Luxembourg time).

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

Applications will not be accepted if they:

a) are not sent in two sealed envelopes;
b) are not delivered by hand to the EIB before the specified deadline;
c) do not conform to the provisions of this Call for EoI.

Applicants are directed to the important notices below. Unless expressly stated otherwise the terms and expressions used in this document shall have the meanings as defined in the document or set out in Appendix C. Any references in this Call for EoI to Annexes and Appendices are, save if explicitly stipulated otherwise, references respectively to annexes and appendices to this Call for EoI.

Applicants must take account of the following provisions (more detail is provided in Annex 3):

1. The selection of FIs will proceed as follows:

a. Applying the exclusion, selection and award criteria: EoIs will first be assessed against the exclusion criteria ("Exclusion Criteria" as outlined in Annex 3, Section II, D). EoIs which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the selection criteria ("Selection Criteria" as outlined in Annex 3, Section II, E). All applicants that meet the Selection Criteria will be assessed on the basis of their offers in the form of a Business Plan including Financial Offer prepared in line with the Terms of Reference ("Offer"), as outlined in Annex 3 and Appendix G. The Offers will be evaluated on the basis of the award criteria ("Award Criteria", as described in Appendix A).

b. Negotiation of Operational Agreements: the successful applicants shall be invited to negotiate the final terms and conditions of the Operational Agreement to be signed with the EIB, as further detailed in Appendix B.

The indicative timetable for this Call for EoI, which may be subject to change, is therefore:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue of Call for EoI</td>
<td>14/11/2015</td>
</tr>
<tr>
<td>Deadline for requests for additional information</td>
<td>30/11/2015</td>
</tr>
<tr>
<td>Deadline for submission of the EoI</td>
<td>07/01/2016</td>
</tr>
<tr>
<td>Notification to applicants of outcome of the EoI</td>
<td>February 2016</td>
</tr>
<tr>
<td>Negotiation of Operational Agreements following Jessica II Investment Board approval</td>
<td>February 2016</td>
</tr>
</tbody>
</table>
2. Offers must be final and non-revisable, quoted in Euros and free of taxes and duties, the EIB being exempt there from under the Protocol on the Privileges and Immunities of the European Communities.

3. Each applicant must declare that it has taken note of the conditions of the Call for EoI and the Terms of Reference contained herein and has had the opportunity to gauge the scope and quality of the services required, as well as the possible difficulties.

4. An applicant cannot invoke any error, inaccuracy or omission in its application and/or Offer to call any contract into question or to attempt to have any contract amended.

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

6. 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 evaluation process affecting the applicant.

7. Applications 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.

8. Documents of general interest submitted by applicants will be taken to form an integral part of the application.

9. Applicants must respond to the specifications item by item.

10. The initial amount of Jessica II funds allocated to this Call for EoI is up to EUR 40 million. The maximum amount of FoF funds allocated to this Call for EoI is up to EUR 80 million subject to FIs EoI and decision of the Jessica II Investment Board.

11. The EIB reserves the right to award funding the selected applicant(s) (subject to the approval of the Jessica II Investment Board), in accordance with the Award Criteria set out in the specifications, or not to award funding to any applicant.

12. The EIB may cancel this procurement procedure or any part of the funds available hereunder without notice at any time. Applicants should only participate in the FI selection process on the understanding that they would not be entitled to any form of compensation, should the EIB decide to interrupt the procurement procedure or cancel the procurement process before the contract is signed.

13. Participation in this Call for EoI shall be taken as acceptance of all the terms and conditions mentioned in this Call for EoI and the conditions of the specifications.

14. The following documents shall form an integral part of this Call for EoI:

   - Annex 1 – ‘Template for Expression of Interest’
   - Annex 2 – ‘Declaration to Be Made by the Applicant’
   - Annex 3a – ‘Form Regarding the Exclusion Criteria’
   - Appendix A – ‘Award Criteria’
   - Appendix B – ‘Indicative Summary Terms of the Operational Agreement’
   - Appendix C – ‘Definitions and Abbreviations Used for the Purpose of this Call for Expression of Interest’
   - Appendix D – ‘General Requirements and Specific Criteria’
   - Appendix E – ‘Description of Modernisation Loan’
   - Appendix F – ‘Indicative Summary Terms of the Pre-financing Agreement’
   - Appendix G – ‘Financial Offer’
15. Any requests for additional information on the EoI, should be addressed in writing by 30/11/2015 at the latest to Marie-Hélène Armand e-mail: CS-procurement@eib.org. The EIB will reply to requests before the deadline for submission of applications. Please note that the EIB responses to any queries or clarification requests may be circulated to all applicants at the EIB’s discretion.

16. If necessary and at the request of EIB a series of clarification meetings may be arranged with the selected applicant(s) after submission of Offers (in the form of a Business Plan). The EIB may arrange these meetings in due course with selected applicant(s) following the completion of the Exclusion and Selection processes.

17. Applicants may be invited to make a presentation, if the EIB so decides. Applicants will not be permitted to modify the terms and conditions of their application during their presentation or at any other time after the application has been submitted to the EIB. The EIB reserves the right to seek additional detail from an applicant to clarify any part of an applicant's submission.

18. The EoI must be drawn up on paper in duplicate, i.e. one original and one copy, clearly marked as “Original” and “Copy”. One electronic copy should also be submitted on CD or USB stick.

19. Before an Operational Agreement is signed, the selected applicant must undertake to comply with all current laws and provisions and to obtain all relevant permits required to provide the services described.

20. Applicants are expected to start signing the Modernisation Loan agreements immediately after the conclusion of an Operational Agreement which is expected at the end of first quarter of 2016.

21. Applicants will be informed by post of the outcome of their applications.

22. Any dispute concerning procurement conducted by the EIB falls under the jurisdiction of the European Court of Justice.

DISCLAIMER

The EIB (including any employees, officers, advisers and / or contractors of the EIB who contributed to the preparation of this document) makes no representation, warranty or undertaking of any kind in relation to the accuracy or completeness of any information provided in, or in connection with, this Call for EoI (for the purposes of this section the “Information”).

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 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 EoI or at any point during the FI selection process) in relation to the selection process should make their own investigations and form their own opinion. In particular, the distribution or receipt of this Call for EoI shall not constitute, or be construed as, the giving of investment advice or a recommendation by the EIB of any kind.

Only the express terms of any written contract (as and when it is executed) shall have any contractual effect in connection with the FI selection process.

All applicants are solely responsible for their costs and expenses incurred in connection with the FI selection process including the preparation and submission of submissions and participation in all future stages of this process. Under no circumstances will the EIB be liable for any costs or expenses borne by applicants or any of its supply chain, partners or advisors in this process.
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 maybe) may attract) any applicant or consortium member who, in connection with this document:-

(i) offers any inducement, fee or reward to any Jessica II Investment Board member, employee or officer of EIB or any person acting as an adviser for EIB in connection with this Call for EoI;

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

(iii) fixes or adjusts the amount of his offer or submission 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 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 his proposed submission (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a submission).

INTELLECTUAL PROPERTY
The copyright in this document is vested in the EIB.

This document may not be reproduced, copied or stored in any medium without the prior written consent of the EIB except in relation to the preparation of a submission.

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 the FI 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.

**COMMUNICATIONS**

Applicants should note that they are expressly prohibited from contacting directly any of the Jessica II Investment Board members, advisers and/or contractors of the EIB who contributed to the preparation of this document from the date that the Call for EoI has been issued. All clarifications should be through the EIB as set out in the introduction to this Call for EoI.

**PRIVACY STATEMENT**

The personal data provided by you will be processed in accordance with Reg.45/2001. The information requested for the Call for EoI is necessary in order to assess your EoI and will be used solely for that purpose under the authority of the EIB Procurement and Purchasing division (PROCUR), in accordance with the EIB guide for procurement, approved by the Management Committee of the EIB. Please note that for your EoI to be considered, it may be mandatory to answer some or all of the questions in the declaration to be made by the applicant. The mandatory/optional nature of these questions is outlined in the specific call for EoI document.

In order to assess the EoI and if applicable, the Offer, the personal data provided by you will be accessed by members of the Selection Panel and the Directorate which requested the Call for EoI.

Upon request, access to this data may be granted to the EIB’s Office of the Chief Compliance Officer, the legal service or the Inspectorate General. The data of the successful applicants shall be retained for the duration of the contract, plus two years in the central archives, unless these are needed in the context of litigation or claims. The data of unsuccessful applicants shall be retained for four years, unless these are needed in the context of litigation or claims. You have the right to access and rectify or update your data. You can exercise these rights by contacting the Head of the Procurement division (CS-procurement@eib.org). You also have the right to have recourse at any time to the European Data Protection Supervisor.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNEX 1</td>
<td>8</td>
</tr>
<tr>
<td>ANNEX 2</td>
<td>12</td>
</tr>
<tr>
<td>ANNEX 3</td>
<td>14</td>
</tr>
<tr>
<td>ANNEX 3A</td>
<td>23</td>
</tr>
<tr>
<td>APPENDIX A</td>
<td>26</td>
</tr>
<tr>
<td>APPENDIX B</td>
<td>30</td>
</tr>
<tr>
<td>APPENDIX C</td>
<td>34</td>
</tr>
<tr>
<td>APPENDIX D</td>
<td>36</td>
</tr>
<tr>
<td>APPENDIX E</td>
<td>37</td>
</tr>
<tr>
<td>APPENDIX F</td>
<td>39</td>
</tr>
</tbody>
</table>
1. Information about the applicant

1.1. General information about the applicant

An EoI may also be submitted by a consortium that, if awarded the contract, may assume a legal form by incorporation, partnership or otherwise which would enable the members of the consortium to contract as a single entity. Where such a consortium exists the applicant shall be responsible towards the EIB and shall act as the interface between the EIB and the members of the consortium. This principle shall also apply to individual applicants who may describe the legal form that they will adopt (where they do not currently hold this legal form) should they be selected. If successful, the relevant applicant must take this legal form before signature of the Operational Agreement.

<table>
<thead>
<tr>
<th>Name of the applicant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address (registered office)</td>
</tr>
<tr>
<td>Registration number² (copy of certificate to be attached)</td>
</tr>
</tbody>
</table>

¹ In case the EoI is submitted by a consortium, it will be necessary to include the information contained in the table above for each of the members of the consortium. The aforementioned information must be accompanied by a cooperation agreement signed by each of the members, including their commitments to participate in this Call of EoI, an authorisation from all the consortium’s members to be represented by the leading party at all stages of the procedure, and the identification of the percentage that each of them represents in the consortium.

² Registration with the official companies registry, chamber of commerce, or other competent authority.
<table>
<thead>
<tr>
<th>Telephone No.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fax</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

Names and organisation registration numbers of proposed subcontractors / consortium members if applicable

### 1.2. Person authorised to submit the EoI

<table>
<thead>
<tr>
<th>Name, surname</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td></td>
</tr>
</tbody>
</table>

Contacts:
- Address
- Telephone No.
- Fax
- Email

### 1.3. Person for communications (if different from paragraph 1.2)

<table>
<thead>
<tr>
<th>Name, surname</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td></td>
</tr>
</tbody>
</table>

Contacts:
- Address
- Telephone No.
- Fax
- Email
By submitting this EoI, the undersigned declare(s) that:

- having taken note of this Call for EoI;
- having taken note of the specifications and the documents referred to therein;
- having taken note of the key terms and conditions of the Operational Agreement Appendix B; and
- having completed the requisite declaration Annex 3a;

hereby declare(s) that:

- there is no Exclusion Criteria preventing its selection under the terms of this Call for EoI;
- the applicant is fully aware that resources of the FoFL are provided by European Structural and Investment Funds (the “ESIF”) from “Operational Programme for European Union Funds Investments in 2014-2020 using measure No 04.3.1-FM-F-001 “Modernisation of Multi-apartment Buildings” for the fund-of-funds Lithuania (“FoFL”);³
- the applicant satisfies the criteria laid down in Articles 140(1), (2) and (4) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012;
- the information contained in this EoI and its Annexes is complete and correct in all its elements; and
- the applicant has taken note of and accepted the conditions of the Call for EoI, the Terms of Reference contained herein and the key terms and conditions of the Operational Agreement Appendix B and has had the opportunity to understand the scope and quality of the services required.

• undertakes unconditionally, in accordance with the provisions of the aforementioned documents, to supply the services on the terms set out below, this application being binding upon the organisation, however, only if its acceptance is notified by the EIB within 90 days of the date of opening of applications.

• declares that is authorised to do so on behalf of any subcontractors / consortium members listed in 1.1 of Annex 1 and in doing so commits those subcontractors / consortium members to supply the services on the terms set out below in this Call for EoI, for 90 days from the date of opening of applications.

ENCLOSED:

1. Declaration to be made by the applicant in Annex 2.

2. Supporting documents relating to Annex 2 (to be completed by the applicant):

   a) ...
   b) ...
   c) ...

3. Evidence relating to the Exclusion Criteria as set out in Section II, D of Annex 3 below:

   a) ...
   b) ...
   c) ...

4. Offer in the form of a Business Plan as set out in Annex 3, including Financial Offer in the form of Appendix G.

__________________________  __________________________  __________________________
(position)           (name, surname)               (signature)
DECLARATION TO BE MADE BY THE APPLICANT

1. Name of the applicant ...........................................................................................................................................

2. Type of business ..................................................................................................................................................

3. Represented by (name and position): ..................................................................................................................

Questions 4 to 13 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.

4. Number and date of entry in trade register: ........................................................................................................

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

6. Is the applicant/consortium member in receivership or the subject of bankruptcy, recovery or composition proceedings (or the subject of equivalent proceedings)?
........................................................................................................................................................................

If so:

(a) date of the receivership or the bankruptcy order or date of opening of the above mentioned proceedings: ........................................................

(b) on what terms is the applicant/consortium member 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. Is the applicant's/consortium member’s organisation or any of the persons authorised to act on its behalf in liquidation?
......................................................................................................................................................

8. Has the applicant/consortium member or any of the persons authorised to act on its behalf been the subject of any sentence, with the force of res judicata, for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests, or found guilty of grave professional misconduct, as sanctioned by disqualification or penalty regarding the proper pursuit of commercial or industrial occupations, or under the rules on prices and competition?
......................................................................................................................................................

9. Has the applicant/consortium member 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 into this Negotiated Procedure?
......................................................................................................................................................

10. Has the applicant/consortium member complied with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or with those of Lithuania, including compliance with prudential requirements compulsory to banks, where applicable?
......................................................................................................................................................

11. The applicant certifies that it has a bank license for financial services issued by a competent authority of the Republic of Lithuania or has a licence issued by a competent authority of any other Member State of European Union and has exercised its right of establishment in Lithuania pursuant to Directive (EC) No. 2013/36 and (ii) that it is entitled to supply the services outlined in this application under EU and Lithuanian law.

12. The applicant certifies its compliance with the principles of gender equality and non-discrimination in carrying out its activities.

13. The applicant certifies that the information given above is correct and is supplying all the information required under this Call for EoI in good faith and without misrepresentation.

......................................................................................................................................................

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

STAMP     NAME(S)     SIGNATURE(S)
I. GENERAL INFORMATION

1. Financial instruments

Financial instruments have been used for delivering investments for Structural Funds since the 1994-1999 programming period. Their relative importance has increased during the programming period 2007-2013 and they now represent around 5% of total European Regional Development Fund ("ERDF") resources. In the light of the current economic situation and the increasing scarcity of public resources, financial instruments are to play an even more prominent role in cohesion policy in the 2014-2020 programming period.


2. JESSICA I and Jessica II in Lithuania

The largest national asset in Lithuania by value is the country's housing stock. Around 24,000 multi-apartment buildings in Lithuania were built according to the technical standard valid until 1993. Most of these buildings are in poor condition and lack proper management. They have inefficient heating systems and equipment and low-quality windows, roofs and seals between panels. 66% of the population lives in multi-apartment buildings built before 1993. The Multi-apartment Buildings Modernisation Programme approved by Resolution No 1213 of the Government of the Republic of Lithuania of 23 September 2004 (the "Modernisation Programme") is one of the main priorities of the Lithuanian Government. It has been financed since 2009 by the JESSICA Holding Fund, managed by EIB, under the JESSICA initiative ("JESSICA Holding Fund" or "JESSICA I"), a revolving financial instrument, which blends EU and national funds to bridge the financing gap for energy efficiency housing projects in Lithuania. JESSICA enables the European Structural and Investment Funds ("ESIF") and match funding to be invested by Urban Development Funds in urban projects via loans, equity and/or guarantees. Returns from these investments can then be used to make new investments in new projects thereby creating a revolving fund for investment in the region.

The Government has decided that a new Fund of Funds ("FoF") type of structure in accordance with the relevant 2014-2020 ESIF regulations shall continue the EIB-managed JESSICA Holding Fund Lithuania into the 2014-2020 programming period in order to finance the Modernisation Programme. A market gap in financing modernisation of multi-apartment buildings in Lithuania has been established in the ex-ante assessment within the meaning of Article 2 of the CPR ("Ex-ante Assessment").

The Ministry of Finance and the Ministry of Environment of the Republic of Lithuania ("Ministries") and the EIB signed a Funding Agreement on 7 May 2015 ("Funding Agreement"), to establish the Jessica II FoF Lithuania ("Jessica II" or "FoFL") as a separate block 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. The functioning of the FoFL is supervised and certain decisions of the FoFL are to be endorsed by an Investment Board consisting of the members appointed by the Ministries or other representatives proposed by the Ministries from other institutions ("Jessica II Investment Board").
The logic of the FoFL to which successful applicants will have to contribute could be summarised and illustrated in the following table presenting the goals, activities and outputs to be achieved with regard to the Operational Programme as indicated by the Ministries to the FoFL Manager:

<table>
<thead>
<tr>
<th>Product Indicator</th>
<th>No</th>
<th>Measurement unit</th>
<th>Target value (31 12 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of households with improved energy consumption classification</td>
<td>P.B.231</td>
<td>Households</td>
<td>16,750</td>
</tr>
<tr>
<td>Total annual reduction of greenhouse gas emissions</td>
<td>P.B.234</td>
<td>t CO$_2$ equivalent</td>
<td>44,584</td>
</tr>
<tr>
<td>Number of loans or guarantees provided for renovation of multi-apartment buildings</td>
<td>P.N.001</td>
<td>Loans or guarantees</td>
<td>759</td>
</tr>
</tbody>
</table>

3. Background information

The EU has set itself the objective of achieving 20% primary energy savings by 2020 and has made this objective one of the five headline targets of the Europe 2020 Strategy for smart, sustainable and inclusive growth. The idea 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 FIs are required to extend Modernisation Loans pursuant to modernisation loan agreements (the "Modernisation Loan Agreements") to Final Recipients or to Administrators of Common Property (as defined) implement eligible Renovation Projects, in accordance with the provisions of the Law on the State Support for Renovation (Modernisation) of Multi-apartment Buildings, as may be amended or supplemented (the "Law on Support for Renovation").

An important factor in the evaluation of the FI’s Offers will be the ability of the FI to contribute its own funds as further described in ANNEX 3, Section I.4 and II.F.4 below.

To ensure a proper and timely deployment of the funds initially allocated to the FI(s), the FI is required to demonstrate its ability to develop a robust pipeline of Renovation Projects (as further set out in ANNEX 3, Section II.F.3 below) and to set out how it will work with potential Final Recipients, Administrators of Common Property and local stakeholders regarding the identification of Renovation Projects.

Please consult Appendix E for the terms of a Modernisation Loan.

4. Risk-sharing

As a condition to participate under this Call for EoI, FIs are asked to contribute at least EUR 3 million of their own funds alongside each EUR 10 million of Jessica II funds. Possible risk sharing mechanisms are:

(i) The already tested “pre-financing model”, a summary of which has been outlined in Appendix F.

(ii) Any other model which the applicant may propose providing the main terms and conditions of such model. The proposed risk sharing models should take into considerations the existing legal framework and be reasonably implementable by the end of first quarter 2016.

Each applicant may, but is not required to, provide a maximum of two different risk sharing proposals (see Appendix G), specifying an amount of own contributions on a given amount of Jessica II funds, with a corresponding pricing proposal. For the avoidance of doubt, in case two proposals are put forward by an Applicant, each proposal will be treated and scored individually.
All proposals for leverage through risk-sharing are subject to the following:

- The Offer is in full compliance with all applicable EU rules regarding financial instruments (including those on State aid);
- All available funds (public and private) offered under this Call for EoI must be spent before 31 December 2023 if not otherwise indicated in the Operational Agreement;
- The total available funds, consisting of Jessica II funds and the FI’s own funds, will be used by the FIs to extend Modernisation Loans to Renovation Projects in accordance with the Lithuanian legal basis.

The FIs shall be remunerated for the provision of own financing via an “all-in” interest rate in line with market standards. No additional fees (other than a possible management fee, see ANNEX 3, Section II, F.5 below) shall apply.

II. SELECTION PROCESS

A. AMOUNT

The initial amount of Jessica II funds allocated to this Call for EoI is EUR 40 million. The maximum amount of this Call for EoI is up to EUR 80 million. This allocation of Jessica II funds must be invested in Renovation Projects within the Eligibility Period as is defined in Appendix C, namely no later than by 31 December 2023. However, EIB retains the right to set earlier maximum disbursement dates in the Operational Agreements for separate tranches.

Each of the selected FIs, with which an Operational Agreement is signed, will initially be awarded a minimum of 1 tranche of EUR 10 million, and a maximum number of tranches in accordance with their financial offer, and the outcome of the selection process.

B. EOIS

Applicants which are not excluded in accordance with the Exclusion Criteria will be assessed on the basis of the Selection Criteria. The Exclusion and Selection Criteria are set out below.

C. OFFERS

All applicants that meet the Selection Criteria will be further assessed on the basis of their Offers (including detailed Business Plans and Financial Offers). The Offers will be evaluated on the basis of the Award Criteria, as described in Appendix A.

Applicants must score at least 10 points for Award Criteria component No. I and at least 10 points for Award Criteria component No. II as described in Appendix A attached.

In connection with the Award Criteria, it will also be required that the application and the Offer (in the form of a Business Plan as specified in ANNEX 3, Section II.F and Financial Offer specified in Appendix G) is in compliance with the operation selection criteria approved by the monitoring committee, being a committee established by the government of Lithuania in accordance with Articles 47 et seq. of Reg. 1303 and the Resolution No. 1K-323 of the Government of Lithuania of 16 October 2014 responsible for the control and quality of the implementation of the Operational Programme, as well as the performance of the functions set out in Article 49 of Reg. 1303 and in accordance with other relevant Lithuanian legal basis. Please consult Appendix D on General Requirements and Specific Criteria.
Up to four of the highest scoring applicants shall be invited to sign Operational Agreements with EIB once their selection has been approved by the Jessica II Investment Board. The terms of the Operational Agreements shall reflect the provisions of the Call for EoI and the terms of the respective Offer. For further guidance regarding the amounts that may be signed with each of the up to four highest scoring applicants, refer to ANNEX 3, Section II.A above.

EIB may, at its sole discretion, undertake due diligence of the applicants selected for the negotiation of Operational Agreements which may include the verification of any relevant ethical, professional and technical requirements submitted by the selected applicants under this Call for EoI. The conclusion of an Operational Agreement shall be conditional on the Jessica II Investment Board’s approval of the key terms and conditions of the Operational Agreement.

D. EXCLUSION CRITERIA

Applicants will be excluded from participating in this Call for EoI if any of the following Exclusion Criteria apply to them:

a. they are bankrupt or are being wound up, are having their affairs being administered by the court, have entered into an arrangement with creditors, have suspended business activities or are in any analogous situation arising from a similar procedure under national laws and regulations;

b. they are the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;

c. they have been convicted by a judgment which has the force of res judicata in accordance with the legal provisions of the country of any offence concerning his professional conduct;

d. they have been guilty of grave professional misconduct proven by any means which the Bank can demonstrate;

e. they have not fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which they are established or with those of the country where the contract is to be performed;

f. they have not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country where the contract is to be performed;

g. they are guilty of serious misrepresentation in supplying the information required under this Section or has not supplied such information.

h. they have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity detrimental to the European Union’s financial interests;

i. they have been the subject of an administrative penalty for being guilty of misrepresentation in supplying the information required by the Bank as a condition of participation in a procurement procedure or failing to supply information, or being declared to be in serious breach of his/her obligations under contracts covered by the budget.

Declaration in the form of Annex 3a to the “General administrative and submission clauses” (Declaration regarding the exclusion criteria and the absence of conflict of interest) duly signed and dated by an authorised representative (sole tenderer or lead contractor) stating that they are not in one of the situations listed in Annex 3a to the “General administrative and submission clauses”. The
successful tenderer(s) shall provide the documents listed below as supporting evidence in this Annex before signature of the contract and within the deadline specified by the Bank.

For the situations described in a), b), c) and h), production of a recent extract from the judicial record is required or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Where the tenderer is a legal person and the national legislation of the country in which the tenderer is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

For the situation described in point e) and f) above, recent certificates or letters 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 tenderer is liable, including for example VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

For any of the situations described in a), b), c), e), f) or h), where any document described in the two paragraphs above is not issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in the country of origin or provenance.

E. SELECTION CRITERIA

Applications not excluded in accordance with the Exclusion Criteria, will be assessed on the basis of the following Selection Criteria:

1) The EoI is prepared in accordance with Annex 1 and all supporting documents are provided;
2) Declarations indicated in Annex 2 are completed to the satisfaction of the EIB;
3) The applicant has provided 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 Union EU and national law (see Section II, F(1)), such being (a) banking licence; (b) acceptable minimum credit rating of Baa3; (c) financial statements, demonstrating sound financial management to the satisfaction of EIB.

The applicants, not meeting the criterion No. 3(b) above (either with a lower rating or not rated at all), may be accepted, where they undertake: (i) to place the funds assigned to them with an eligible financial institution (at their cost), which would either execute the disbursements to the Final Recipients on their behalf or release the necessary funds to the Financial Intermediary; or (ii) to provide a shareholder or third party guarantee, from a qualifying guarantor (i.e. one with an acceptable minimum credit rating of Baa3), in the amount of the Jessica II on the Disbursement Account at any moment; or (iii) to pledge government bonds in amount of allocated Jessica II funds on the Disbursement Account at any moment; or (iv) to ensure that they hold never more than EUR 14 million of Jessica II funds on the Disbursement Account at any moment and that any new Jessica tranche received will be disbursed for Jessica projects in not more than 5 months.

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.
F. OFFER IN THE FORM OF A BUSINESS PLAN

The Business Plan for the use of resources received from Jessica II and of own resources, shall demonstrate economic viability of the investment strategy, and shall include the following elements:

1. The organisational and administrative capacity, credit risk assessment, risk management and loan recovery procedures, monitoring, reporting

<table>
<thead>
<tr>
<th>The applicant shall describe:</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Its governance structure and organisational and administrative capacities, including internal control systems and procedures, in place to meet its business objectives and Renovation Project demand in respect of this Call for EoI;</td>
</tr>
<tr>
<td>▪ Detailed risk management procedures in place, including loan issuance and creditworthiness appraisal processes, credit risk assessment and management procedures and loan monitoring and work-out procedures that will be applied for overdue loans;</td>
</tr>
<tr>
<td>▪ The timeline, when the FI's organisational and administrative structure and procedures will be put in place or deployed to start the allocated funds contracting to the Final Recipients and/or to the Administrators of Common Property; and</td>
</tr>
<tr>
<td>▪ The indicative timeline between the contracting of funds to the Final Recipient and/or Administrator of Common Property and the disbursement/completion of the Renovation Project, based on previous experience and any evidenced pipeline, if available.</td>
</tr>
</tbody>
</table>

The applicant shall confirm that:

| ▪ It has the necessary organisational and administrative capacity as well as governance framework to meet the increased demand for the financing of the Renovation Projects; |
| ▪ It has an adequate economic and financial viability in view of the activities foreseen; |
| ▪ It has an effective and efficient internal control system; and |
| ▪ It uses an accounting system providing accurate, complete and reliable information in a timely manner. |

The applicant must provide a copy of the documents regulating its economic activities (by-laws, founding documents, licences, patents, etc) evidencing the provision of financial services and its status as a licensed bank and its entitlement to carry out the tasks foreseen under EU and national law. The applicant must also provide information on its ownership structure, as well as financial statements for the past 3 years (plus an interim financial statement for the 1st half a year of 2015).

2. Presentation of relevant lending experience

In this part of the Business Plan the applicant shall describe its relevant experience in identifying and extending financing from own or other funds for Renovation Projects, including experience in assessing the creditworthiness of potential Final Recipients and/or Administrators of Common Property or in participating in other EU Structural Funds funding schemes or in financing similar types of projects in the market.

The applicant shall present any relevant experience it has in managing and administrating EU Structural Funds (including EU Structural Funds as grants). The applicant shall also present any other experience which it deems to be relevant in this context.

3. The investment strategy of the FI(s)

In this part of the Business Plan the applicant should set out its investment strategy, including the applicant’s approach to identifying and financing Renovation Projects.

The investment strategy should describe at least the following:

(a) The strategic focus of the FI(s) in terms of:

▪ The target market, geographical coverage, plan to capture a share of the identified market potential, and related priorities;
The key stages/parameters that will be used to assess Renovation Projects;
The methodology for identifying and appraising Final Recipients and/or Administrators;
Methodology for appraising the construction companies;
Additional activity (seminars to the Administrators of Common Property, meetings with the Final Recipients, etc);
The terms and conditions (except in those matters that are regulated by the Law on Support for Renovation and provided for in Annex B) for extending Modernisation Loans, such as the amount of the advance payment, requirement of pledge, deposit, etc (if any); and
Any other relevant criteria that the applicant would consider appropriate.

(b) The approach to managing engagement with potential Final Recipients, Administrators of Common Property and local stakeholders (including municipalities) regarding the identification of Renovation Projects.

The applicant is required to demonstrate its ability to develop a robust Renovation Project pipeline (as described in Annex 3, Section I. 3 above) and timely deployment of funds to satisfy the market demand.

4. Leverage through risk-sharing

The aim of the Call for EoI is to secure contributions of FI own funds, and to maximise the funds available for the extension of Modernisation Loans to Final Recipients and/or to Administrators of Common Property for Renovation Projects in accordance with the Lithuanian legal basis. The applicant is asked to propose financing from its own resources as described in Annex 3, Section I. 4 above.

To recapitulate, the summary of already tested “pre-financing model” has been outlined in Appendix F. The applicant is expected to provide the main terms and conditions as well as implementation timeline of any other risk sharing model.

Other proposals for leverage through risk-sharing are not excluded and all offers are subject to the following:
- The offer is in full compliance with all applicable EU rules regarding financial instruments (including those on State aid);
- All available funds (public and private) offered under this Call for EoI must be spent before 31 December 2023 if not otherwise indicated in the Operational Agreement;
- The total available funds, consisting of Jessica II funds and the FI’s own funds, will be used by the FIs to extend Modernisation Loans to Renovation Projects in accordance with the Lithuanian legal basis.

5. Management fees and interest

Management fees and interest percentage shall be provided in the form set out in Appendix G.

5.1. Management fee for the distribution of Jessica II funds - fee ranges and caps

The fees related to the distribution of Jessica II funds are regulated and capped during the Eligibility Period as per in Article 65(2) of Reg. 1303, which is described below. 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 received 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 Jessica II funds in respect of each of the contribution ranges indicated below, in accordance with Article 13 (2) and (3) of Reg. 480:

1. 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 instrument 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;

2. A maximum of 1 % per annum of the programme contributions paid within the meaning of Article 42(1)(a) of Reg. 1303 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

3. The aggregate amount of management costs and fees over the eligibility period laid down in Article 65(2) of Reg. 1303 do not exceed a maximum of 8 % of the total amount of programme contributions paid to the financial instrument.

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.

5.2. Management fees for the distribution of own funds

The terms and conditions for the extension of Modernisation Loans under the Operational Agreements are applicable to the Modernisation Loans extended from own funds, save for the management fees for distributing own funds.

The Financial Intermediary may propose management fees for the distribution of own funds with the allowed maximum fee being equal to that for the Jessica II funds (as specified below). The management fees for distributing own funds may only be paid to the FI from Returned Resources.

The management fee offer for distributing own funds shall apply for the services of the Financial Intermediary both during and after the Eligibility Period.

5.3. Interest rate for the provision of own funds

The FI may propose to be compensated via an all-in interest rate for the provision of own funds. Such interest may only be paid to the FI from Returned Resources as described in Appendix F. The interest rate shall be commensurate with market standards. No additional commitment fee or one-off administration fee may be charged. For the avoidance of doubt, offers that include rates other than the all-in rate for the provision of own funds will not be considered, and will lead to the disqualification of the EoI.

6. The cash flow forecasts and operational budget of the FI, including the level of management fees to be charged

In this part the applicant shall set out its annual operational budget and the cash flow forecast for the duration of the Modernisation Loans taking into account its proposals above for the management fees. 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 requested Jessica II funds and the own funds to be provided.

The cash flow forecast should identify clearly the total costs to be borne by Jessica II, the applicant, the Final Recipient and/or Administrator of Common Property, and/or any other parties, as appropriate.
7. Other elements, if any, relevant for the evaluation of the Business Plan in accordance with the Award Criteria, as described in the Terms of Reference

The applicant shall indicate any other elements relevant for the evaluation of the Business Plan in accordance with the Award Criteria.
FORM REGARDING THE EXCLUSION CRITERIA

Declaration in Annex 3a to the “General administrative and submission clauses” (Declaration regarding the exclusion criteria and the absence of conflict of interest) duly signed and dated by an authorised representative (sole tenderer or lead contractor) stating that they are not in one of the situations listed in Annex 3a to the General administrative and submission clauses. The successful tenderer shall provide the documents mentioned as supporting evidence in this annex before signature of the contract and within the deadline specified by the Bank.

Declaration regarding the exclusion criteria and the absence of conflict of interest

The undersigned:
…………………………………………………………………………………………………………………………..
acting in his/her own name (if the economic operator is a natural person or in case of own declaration of a director or person with powers of representation, decision-making or control over the economic operator)
or
…………………………………………………………………………………………………………………………..
acting as a representative (if the economic operator is a legal person)
official name in full (only for legal persons):
…………………………………………………………………………………………………………………………..
official legal form (only for legal persons):
…………………………………………………………………………………………………………………………..
official address in full:
…………………………………………………………………………………………………………………………..
VAT registration number:
…………………………………………………………………………………………………………………………..

1) declares that he/she or the company or organisation that he/she represents:

a. is not bankrupt or is not being wound up, has not his affairs being administered by the court, has not entered into an arrangement with creditors, has not suspended business activities or is not in any analogous situation arising from a similar procedure under national laws and regulations;

b. is not the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;

c. has not been convicted by a judgment which has the force of res judicata in accordance with the legal provisions of the country of any offence concerning his professional conduct;

d. has not been guilty of grave professional misconduct proven by any means which the Bank can demonstrate;

e. has fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which he is established or with those of the country where the contract is to be performed;
f. has fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which he is established or with those of the country where the contract is to be performed;

g. is not guilty of serious misrepresentation in supplying the information required under this Section or has not supplied such information.

h. has not been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity detrimental to the European Union’s financial interests;

i. has not been the subject of an administrative penalty for being guilty of misrepresentation in supplying the information required by the Bank as a condition of participation in a procurement procedure or failing to supply information, or being declared to be in serious breach of his/her obligations under contracts covered by the budget.

2) declares that [the above-mentioned legal person][he][she]:

j. has no conflict of interest in connection with the contract; a conflict of interest could arise in particular as a result of economic interests, political or national affinity, family, emotional life or any other shared interest;

k. will inform the Bank, without delay, of any situation considered a conflict of interest or which could give rise to a conflict of interest;

l. has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to award of the contract;

m. provided accurate, sincere and complete information to the Bank within the context of this procurement procedure;

In case of award of contract, the following evidence shall be provided upon request and within the time limit set by the Bank:

For the situations described in a), b), c) and h), production of a recent extract from the judicial record is required or, failing that, a recent equivalent document issued by a judicial or administrative authority in the country of origin or provenance showing that those requirements are satisfied. Where the tenderer is a legal person and the national legislation of the country in which the tenderer is established does not allow the provision of such documents for legal persons, the documents should be provided for natural persons, such as the company directors or any person with powers of representation, decision-making or control in relation to the tenderer.

For the situation described in point e) and f) above, recent certificates or letters 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 tenderer is liable, including for example VAT, income tax (natural persons only), company tax (legal persons only) and social security contributions.

For any of the situations described in a), b), c), e), f) or h), where any document described in the two paragraphs above is not issued in the country concerned, it may be replaced by a sworn or, failing that, a solemn statement made by the interested party before a judicial or administrative authority, a notary or a qualified professional body in the country of origin or provenance.
If the tenderer is a legal person, information on the natural persons with power of representation, decision making or control over the legal person shall be provided only upon request by the Bank.

Date:

Name and Title:

Signature:
## AWARD CRITERIA

The Offers (in the form of a Business Plan) for use of resources received from the FoF shall be assessed on the basis set out below.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description and assessment rules</th>
<th>Maximum points for the section</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. APPRAISAL OF ORGANISATIONAL AND ADMINISTRATIVE CAPACITY, CREDIT RISK ASSESSMENT AND MANAGEMENT, LOAN RECOVERY CAPACITY, MONITORING, REPORTING PROCESSES, RELEVANT EXPERIENCE</strong></td>
<td>The applicant may receive up to 15 points for the following elements of the Business Plan: &lt;br&gt;1. Governance structure, organisational and administrative capacities, including internal control systems and procedures, to meet objectives as presented in the Business Plan; &lt;br&gt;2. Credit risk management procedures, including loan issuance and creditworthiness appraisal process; &lt;br&gt;3. Loan monitoring and work-out procedures that will be applied for overdue loans; and &lt;br&gt;4. Relevant experience in identifying and extending financing from own or other funds for Renovation Projects or in participating in other EU Structural Funds funding schemes or in financing similar type of projects in the market. &lt;br&gt;&lt;br&gt;<strong>Assessment rule:</strong> &lt;br&gt;• Professional, independent, reliable structures, capacity and processes under which the FI will operate to ensure robust and appropriately prudent project investment decisions/project implementation/monitoring; &lt;br&gt;• Relevant experience in identifying and extending loans from own or other funds for Renovation Projects or participating in other EU Structural Funds funding schemes or similar types of projects in the market; and &lt;br&gt;• Strong experience and efficient strategies regarding work-out procedures for recovery of overdue loans.</td>
<td>15</td>
</tr>
<tr>
<td><strong>The application must score at least 10 points for this criterion.</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **II. INVESTMENT STRATEGY AND PROJECT PIPELINE** | The applicant may receive up to 15 points for the following elements of the Business Plan: <br>The applicant’s FI's investment strategy; with respect to: <br>1. The strategic focus of the FI with relevance to Renovation Projects; <br>2. The strategy to develop a robust project pipeline and to manage the relationship with potential Final Recipients, Administrators of Common Property and other local stakeholders (including municipalities) as regards identification and financing of Renovation Projects; <br>3. The indicative forecasted timeline between the contracting of funds to the Final Recipient and the disbursement/completion of the Renovation Project; <br>4. Previous experience and any evidenced pipeline, if available; | 15 |


<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description and assessment rules</th>
<th>Maximum points for the section</th>
</tr>
</thead>
</table>
| 5. The foreseen methodology employed in identifying and appraising potential Renovation Projects; and 6. The terms and conditions (except in those matters that are regulated by the Law on Support for Renovation and provided for in Annex B) for extending Modernisation Loans, such as the amount of the advance payment, requirement of pledge, deposit, etc. (if any). | **Assessment rule:**  
- A robust and credible methodology for identifying and appraising Renovation Projects; and  
- A sound and vigorous approach to managing engagements with existing or potential Final Recipients, Administrators of Common Property and relevant stakeholders.  

**The application must score at least 10 points for this criterion.** |

**III. LEVERAGE THROUGH RISK-SHARING**

The applicant may receive up to 45 points for its risk sharing proposal, which shall also specify a clear timeline forecasting how quickly the Jessica II funds and own funds can be disbursed to Final Recipients and/or Administrators of Common Property.

The applicant shall outline the amount of Jessica II funds as well as the total amount of funds that shall as a result be made available as Modernisation Loans to Final Recipients and/or Administrators of Common Property (see Annex 3, Section II, F(4)).

The applicant may, but is not required to, provide a maximum of two different risk sharing proposals (see Appendix G) specifying an amount of own contributions on a given amount of Jessica II funds, with corresponding pricing proposals (for management fees and interest, see below point IV of Appendix A).

If the use of the risk sharing mechanism could give rise to a conflict of interest the applicant should identify this and propose measures to align interests and mitigate it.

For the avoidance of doubt, Offers that do not include a risk-sharing will not be considered and will lead to the disqualification of the EoI.

**Assessment rule:**

Each risk sharing proposal may receive up to 45 points with 45 points being awarded to the risk sharing proposal from any applicant proposing the highest share of own funds per tranche of Jessica II funds and the other risk sharing proposals from any applicant being scored pro rata. The points will be awarded only to the proposals (amounts) above the minimum of EUR 3 million per EUR 10 million of Jessica II funds. If an alternative risk sharing model(s) is offered then the overall benefits and advantages of such a model, based on description provided | **45** |
in Annex 3, Section II, F(4), will be taken into account.

For example, if the highest share proposed in any risk sharing proposal for own funds per tranche of Jessica II funds is EUR 20 million, then this risk sharing proposal receives 45 points. If another risk sharing proposal offers EUR 8 million of own funds per tranche of Jessica II funds, the latter receives \((8/20)*45 = 18\) points.

Economically unjustified and unreasonable proposals shall be disqualified.

IV. APPRAISAL OF FEES AND INTEREST RATE PROPOSED BY THE APPLICANT

The applicant may receive up to 25 points for its pricing proposal which must also outline the methodology upon which the calculation of the fees and interest is based. The scoring will be based on the following components, while at once taking into consideration the methodology behind the fee calculations:

- Component 1: The management fees requested for Jessica II funds;
- Component 2: The management fees requested for own funds (with the allowed maximum fee being equal to that for the Jessica II funds); and
- Component 3: The interest rate requested for the provision of own funds.

For the avoidance of doubt, applicants may, but are not required to, provide a maximum of two different pricing proposals for the Component 3 (see ANNEX 3, I.4 and Appendix G), the interest rates in accordance with the amount of own contributions per tranche of Jessica II funds (for the latter, see APPENDIX A, III above). Each proposal for a specific amount of own resources, corresponding to a specific interest rate, will be evaluated independently.

**Assessment rule:**

The pricing proposal may receive up to 25 points as follows:

- A maximum of 5 points for Component 1, with 5 points being awarded to the applicant proposing the lowest management fees for each tranche of Jessica II funds, and the other applicants being scored pro rata.
- A maximum of 5 points for Component 2, with 5 points being awarded to the applicant proposing the lowest management fees for the own funds provided per each tranche of Jessica II funds, and the other applicants being scored pro rata.
- A maximum of 15 points for each proposal of Component 3 with 15 points being awarded to the pricing proposal from any applicant proposing the lowest risk coefficient, and the other pricing proposals of any applicants being scored pro rata. calculated in the following way:

The risk coefficient shall be equal to the interest rate (%) for the own funds contribution divided by the risk sharing factor, whereas, the risk sharing factor is defined as amount of own funds contribution in the proposal divided by amount of the Tranche of JESSICA II funds.
<table>
<thead>
<tr>
<th>Criterion</th>
<th>Description and assessment rules</th>
<th>Maximum points for the section</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Example: a FI that commits EUR 5 million own funds against one Tranche of JESSICA II funds (EUR 10 million) will have a risk sharing factor of 0.5. If it charges an interest rate of 4% on its own funds contribution, its relative coefficient will be 8. Economically unjustified and unreasonable proposals shall be disqualified.</td>
<td>100</td>
</tr>
<tr>
<td>Total maximum points</td>
<td></td>
<td>29</td>
</tr>
</tbody>
</table>
APPENDIX B

INDICATIVE SUMMARY TERMS OF THE OPERATIONAL AGREEMENT

This indicative summary is an outline of the principal terms and conditions for the Operational Agreement described herein, which are subject to change and non-exhaustive. This document is intended to provide a basis to guide applicants on what is to be expected to be contained within the actual Operational Agreement and does not constitute a binding commitment either implicit or explicit on the part of the EIB or the FoF Lithuania. A commitment to provide funds under an Operational Agreement will only be made after approval by the Investment Board of the FoF Lithuania and the signature of the Operational Agreement.

It is intended that the EIB and the applicants selected pursuant to this call for expressions of interest (the FI(s)) will conclude Operational Agreements. Pursuant to the Operational Agreement the EIB will be extending funds in one or more tranches to the FI(s) which, in turn, will be on-lending the funds pursuant to Modernisation Loan Agreements to Final Recipients or Administrators of Common Property implementing Renovation Projects.

1. An obligation on the FI to pursue the objectives set out in the Operational Agreement, which shall include the obligation to act in accordance with its investment strategy as presented in the Business Plan.

2. An obligation on the FI to keep all relevant records in accordance with applicable EU Rules.

3. An obligation on the FI to allow access to documents related to the FoF funds for any national or European entity duly empowered by applicable rules to carry out audit and/or control activities.

4. A description of procedures for submission by the FI of semi-annual and annual accounts for each contribution by the FoF to the FI as well as for auditing procedures to be complied with by the FI.

5. The right of EIB to recover any losses incurred by the FoF due to a breach by a FI of its obligations under the relevant Operational Agreement, in accordance with suitable market-standard clauses.

6. The right of EIB to transfer the Operational Agreements to the Lithuanian government or any entity that may succeed EIB as a manager of the FoF.

7. An undertaking by the FI that all authorisations, licences, permits, approvals, consents, resolutions, exemptions, filings and registrations (howsoever described) (“Authorisations”), which it requires to carry on business have been obtained or effected and are in full force and effect and no steps have been taken to challenge, revoke, annul or cancel them, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such Authorisations.

8. An undertaking by the FI to be in compliance with all the EU State Aid Rules, EU Structural Funds Regulations and EU Rules as well as any applicable laws and regulations, including requirements on eligibility of expenses, with no limitation of contractual liability of the FI in connection with, inter alia, the selection and management of the Renovation Project.
9. An obligation on the FI to provide EIB with all information required by EIB to comply with its reporting obligations towards the Ministries in a format to be stipulated by EIB as the FoF manager and requested by the Lithuanian legal basis as well as the Ministries.

10. An obligation of the FI to notify the EIB, in accordance with relevant Lithuanian legal basis, and the relevant governmental authority of any Irregularities in accordance with applicable laws in the event that it becomes aware of any Irregularities pertaining to a Modernisation Loan.

11. The FoF may advance funds allocated to the FI in one or more tranches, subject to the fund availability in the FoF. The EIB shall have the right to make the final decision on each tranche, which shall be set out in the Operational Agreement.

12. The FoF funds allocated to the FI shall be kept in a separate interest-bearing bank account (the “Disbursement Account”) in the name of the FI with a credit institution situated within the territory of a Member State of the EU to which all disbursements under the Operational Agreement are made. Interest payable on the Disbursement Account shall be based on market pricing. Any interest accruing on the balance standing to the credit of the Disbursement Account shall be added to the Disbursement Account and shall be used by the FI for the purpose of providing funds pursuant to Modernisation Loan Agreements.

13. The funds allocated to a FI should be fully contracted (i.e. loan agreements signed with Final Recipient or Administrator of Common Property) within the period prescribed in the Operational Agreement. Upon the expiration of this term, any remaining funds of the FoF which were not contracted and are still held by the FI, shall be returned to the FoF together with any accrued interest thereon.

14. The funds contracted by a FI shall be fully disbursed to the Renovation Projects within the deadline prescribed by the Operational Agreement.

15. Funds collected by the FI but not yet repaid to the FoF, unless not specified differently, shall be placed into a separate interest-bearing bank account (the “Reserve Account”) with a credit institution situated within the territory of a Member State of the EU. Interest payable on the Reserve Account shall be market pricing.

16. The Disbursement Account and the Reserve Account shall both be pledged in favour of EIB.

17. In carrying out its responsibilities the FI will act in accordance with all applicable laws and with a degree of professional care, efficiency, transparency and diligence expected from a professional body experienced in implementing financial instruments and in line with a diligent banking practice. In particular, the FI shall use all reasonable efforts to assess the creditworthiness of Final Recipients or Administrators of Common Property in line with the banking practice for this specific or similar products for the renovation of multi-apartment houses, use reasonable efforts to collect amounts due and write off the amounts due only if the collection of the amounts due can no longer be reasonably expected. The FI shall cooperate with the Administrator of Common Property in order to ensure the best management process of the Modernisation Loans and implementation of the Renovation Projects.

18. The FI will ensure that Final Recipients benefiting from the support of the Financial Instrument is selected with due account of the nature of the Financial Instrument and the potential economic viability of the investment projects of the Final Recipients which are to be financed.

19. The FI will ensure that the selection of the Final Recipients is transparent and can be justified by the FI on objective grounds and that such selection does not give rise to any conflict of interest.

20. The FI will undertake to provide support to the Final Recipients in a manner which is proportionate and least distortive to competition.

21. The FI cannot make a claim for any amount beyond the amount committed to it.

22. The FI shall be liable for reimbursement of any amounts affected by irregularities, together with interest and any other gains generated by these amounts, save that it shall not be liable for
reimbursement of these amounts it can demonstrate that, for a given irregularity that the following cumulative conditions are fulfilled: (a) the irregularity occurred at the level of final recipients; (b) the FI complied with the requirements of the Operational Agreement including those listed at paragraphs 18, 19 and 20 (and, should preferential remuneration of private investors operating under the market economy investor principle be permitted under the Operational Agreement that this is proportionate to the risks taken by these investors and limited to the minimum necessary to attract such investors), and (c) the amounts affected by the irregularity could not be recovered notwithstanding that the FI pursued all applicable contractual and legal measures with due diligence.

23. The FI will, amongst others, be responsible for the following procedures for verification of compliance of the Renovation Projects with the applicable laws and regulations:

(a) Signature of the Modernisation Loan Agreement in accordance with the provisions of the Operational Agreement. The FI shall verify legality, validity, binding effect and enforceability of the resolution of the Final Recipients or corporate authorizations and other decisions of the Administrators of Common Property to implement the Renovation Project, take the Modernisation Loan, enter into and perform the Modernisation Loan Agreement and implement such other actions, which are necessary for completion of the Renovation Project.

(b) The responsibility of the FI will include, without limitation, responsibility for verification that the Final Recipients or Administrators of Common Property have validly adopted a decision to start the Renovation Project and apply for the Modernisation Loan and have validly recorded such decision. In particular the FI will be responsible for ensuring that these documents are binding on all the multi-apartment building apartment owners.

(c) Disbursement of the Modernisation Loan, acting as a diligent business entity, applying at least the standard of professional care that can be expected from an EU regulated bank.

(d) The responsibility of the FI will include, without limitation, before disbursing the Modernisation Loans, review the documents submitted to it and confirm to its reasonable satisfaction the completeness, validity and enforceability thereof, in particular that the certificate was issued for the Renovation Project, that the expenditure has been made to implement the Renovation Project, that the payment is to be made to a person who has the right to receive payment for implementation of the Renovation Project, that BETA or another agency or authority, as the case may be, has duly verified the works undertaken during implementation of the Renovation Project.

(e) Completion of the Renovation Project: The FI shall be responsible for collection of the construction completion deed executed by, among others, an authorised technical supervisor of the renovation works confirming that the renovation works of the multi-apartment building for which the Renovation Project was prepared are completed.

24. An undertaking that, in every Modernisation Loan, the FI shall provide that the Final Recipient or Administrator of Common Property shall comply with all obligations imposed on it by the EU Rules and any other applicable laws and that the Final Recipient or Administrator of Common Property shall do such things as may be necessary to allow the FI to comply with its obligations under EU Rules, any other applicable laws and the Operational Agreement. In particular, every Modernisation Loan shall provide the following, where appropriate and to the extent applicable:

(a) the information that the Modernisation Loan is fully or partially financed from the EU Structural and Investment Funds.

(b) the FI or the Final Recipient or Administrator of Common Property shall carry out adequate information and publicity measures in accordance with the provisions of the EU Structural Funds Regulations.

(c) the Final Recipient or the Administrator of Common Property shall collect and keep necessary accounts and other documents evidencing that the funds were used for the Renovation Project in accordance with applicable EU laws and regulations.

(d) the representatives of the Ministries, the Commission, the European Court of Auditors, the EIB or its agents and any other national or European entity duly empowered by applicable law to carry out
audit and/or control activities may access the premises and documents of the Final Recipient or Administrator of Common Property for the purpose of ensuring the legality and regularity of the financial contribution;

(e) all authorisations, which the Final Recipient or the Administrator of Common Property requires to carry on a Renovation Project shall be obtained or effected, together with an obligation to obtain when required and maintain in full force and effect and renew, where necessary, such authorisations.

(f) the Final Recipient and the Administrator of Common Property shall engage in no action or decision contrary to applicable law.

(g) the provision allowing the FI to assign all receivables and other rights pursuant to the Modernisation Loan Agreements to the Bank or any other person nominated by the Bank.

(h) the FI shall be entitled to recover any losses due to a breach by a Final Recipient or Administrator of Common Property of its obligations under the relevant Modernisation Loan Agreement.

(i) the FI shall diligently, whether by negotiation or legal action, enforce its claims against the Final Recipient or Administrator of Common Property;

(j) Events of Default on Modernisation Loan Agreements:

(i) A Modernisation Loan Agreement entered into directly by Final Recipients, shall be classified as being in default ("Event of Default") if, amongst others, the conditions set out below occur:

☐ non-payment;

☐ an Irregularity;

☐ insolvency or any other bankruptcy procedure affecting the Final Recipient under the Modernisation Loan Agreement;

☐ suspension or cancellation of the rights attached to the Modernisation Loan Agreement.

Any such information (a "Default List") shall include a description and the amount of the Modernisation Loan Agreement and the nature of the Event of Default. Inclusion in the Default List will require additional monitoring in respect of the Modernisation Loan Agreement and additional reporting to the Bank.

(ii) In case a Modernisation Loan Agreement is concluded with the Administrator of Common Property, any Event of Default listed above shall only entitle the Administrator of Common Property to recover the full amount of investments, allocated to the specific Final Recipient in default. The Modernisation Loan Agreement as a whole shall not be classified as being in default, and shall not be accelerated unless instructed to do so by the Bank or applicable legal acts provide otherwise.

25. Disbursement of the first Tranche will be subject to signing of Pre-financing Agreement according to terms indicated in Appendix F and confirmation by FI that funds under Pre-financing Agreement are and will be available for disbursement of respective portion of Modernisation Loan. In case FI does not extend committed funding under the Pre-financing Agreement, the EIB on its own discretion will be entitled to (i) suspend the calculation and payment of the Management Fee until pre-financing is extended, and/or (ii) terminate the OA and the Pre-financing Agreement and demand an immediate return of disbursed amounts and all receivables under Modernisation Loan Agreements to the EIB or any other entity appointed by the EIB, and/or (iii) undertake any other action, the EIB deems appropriate to secure the interests of the Republic of Lithuania, including the claim for a recovery of any damages inflicted by such FI.
## APPENDIX C

### DEFINITIONS AND ABBREVIATIONS USED FOR THE PURPOSE OF THIS CALL FOR EXPRESSIONS OF INTEREST

For the purpose of this Call for EoI words in the singular shall include the plural and vice versa.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator of Common Property</td>
<td>means administrators of common property for the energy efficiency renovation of multi-apartment buildings</td>
</tr>
<tr>
<td>Award Criteria</td>
<td>means the criteria used to assess Offers as set out in Appendix A</td>
</tr>
<tr>
<td>BETA/HESA</td>
<td>means Housing and Energy Saving Agency (lith. Būsto ir energijos taupymo agentūra)</td>
</tr>
<tr>
<td>Call for EoI</td>
<td>means call for expression of interest</td>
</tr>
<tr>
<td>EC or Commission</td>
<td>means European Commission</td>
</tr>
<tr>
<td>EIB or Bank</td>
<td>means European Investment Bank</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>ERDF</td>
<td>means European Regional Development Fund</td>
</tr>
<tr>
<td>ESIF</td>
<td>means the European Structural and Investment Funds</td>
</tr>
<tr>
<td>EU Structural Funds Regulations</td>
<td>means Reg. 1303, Reg. 480, and Reg. 821, as well as any other EU legislation from time to time applicable to the EU Structural Funds, as may</td>
</tr>
<tr>
<td></td>
<td>be amended or replaced</td>
</tr>
<tr>
<td>Exclusion Criteria</td>
<td>means the criteria set out in Annex 3, Section II, D</td>
</tr>
<tr>
<td>EoI</td>
<td>means Expression of Interest</td>
</tr>
<tr>
<td>EU or Union</td>
<td>means European Union</td>
</tr>
<tr>
<td>FI</td>
<td>means Financial Intermediary</td>
</tr>
<tr>
<td>Final Recipient of Final Beneficiary</td>
<td>means natural or legal persons owning premises in multi-apartment buildings</td>
</tr>
<tr>
<td>FoFL, FoF or Jessica II</td>
<td>means the fund-of-fund in Lithuania, established pursuant to the Funding Agreement, and in accordance with Reg.1303 and Reg.480</td>
</tr>
<tr>
<td>Funding Agreement or FA</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</td>
</tr>
<tr>
<td></td>
<td>May 2015 for the implementation of the measure No. 04.3.1-FM-F-001 “Modernisation of the multi-apartment buildings” establishing the FoFL</td>
</tr>
<tr>
<td>Jessica II Investment Board</td>
<td>means the board specifically established for supervision of the FoFL</td>
</tr>
<tr>
<td>Irregularities</td>
<td>has the meaning given to it in Article 2 of Reg.1303</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>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</td>
</tr>
<tr>
<td></td>
<td>of the Republic of Lithuania of 23 September 2004</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Modernisation Loan Agreement</td>
<td>means the loan agreements signed between the FI and the Final Recipient or</td>
</tr>
<tr>
<td></td>
<td>the Administrator of Common Property for the implementation of the</td>
</tr>
<tr>
<td></td>
<td>Renovation Project</td>
</tr>
<tr>
<td>Offer</td>
<td>means the Business Plan to be prepared in line with the Selection</td>
</tr>
<tr>
<td></td>
<td>Procedure, including application and supporting documents</td>
</tr>
<tr>
<td>Operational Agreement</td>
<td>means an agreement providing for the contribution by the FoFL to a FI as</td>
</tr>
<tr>
<td></td>
<td>attached as Appendix A</td>
</tr>
<tr>
<td>Operational Programme or OP</td>
<td>means the Lithuanian “Operational Programme for European Union Funds</td>
</tr>
<tr>
<td></td>
<td>Investments’ in 2014-2020 approved by the decision of the European</td>
</tr>
<tr>
<td></td>
<td>Commission No C(2014)6397</td>
</tr>
<tr>
<td>Operational Priority</td>
<td>means Priority No 4 “Promotion of Energy Efficiency and Production and</td>
</tr>
<tr>
<td></td>
<td>Use of Renewable Energy” of the Operational Programme</td>
</tr>
<tr>
<td>Project</td>
<td>means project co-financed from EU Structural Funds</td>
</tr>
<tr>
<td>Reg. 1303 or CPR</td>
<td>means Common Provisions Regulation (EU) No 1303/2013 of 17 December</td>
</tr>
<tr>
<td></td>
<td>2013 of the European Parliament and of the Council</td>
</tr>
<tr>
<td>Reg. 480</td>
<td>means the Commission Delegated Regulation (EU) No 480/2014 of 3 March</td>
</tr>
<tr>
<td></td>
<td>2014 supplementing the Reg. 1303</td>
</tr>
<tr>
<td>Reg. 821</td>
<td>means the Commission Implementing Regulation (EU) No 821/2014 of 28 July</td>
</tr>
<tr>
<td></td>
<td>2014 supplementing the Reg. 1303 and the Commission Implementing</td>
</tr>
<tr>
<td></td>
<td>1303</td>
</tr>
<tr>
<td>Renovation/Modernisation Project</td>
<td>means projects for the energy efficiency renovation of multi-apartment</td>
</tr>
<tr>
<td></td>
<td>buildings in accordance with the Law on Support for Renovation, approved</td>
</tr>
<tr>
<td></td>
<td>by BETA or another agency or authority, as the case may be, as an eligible</td>
</tr>
<tr>
<td></td>
<td>renovation project</td>
</tr>
<tr>
<td>Rules for Provision of State Support</td>
<td>means the Rules for Granting State Support for Renovation (Modernisation)</td>
</tr>
<tr>
<td></td>
<td>of Multi-Apartment Buildings and the Maximum Amount of a Monthly</td>
</tr>
<tr>
<td></td>
<td>Instalment of the Accumulative Contribution approved by Resolution No.</td>
</tr>
<tr>
<td></td>
<td>1725 of the Government of the Republic of Lithuania of 16 December</td>
</tr>
<tr>
<td></td>
<td>2009 on the approval of the rules for granting State support for</td>
</tr>
<tr>
<td></td>
<td>renovation (modernisation) of multi-apartment buildings and the</td>
</tr>
<tr>
<td></td>
<td>establishment of the maximum monthly instalment of the accumulative</td>
</tr>
<tr>
<td></td>
<td>contribution and (or) other instalments for the implementation of the</td>
</tr>
<tr>
<td></td>
<td>renovation (modernisation) project of a multi-apartment building</td>
</tr>
</tbody>
</table>
## APPENDIX D

**GENERAL REQUIREMENTS AND SPECIFIC CRITERIA**

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The proposed Project contributes to the implementation of at least one specific objective and achievement of the result under the Operational Priority</td>
</tr>
<tr>
<td>2.</td>
<td>The Project complies with the provisions of strategic planning documents</td>
</tr>
<tr>
<td>3.</td>
<td>The Project complies with the findings of Ex-ante Assessment</td>
</tr>
<tr>
<td>4.</td>
<td>Implementation of the Project aims at clear and realistic quantitative objectives</td>
</tr>
<tr>
<td>5.</td>
<td>The Project complies with horizontal principles (sustainable development and gender equality and non-discrimination); the project implementation is compatible with the provisions of the European Union competition policy</td>
</tr>
<tr>
<td>6.</td>
<td>The Project is being implemented in the Operational Programme implementation area</td>
</tr>
<tr>
<td>7.</td>
<td>Organizationally applicant is able to implement the Project in time and according to the set requirements</td>
</tr>
<tr>
<td>8.</td>
<td>The Project has a clear package of financing: well-defined, specific and ensured project financing sources</td>
</tr>
<tr>
<td>9.</td>
<td>Effective use of funds required for project implementation is ensured</td>
</tr>
<tr>
<td>10.</td>
<td>The additional scope of the Project activities and results contributes to the on-going activities of the applicant</td>
</tr>
<tr>
<td>11.</td>
<td>The duration of implementation of the Project corresponds to the established terms and conditions for selection of the applicants</td>
</tr>
</tbody>
</table>
APPENDIX E

DESCRIPTION OF MODERNISATION LOAN

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 FoF 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.

2. The Renovation 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 Renovation Project and meeting the eligibility criteria set out in the Law on Support for Renovation. This support will consist of two key elements: a Modernisation Loan and additional support elements, including subsidy-type incentives (“Additional Incentives”).

4. Final Recipients may become eligible for Additional Incentives as indicated in the Rules on State Support or Law on State Support, which might be amended from time to time. The equivalent of an interest rate subsidy is to be granted to the Final Recipients in the form of write-off of 15 % of the Modernisation Loan value in a form of interest subsidy.

5. Financing under the FoF shall be provided to Projects implementing at least one energy efficiency measure indicated in Points No 1-9 of the Table in the Section 1 of the Annex “Special Technical Requirements of Multi-apartment Buildings Renovation (Modernisation) Projects” to 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 fixed 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 term of a Modernisation Loan.

10. Modernisation Loans shall be provided for the modernisation projects of the multi-apartment buildings that comply with the following requirements:

   10.1. Multi-apartment building modernisation project indicates that the building seeks to be classified at least as Class C building after modernisation in terms of energy performance;
   10.2. Not less than 80 % of the eligible expenditure complies with energy efficiency measures listed in the Special Technical Requirements.

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 Renovation 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. Modernisation Loans shall be issued only to Final Recipients or Administrators of Common Property complying with eligibility criteria established by the FI in accordance with relevant market practice.
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 Renovation Project, its eligibility to benefit from the state support shall be verified in accordance with applicable legislation. Following the verification, the Renovation Project may become eligible to benefit from Additional Incentives, which shall be financed from the FoF or from such other funds as indicated in the Rules for Provision of State Support in accordance with the procedure established therein. If required, the FI shall amend relevant Loan Agreements to the extent necessary to reflect the consequences of the payment of the Additional Incentives by the FoF and inform EIB of such amendments without undue delay.

16. If the maximum amount of a monthly instalment paid according to Modernisation Loan Agreement exceeds the maximum amount established in the Renovation Project and confirmed by BETA, or another agency or authority, as the case may be, the remaining unpaid amounts due by a Final Recipient or the Administrator of Common Property to the FI shall be payable after the final maturity date of the relevant Modernisation Loan with no interest, in accordance with the applicable legal acts.

17. Repayment of the Modernisation Loan may be deferred, upon request of the Final Recipient or the Administrator of Common Property, until the completion of the Renovation Project, but in any case not longer than for 30 months from the date of the first disbursement of the Modernisation Loan or as otherwise agreed between the EIB and the FI. During the above-mentioned period both interest and the instalments of the Modernisation Loan may be deferred.

18. The Final Recipients or the Administrator of Common Property shall have the right to prepay the Modernisation Loan Agreements 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. Amounts prepaid may not be re-borrowed. The FI and the EIB shall establish detailed procedures in the Operational Agreement for returning prepaid amounts of Modernisation Loans applicable to the FoF, without any additional costs for FoF.

19. Administrators of Common Property shall collect payments from the apartment owners for the implementation of the Renovation Project in a separate ring-fenced account (“kaupiamoji sąskaita”). The FI shall ensure that the Administrators of Common Property access to such account shall be limited to the payment for the implementation of the Renovation 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 verifying the total amount of the funds received by the Final Recipient.

21. 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 the FI and to the EIB to recover the due amounts directly from the Final Recipients.

22. 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.
APPENDIX F

INDICATIVE SUMMARY OF TERMS OF THE PRE-FINANCING AGREEMENT

Principal Legal Terms and Conditions

The increase of available funds may be achieved by the way of pre-financing future receivables. This document sets forth principal legal terms and conditions for the possibility to pre-finance the returned resources (reflows) of Jessica II funds by a FI, in order to finance Renovation Projects.

The document provides a description of a scheme, under which the FI could provide own resources for financing Modernisation Loans, which is structured as a repurchase agreement, granting the right to purchase and repurchase the receivables from the portfolio of Modernisation Loans, managed by the FI.

The amount contributed by the FI from own funds (the “Pre-financed Amount”) shall be used for the disbursement only if and when, at any given time, there are no other funds available in the Disbursement Account for the disbursement, meaning that Jessica II funds allocated to the FI shall be used for contracting and disbursement as Modernisation Loans prior to the usage of the Pre-financed Amount.

The scheme shall be structured in two agreements: (i) Pre-financing Agreement, which sets out the mechanism of making available of the pre-financing by the FI and repayment thereof; and (ii) Operational Agreement, which regulates the management of the funds and conditions for extension of the Modernisation Loans.

The FI, acting as portfolio manager:
- Manages funds received from Jessica II, granting the Modernisation Loans to the Final Recipients at the risk of Jessica II (regulated by the Operational Agreement);
- Makes available from its own resources an agreed amount (the Pre-financed Amount) for purchasing the portion of Returned Resources of the nominal value equal to the sum of the Pre-financed Amount and interest and uses the Pre-financed Amount for extending modernisation loans, in accordance with the terms and conditions set forth in the Contract;
- The Pre-financed Amount shall be treated as Jessica II funds and extended in accordance with terms and conditions of the Operational Agreement;
- Covers the Pre-financed Amount by the way of deduction of the portion of the Pre-financed Amount, in amount effectively disbursed as Modernisation Loans from the Returned Resources accumulated on the Reserve Account;
- After the deduction, the Receivables shall be deemed as repurchased by EIB; and
- The Pre-financing Agreement shall remain in force until the earlier of the following: (i) the amount of the Outstanding Receivables is fully repurchased or (ii) [X] years after the first repurchase of the Outstanding Receivables and will not be affected by the termination of the Contract, except, if the Bank fully re-purchases the Outstanding Receivables.

All fees are paid from the Returned Resources. These amounts are not charged to the Final Beneficiaries or Administrators of Common Property.
FINANCIAL OFFER

I. Management fees requested for each tranche of Jessica II funds

(1) 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 instrument 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; and

(2) A maximum of 1 % per annum of the programme contributions paid within the meaning of Article 42(1)(a) of Reg. 1303 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.

II. Management fees requested for the distribution of own funds*

*Each component must be less than or equal to the fees under I above.

(1) A maximum of 0.5 % per annum of the FI’s own funds paid, calculated *pro rata temporis* from the date of effective payment into Jessica II 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;

(2) A maximum of 1 % per annum of the FI own funds paid within the meaning of Article 42(1)(a) of Reg. 1303 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.

III. Interest rate and own funds provided per one tranche of Jessica II funds
The applicant shall specify at least one and a maximum of two proposals with the amount of own contributions per tranche of Jessica II funds, and a respective interest rate corresponding to that offer.

Successful applicants will be awarded tranches on the basis of one proposal, and not both in case they have submitted two proposals.

<table>
<thead>
<tr>
<th>Interest rate for the provision of own funds</th>
<th>Own funds per one tranche of Jessica II funds (EUR 10 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposal 1</td>
<td></td>
</tr>
<tr>
<td>Proposal 2 (optional)</td>
<td></td>
</tr>
</tbody>
</table>

**IV. Number of tranches preferred**