



**REGIONE CALABRIA
GIUNTA REGIONALE**

**DIPARTIMENTO SVILUPPO ECONOMICO ED ATTRATTORI CULTURALI
SETTORE 04 - COMPETITIVITA' DELLE IMPRESE, ATTRAZIONE DEGLI
INVESTIMENTI E INTERNAZIONALIZZAZIONE**

Assunto il 29/07/2024

Numero Registro Dipartimento 365

=====

DECRETO DIRIGENZIALE

“Registro dei decreti dei Dirigenti della Regione Calabria”

N°. 11171 DEL 01/08/2024

Oggetto: Fondo Jeremie Calabria di cui all'accordo tra Regione Calabria/Fei (Fondo Europeo degli Investimenti) - POR Calabria FESR 2007/2013. Approvazione schema di addendum all'Accordo di finanziamento Regione Calabria/Fei.

Dichiarazione di conformità della copia informatica

Il presente documento, ai sensi dell'art. 23-bis del CAD e successive modificazioni è copia conforme informatica del provvedimento originale in formato elettronico, firmato digitalmente, conservato in banca dati della Regione Calabria.

IL DIRIGENTE DI SETTORE

Premesso che :

- il regolamento 1080/2006, sono stati rideterminati i principi e le strategie che disciplinano il Fondo Europeo di Sviluppo Regionale («FESR»);
- il regolamento 1083/2006 con cui sono state adottate, tra l'altro, disposizioni generali, relative al finanziamento ed all'utilizzo del FESR, del Fondo di Coesione («FC») e del Fondo Sociale Europeo («FSE»);
- in maniera analoga agli strumenti di erogazione dei contributi distribuiti tramite i Fondi (così come definiti nel regolamento 1083/2006), l'iniziativa «Risorse Europee Congiunte per le Piccole e Medie Imprese» («JEREMIE») è stata sviluppata dalla Commissione Europea («Commissione») e dal FEI congiuntamente, allo scopo di finanziare operazioni di supporto a strumenti di ingegneria finanziaria, quali fondi di capitale di rischio, fondi di garanzia e fondi per mutui, alle imprese, soprattutto di piccole e medie dimensioni, per cui tutti i fondi sono distribuiti nell'ambito del progetto JEREMIE e sono messi a disposizione ed utilizzati in conformità con l'articolo 44 del regolamento 1083/2006 e del regolamento 1828/2006;
- il 13/7/2007, la Commissione ha approvato il Quadro di riferimento strategico nazionale per il periodo 2007-2013 con decisione C(2007) 3329;
- il 7/12/2007, la Commissione ha approvato il programma operativo con la decisione C(2007) 6322;

Considerato che:

- la valutazione delle carenze finanziarie delle PMI in Italia, riguardante anche la Calabria – come definita dal FEI nel 2007 – ha evidenziato il fallimento del mercato per i servizi finanziari esistenti per le PMI quale divario esistente tra domanda e offerta per i servizi finanziari e strumenti finanziari disponibili;
- con D.G.R. n. 436 del 7/10/2011 avente ad oggetto: «POR Calabria FESR 2007/2013 Linea 7.1.3.2 “Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa” – “Istituzione Fondo d'investimento Jeremie” ed approvazione schema di convenzione Regione Calabria/FEI» la Giunta regionale ha deliberato l'istituzione del «Fondo di Investimento JEREMIE per il finanziamento delle micro, piccole e medie imprese calabresi», finanziato dal Fondo Europeo di Sviluppo Regionale (FESR) all'interno del POR Calabria FESR 2007-2013;
- in data 11 ottobre 2011 è stata sottoscritta la convenzione quadro con il Fondo Europeo Investimenti (FEI) riportante il numero di rep. 1672 dell'11/10/2011;

VISTI:

- il Decreto dirigenziale n. 13157 del 19 ottobre 2011, avente ad oggetto “POR Calabria Fesr 2007/2013 Linea 7.1.3.2 “Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa” - “Istituzione Fondo d'investimento Jeremie” di cui alla DGR n. 436 del 7 ottobre 2011 – Impegno di spesa;
- il Decreto dirigenziale n. 13179 del 19 ottobre 2011, avente ad oggetto “POR Calabria Fesr 2007/2013 Linea 7.1.3.2 “Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa” - “Istituzione Fondo d'investimento Jeremie” di cui alla DGR n. 436 del 7 ottobre 2011 – Trasferimento somme a European Investment Found (FEI);
- il Decreto dirigenziale n. 15066 del 1 dicembre 2011, avente ad oggetto “POR Calabria Fesr 2007/2013 Linea 7.1.3.2 “Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa” - “Istituzione Fondo d'investimento Jeremie” di cui alla DGR n. 436 del 7 ottobre 2011 – Nomina Comitato degli Investimenti;
- la D.G.R. n. 367 del 30 luglio 2012, avente ad oggetto “POR Calabria Fesr 2007/2013 Linea 7.1.3.2 “Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa” - “Fondo d'investimento Jeremie”. Approvazione cofinanziamento di capitale circolante delle imprese ai sensi della COCOF del 10 febbraio 2012;

- il Decreto dirigenziale n. 66 del 14/01/2016 avente ad oggetto "POR Calabria Fesr 2007/2013 Linea 7.1.3.2 "Azioni per la promozione e l'utilizzazione di strumenti di finanza innovativa" - "Istituzione Fondo d'investimento Jeremie" di cui alla DGR n. 436 del 7 ottobre 2011 - Nomina Comitato degli Investimenti;
- la D.G.R. n. 63 del 02/03/2016 è stato approvato un 2° Addendum all'Accordo di Finanziamento Regione Calabria/FEI (rep. n. 239 del 04/04/2016) con cui le parti hanno concordato, fra l'altro, di prolungare la scadenza dell'Accordo al 31 gennaio 2017, e di prolungare il periodo di ammissibilità per le Operazioni fino al 30 settembre 2016 (rep. n. 49 del 08/01/2018);
- il DEC.n.1060 del 14/12/2023 Fondo Jeremie Calabria di cui all'accordo tra Regione Calabria/Fei (Fondo Europeo degli Investimenti) - POR Calabria FESR 2007/2013. Accertamento dell'entrate per restituzione somme da parte del FEI. Con il quale di sono accertate le somme giacenti sul fondo Jeremie Calabria che afferiscono al rientro dei prestiti concessi alle PMI calabresi dal fondo stesso;

PRESO ATTO CHE:

- Il 30 aprile 2015 la Commissione ha pubblicato la Decisione C(2015)2771 che modifica la Decisione C(2013)1573 sull'approvazione delle linee guida per la chiusura dei programmi operativi adottati per gli interventi del Fondo Europeo di Sviluppo Regionale, del Fondo Sociale Europeo e del Fondo di Coesione (2007-2013) ("Linee Guida di Chiusura") che fornisce chiarimenti in merito alla dichiarazione di spesa ammissibile dello Strumento Finanziario di Ingegneria alla chiusura dei programmi operativi. In conformità con le Linee Guida di Chiusura così come modificate, il Regolamento 1083 deve essere interpretato nel senso di consentire le spese ammissibili da sostenere, inclusi i Costi di Gestione, fino alla data finale per l'invio delle richieste di pagamento;
- con D.G.R. n. 404 del 13/10/2015 è stato approvato un 1° Addendum all'Accordo di Finanziamento Regione Calabria/FEI (rep. n. 1964 del 09/11/2015);
- con D.G.R. n. 63 del 02/03/2016 è stato approvato un 2° Addendum all'Accordo di Finanziamento Regione Calabria/FEI (rep. n. 239 del 04/04/2016) con cui le parti hanno concordato, fra l'altro, di prolungare la scadenza dell'Accordo al 31 gennaio 2017, e di prolungare il periodo di ammissibilità per le Operazioni fino al 30 settembre 2016;

CONSIDERATO CHE il FEI ha trasmesso, con nota acquisita agli atti con Prot. Regcal n. 480588 del 22/07/2024, una proposta di modifica dell'Accordo di Finanziamento sottoscritto in data 11 ottobre 2011 per disciplinare le attività di Run-Off che saranno svolte dal FEI;

ESAMINATA la proposta di modifica dell'Accordo di Finanziamento (Funding Agreement) del 23 ottobre 2017 proposta dal FEI, allegata al presente decreto sotto la lettera "A", nel testo ufficiale in lingua inglese e sotto la lettera "B" nella traduzione in lingua italiana e valutata positivamente la stessa;

RITENUTO pertanto di dover accettare la proposta di modifica dell'Accordo di Finanziamento con nota Prot. Regcal n. 480588 del 22/07/2024, (Funding Agreement), per come proposta dal FEI

CONSIDERATO CHE la stipula del nuovo Addendum non comporta ulteriori oneri per il Bilancio, in quanto i costi di gestione gravano sui fondi già disponibili e rinvenienti dalla restituzione dei prestiti da parte delle imprese;

VISTI:

- il Decreto Legislativo n. 165 del 30 marzo 2001 "Norme generali sull'ordinamento del lavoro alle dipendenze delle amministrazioni pubbliche" e s.m.i.;

- la D.G.R. n. 63 del 15/02/2019 avente ad oggetto "Struttura organizzativa della G.R. - Approvazione Revoca della Struttura organizzativa approvata con D.G.R. n. 541/2015 e s.m.i.";

- il D.P.G.R. n. 180 del 07.11.2021 con il quale è stato approvato il Regolamento regionale n. 9 del 07/11/2021 avente ad oggetto "Regolamento di Riorganizzazione delle Strutture della Giunta Regionale";

- la DGR n° 665 del 14.12.2022 recante: "Misure per garantire la funzionalità della struttura Organizzativa della Giunta Regionale- Approvazione Regolamento di Riorganizzazione della struttura Della Giunta Regionale – Abrogazione regolamento Regionale del 20 Aprile 2022, n.3 e ss.mm ii", pubblicato in pari data sul B.U.R.C. n° 286;
- la D.G.R n. 703 del 28.12.2022 recante ad oggetto Avviso di selezione ai sensi dell'art.19 del D.lgs 165/2021 per il Conferimento dell'incarico di Dirigente Generale del Dipartimento "Sviluppo Economico ed Attrattori culturali" della Giunta della Regione Calabria;
- il DPGR. n. 139 DEL 29/12/2022 di Conferimento dell'incarico di Dirigente Generale del Dipartimento "Sviluppo Economico ed Attrattori Culturali" della Giunta della Regione Calabria, Dott. Paolo Praticò ;
- il DDG n. 9435 del 04/07/2023: Conferimento incarico di dirigente del settore 4 "Competitività delle imprese, Attrazione degli investimenti, Internazionalizzazione" del Dipartimento Sviluppo Economico ed Attrattori Culturali Avv. Valeria Adriana Scopelliti
- il DDG. N°.1433 DEL 01/02/2023 "Dipartimento Sviluppo Economico ed Attrattori Culturali. Definizione organizzazione degli uffici di cui al Regolamento regionale 14 dicembre 2022, n. 12" - rettifica DDG n.1185 del 30/01/2023 "
- il DDG n. 248 del 11/01/2024: Conferimento incarichi di elevata Qualificazione di 3° livello afferenti al Settore 4 Competitività delle Imprese, Attrazione degli investimenti Internazionalizzazione – Dipartimento SEAC - con il quale si è conferito l'incarico di Responsabile di Linea Azione 1.3.1 Competitività del sistema Produttivo regionale alla dott.ssa Teresa Zangari;

VISTA, altresì:

-la DGR n. 29 del 07/02/2024 – Approvazione Piano Integrato di Attività e Organizzazione (PIAO) 2024-2026;

ATTESTATO che il presente atto è formulato su proposta del responsabile del procedimento che ne attesta la regolarità e correttezza sotto il profilo istruttorio procedimentale

DECRETA

La narrativa costituisce parte integrante e sostanziale del presente provvedimento.

- **Di prendere atto** della proposta di modifica dell'Addendum all' Accordo di Finanziamento (Funding Agreement) nota Prot. Regcal n. 480588 del 22/07/2024,ed allegato al presente decreto sotto la lettera "A" nel testo ufficiale in lingua inglese e sotto la lettera "B" nella traduzione in lingua italiana;
- **Di approvare** la predetta proposta di modifica dell'Addendum all'Accordo di Finanziamento (Funding Agreement) Prot. Regcal n.480588 del 22/07/2024,ed allegato al presente decreto sotto la lettera "A" nel testo ufficiale in lingua inglese e sotto la lettera "B" nella traduzione in lingua italiana;
- **Di dare atto** che rimangono immutati tutti gli altri contenuti presenti nell' "Accordo di Finanziamento" sottoscritto in data 11/10/2011 tra la Regione Calabria ed il FEI;
- **DATO ATTO** che il presente decreto non comporta effetti diretti sul bilancio regionale in quanto il pagamento degli oneri previsti in convenzione graveranno sul Fondo in oggetto,rinvenienti dalla restituzione dei prestiti da parte delle imprese;
- **Di provvedere** alla pubblicazione del presente decreto sul Bollettino ufficiale della Regione Calabria, ai sensi della L.R. 6 aprile 2011, n.11 e nel rispetto del Regolamento UE 2016/679;
- **Di provvedere** alla pubblicazione del provvedimento sul sito istituzionale della Regione Calabria, ai sensi del d.lgs. 14 marzo 2013, n.33, della L.R. 6 aprile 2011, n.11, e nel rispetto del Regolamento UE 2016/679;

- **Di dare atto** che avverso il presente provvedimento è ammesso ricorso al Tribunale Amministrativo Regionale da proporsi entro il termine di 60 giorni, ovvero ricorso straordinario al Presidente della Repubblica, da proporsi entro 120 giorni.

Sottoscritta dal Responsabile del Procedimento

Teresa Zangari
(con firma digitale)

Sottoscritta dal Dirigente

VALERIA ADRIANA SCOPELLITI
(con firma digitale)

Sottoscritta dal Dirigente Generale

Paolo Pratico' '
(con firma digitale)

AMENDMENT NO. 5

AND RESTATEMENT AGREEMENT

TO THE FUNDING AGREEMENT

ENTERED INTO ON 11 OCTOBER 2011

BETWEEN

THE REGION OF CALABRIA

AND

THE EUROPEAN INVESTMENT FUND



AMENDMENT AND RESTATEMENT AGREEMENT

This amendment no 5 and restatement agreement (the “**Fifth Amendment and Restatement Agreement**”) is entered into on its Amendment Date (as defined below), by and between:

1) Regione Calabria, Cittadella-Regionale -Viale Europa ,Germaneto-88100 Catanzaro - ,
Italia (“**Region**”), and

2) The European Investment Fund, 37B, avenue J.F. Kennedy, L-2968 Luxembourg (the “**EIF**”),

collectively the “**Parties**” and individually, also the “**Party**” as the context may require.

WHEREAS:

- A. On 11 October 2011 the Parties entered into a Funding Agreement (the “**Original Agreement**”) relating to the creation of a JEREMIE Holding Fund (“**Holding Fund**”), with the object of addressing the identified market failure by facilitating access to finance to Final Recipients, as stipulated in the Original Agreement.
- B. On 9 November 2015, the Parties entered into a first addendum to the Original Agreement, whereby the Parties amended the Treasury Guidelines.
- C. By means of letter dated 17 December 2015 and a second addendum to the Original Agreement (the “**Second Addendum**”), the Parties agreed, amongst others, (i) to extend the term of the Agreement until 31 January 2017, (ii) to extend the eligibility period for Operations until 30 September 2016, and (iii) to reduce the amount of the Funds provided to the EIF for management under the Agreement by the Returned Amount.
- D. By means of letter dated 16 December 2016, the Parties agreed to amend the Original Agreement to extend the eligibility period for operations until 31 October 2016.
- E. By means of the Amendment and Restatement Agreement dated 20 December 2017 (the “**Fourth Amendment and Restatement Agreement**”), the Parties amended and restated the Original Agreement to, *inter alia*, define the scope of, and the rules governing, the Run-Off Activities to be performed by EIF during the Run-Off Period.
- F. The Parties wish to amend and restate the Original Agreement to extend its term for two additional years, ie until 31 December 2025.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

1. Amendment date, interpretation

- 1.1. “**Amendment Date**” means the date on which the last Party signs this Fifth Amendment and Restatement Agreement.
- 1.2. Capitalised terms used in this Amendment shall, unless otherwise defined herein, have the meaning attributed to them in the Original Agreement.
- 1.3. The rules of interpretation set out in the Original Agreement shall apply *mutatis mutandis* to this Fifth Amendment and Restatement Agreement.

2. Amendments

The Parties agree that, with effect as from the Amendment Date:

- 2.1. Clause 6.3 in chapter 6 (*entitled 6. Funding of the JEREMIE Holding Fund*) shall be deleted and replaced by the following:

“6.3 In the event that any Contributed Resources remain in the JEREMIE Bank Account as at the termination of the Agreement (as defined in article 15.1 below), following the delivery of the Final Progress Report, but in any event no later than nine (9) months following the termination of the Agreement, EIF shall return such Contributed Resources to the Region by deposit to a bank account timely notified to EIF by the Region.”

- 2.2. Clause 15.1 in chapter 15 (*entitled 15. Effective Date; Termination*) shall be deleted and replaced by the following:

“15. Effective Date; Termination

- 15.1 This Agreement is effective as of 31 January 2017 (the “**Effective Date**”) and shall, unless terminated earlier in accordance with this Article, remain in force until 31 December 2020 (the “**Term**”).

Notwithstanding the foregoing, after 31 July 2019, the Region will be entitled to request, by a 6-months’ prior written notice delivered to EIF at any time, the transfer of the JEREMIE Holding Fund from EIF to the Region.

If, within 6 months prior to the expiry of the Term, the Region has not requested such transfer, this Agreement shall be automatically renewed for another 3-year term until 31 December 2023 (the “**First Renewal Term**”). Further, if within 6 months prior to the expiry of the First Renewal Term, the Region has not requested such transfer, this Agreement shall be automatically renewed for another 2-year term until 31 December 2025 (the “**Second Renewal Term**”), and the termination of this Agreement will be deemed to be extended to 31 December 2025.

The Parties agree that for the period of time from termination of the Agreement until the final transfer or winding-up of the JEREMIE Holding Fund, but no later than nine (9) months following the termination of the Agreement, EIF shall carry out the following activities:

- (a) no later than five (5) months following the transfer or winding-up of the JEREMIE Holding Fund, deliver the Final Progress Report covering the preceding year to the Region, based on latest available data from the Financial Intermediaries;
- (b) for sixty (60) days after the delivery of the Final Progress Report under item (a) above, be available to the Region to provide clarifications and explanations on the Final Progress Report provided; and
- (c) any further reasonable activity, in particular related to the winding-up of the JEREMIE Holding Fund, which may be agreed between EIF and the Investment Board.”

3. Retroactive application of the extension of the Run-Off Period

For the avoidance of doubt, the Parties hereby acknowledge and agree that the extension of the Agreement shall be effective as from 31 December 2023 and thus the Agreement shall be deemed to have never expired. In addition, it is acknowledged and agreed that the respective “Availability Periods” and the related provisions in the Operational Agreements may also be

retroactively amended in order to reflect the above extension of the Agreement Run-Off Period.

4. Representations

The MS hereby represents and warrants that on the Amendment Date:

- 4.1.** Binding obligations – The obligations expressed to be assumed by it in this Fifth Amendment and Restatement Agreement are legal, valid, binding and enforceable obligations.
- 4.2.** Power and authority – It has the power to enter into, perform and deliver, and has taken all necessary actions to authorise its entry into, performance and delivery of the Fifth Amendment and Restatement Agreement and the transactions contemplated herein.

5. Governing Law and Jurisdiction

- 5.1.** This Fifth Amendment and Restatement Agreement and any non-contractual obligations arising out of or in connection with it are governed by the Italian law.
- 5.2.** Any disputes which may arise out of or in connection with this Fifth Amendment and Restatement Agreement shall be resolved in accordance with Clause 16 (Governing Law and Dispute Resolution) of the Original Agreement.

IN WITNESS THEREOF each of the Parties has caused this Fifth Amendment and Restatement Agreement in two (2) counterparts in the English language, each of which represents an authentic original.

MANAGING AUTHORITY

Represented by:

Name:

Title:

Signature:

Date:

EUROPEAN INVESTMENT FUND

Represented by:

Mr. Luc SALES

Head of Division,
Institutional Affairs (GS)

Signature:

Date:

Mr.

Head of Division,
Relationship Managers (Geo A)

Signature:

Date:

ANNEX 1 AMENDED AND RESTATED FUNDING AGREEMENT

AMENDED AND RESTATED FUNDING AGREEMENT

between

Region Calabria

and

European Investment Fund

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This amended and restated funding agreement (“**Agreement**”), amending and restating a funding agreement between the Parties (as defined below) dated 11 October 2011 (as subsequently amended, the “**Original Agreement**”), is entered into on December 2017 by and between:

Regione Calabria

Cittadella-Regionale -
Viale Europa ,Germaneto-
88100 Catanzaro
(“**Region**”)

and

The European Investment Fund,

37B avenue J.F. Kennedy
L-2968 Luxembourg
LUXEMBOURG
(“**EIF**” and, together with Region, the “**Parties**”)
as follows:

WHEREAS

- A. By Regulation 1080/2006, the principles and strategies governing the European Regional Development Fund (“**ERDF**”) have been restated.
- B. By Regulation 1083/2006, general provisions regarding, *inter alia*, the scope, funding and use of the ERDF, the Cohesion Fund (“**CF**”) and the European Social Fund (“**ESF**”) have been adopted.
- C. As one of the instruments for the application of funds disbursed under the Funds (as defined in Regulation 1083/2006), the initiative “Joint European Resources for Micro to Medium Enterprises” (“**JEREMIE**”) has been jointly developed by the European Commission (“**Commission**”) and EIF, for the purposes of financing expenditure in respect of operations comprising contributions to support financial engineering instruments, such as venture capital funds, guarantee funds and loan funds, to enterprises, primarily small and medium-sized ones, whereby all funds to be disbursed and applied in the course of JEREMIE shall be made available and used in accordance with article 44 of Regulation 1083/2006 and Regulation 1828/2006.
- D. On 13 July 2007, the Commission approved the National Strategic Reference Framework for the period 2007-2013 by Decision C (2007) 3329, including its implementation, *inter alia*, through the Operational Programme (as defined below).
- E. On 7 December 2007, the Commission approved the Operational Programme by Decision C(2007) 6322. The provisions of the Operational Programme have been duly taken into account by the Parties in drafting this Agreement.
- F. The SMEs financing gap assessment in Italy, also covering Calabria conducted by EIF in 2007, has defined the market failure for the existing financial services for SMEs, existing gap

between supply and demand for the financial services and available financial instruments. On the basis of the assessment and after thorough discussion with different national institutions concerned, the amounts to be allocated to the JEREMIE initiative and type of financial instruments were defined.

- G. The Parties have concluded that the JEREMIE Holding Fund (as defined below) would be organised as a “separate block of finance” within EIF in accordance with this Agreement, as permitted under article 43, par. 3 of Regulation 1828/2006.
- H. The Region has agreed to permit for the Funds Management Costs (as defined below) to be borne out of the JEREMIE Funds, as contemplated in article 43, par. 4 of Regulation 1828/2006. The Region has further agreed to permit for the Additional Funds Management Costs (as defined below) to be borne out of the JEREMIE Funds, such payment to be made in accordance with this Agreement.
- I. The Parties acknowledge that JEREMIE is a novel initiative launched by the Commission and jointly developed in Calabria by the Region and EIF. In addition, taking into account the complex architecture and eligibility structure of EU Structural Funds’ allocations within the Region for the Programming Period 2007-2013, the Parties declare their readiness to consider the effect of this Agreement, including its compliance with any applicable Community rules and regulations, and to amend it on a need basis.
- J. The Parties entered into the Original Agreement on 11 October 2011 (the “**Original Effective Date**”).
- K. On 30 April 2015 the Commission published the Closure Guidelines (as defined below), providing clarification on the declaration of eligible expenditure of Financial Engineering Instrument (as defined below) at closure of the operational programmes. In accordance with the revised Closure Guidelines (as defined below), Regulation 1083 (as defined) shall be interpreted to allow eligible expenditure to be incurred, including Management Costs, up to the final date for submission of payment applications.
- L. On 9 November 2015, the Parties entered into a first addendum to the Original Agreement, whereby the Parties amended the Treasury Guidelines (as defined below).
- M. By means of letter dated 17 December 2015 and a second addendum to the Original Agreement (the “**Second Addendum**”), the Parties agreed, amongst others, (i) to extend the term of the Agreement until 31 January 2017, (ii) to extend the eligibility period for Operations until 30 September 2016, and (iii) to reduce the amount of the Funds provided to the EIF for management under the Agreement by the Returned Amount (as defined below)
- N. By means of letter dated 16 December 2016, the Parties agreed to amend the Original Agreement to extend the eligibility period for operations until 31 October 2016.
- O. The Parties wish to amend and restate the Original Agreement to, *inter alia*, define the scope of, and the rules governing, the Run-Off Activities (as defined below) to be performed by EIF during the Run-Off Period (as defined below).
- P. The execution of this Agreement by dott. Fortunato Varone in the name and on behalf of the Region has been authorised by the competent governing bodies of the Region Calabria by virtue of decree no. 2943, issued by the Region on 21 November 2017.

NOW, THEREFORE, in consideration of the premises and the mutual agreements and covenants hereinafter set forth, and intending to be legally bound, the Parties hereby agree that the Original Agreement is, as of and at the date first written above, amended and restated in its entirety to read as follows:

1. Definitions and Interpretation

1.1 In this Agreement the following defined terms and expressions shall bear the following meaning, unless the context requires otherwise:

“Additional Funds” means, from time to time, the aggregate amount of:

- (a) the Proceeds of Operations received from time to time in the Additional Funds Bank Account; plus
- (b) the interest accrued from time to time in the Additional Funds Bank Account, including, for the avoidance of doubt, any income generated from the treasury management of the balance of the Additional Funds Bank Account;

2 Account” 3 m

4 Management Costs” 5 m

- (a) the flat annual management fees of EIF in an amount of 1.6% per annum of the Additional Funds, and
- (b) the amount of Associated Expenses on a yearly average for the term of this Agreement in an amount of 0.4% of the Additional Funds,

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“Annual Associated Expenses Forecast” means, for each calendar year, the forecast of the envisaged Associated Expenses connected to the operation of the JEREMIE Holding Fund, for such calendar year, to be prepared by EIF and approved by the Investment Board;

“Annual Costs Report” means the costs report for each calendar year to be prepared by EIF in accordance with the Costs Letter and to be provided to the Investment Board for information;

10 Annual) Progress Report” 11 m

12 13 m

14	15 m
16	17 m
18	19 m
20	21 m
22	23 m
24	25 m
26	27 m
28 Management Costs”	29 m
30	31 h
32	33 m
34	35 h
36	37 m
38 Regulations”	39 m
40	41 m
42 Instrument”	43 m

44

45 m

46

47 m

48 (
i)

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50 (
iii)

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a)

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65 m

66 or “Regulation 1828”	67 m
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70	71 m
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78 Account(s)”	79 m
80	81 m
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86 Expenses Bank Account”	87 m
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114 “Regulation 1080”	115 me

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2. Purpose of the Agreement

2.1 The Parties entered into the Original Agreement and are entering into this Agreement for the purpose of:

- (a) mandating EIF with the operation of the JEREMIE Holding Fund and the management of the JEREMIE Funds in EIF’s name and for the ultimate benefit of the Region;
- (b) defining the Investment Strategy and Planning;
- (c) defining the rules governing the operation of the JEREMIE Holding Fund as prescribed in Reg. 1083 and the Implementing Regulation, and the implementation of the Operations by EIF;
- (d) defining the rules in relation to the reporting, monitoring and control of the JEREMIE Holding Fund;
- (e) setting out an exit policy of the JEREMIE Holding Fund;
- (f) setting out winding-up provisions of the JEREMIE Holding Fund, including the reutilisation of resources returned to the JEREMIE Holding Fund from the Operations;
- (g) setting out the information required under article 43, par. 3 and article 44, par. 1 and 2 of the Implementing Regulation;
- (h) determining the amount and the terms of payment of the Management Costs by the Region to EIF, in compliance with articles 56 and 78 of Reg. 1083, as interpreted through the Closure Guidelines, and as contemplated in article 43, par. 4 of the Implementing Regulation; and
- (i) defining the scope of, and the rules governing, the Run-Off Activities to be performed by EIF during the Run-Off Period.

2.2 The Region mandates EIF with:

- (a) During the Implementation Period, the operation of the JEREMIE Holding Fund and the management of the JEREMIE Funds in EIF’s name and for the ultimate benefit of the Region, in accordance with article 44 (c) of Reg. 1083 and article 43, par. 2 of the Implementing Regulation, and the performance of the Holding Fund Activity,

particularly as provided in Article 4 below; and

(b) During the Run-Off Period, the performance of the Run-Off Activities.

3. JEREMIE Holding Fund

- 3.1 The Parties agree that the Financial Engineering Instruments referred to in article 44 of Reg. 1083 shall be organised through the JEREMIE Holding Fund, which shall be established as a “separate block of finance” within EIF, as permitted under article 43, par. 3 of the Implementing Regulation.
- 3.2 In order to establish a separate block of finance within itself, in accordance with article 43, par. 3 of the Implementing Regulation, EIF shall establish the JEREMIE Account, denominated “PROJECT JEREMIE – JER-012 Calabria - HOLDING FUND ACCOUNT”, to administrate all matters relating to the JEREMIE Funds in accordance with this Agreement. For the avoidance of doubt, the JEREMIE Account shall not be a bank account, and shall not be capable of receiving any monies in respect of the JEREMIE Funds. EIF shall record all transactions in respect of the JEREMIE Funds in the JEREMIE Account. All transactions shall bear value date for the computation of interest.
- 3.3 During the Implementation Period, the JEREMIE Holding Fund shall receive the Funds for management by EIF. In order to receive such contributions and to carry out the Holding Fund Activity, EIF shall open the Funds Bank Account, the Additional Funds Bank Account, and any other necessary JEREMIE Bank Account and the JEREMIE Non-Eligible Expenses Bank Account, each in EIF’s name and for the ultimate benefit of the Region, with Banque et Caisse d’Epargne de l’Etat, which is to be retained by EIF in compliance with applicable law, including EIF’s internal rules and procedures.
- 3.4 For purposes of carrying out the Run-Off Activities during the Run-Off Period, EIF shall maintain one or more JEREMIE Bank Accounts in its own name and for the benefit of the Region with a suitable credit institution operating within the European Union, to be selected by EIF in compliance with applicable law and in compliance with its rules and procedures and the general principles of transparency, non-discrimination and equal treatment.
- 3.5 The Funds Bank Account, the Additional Funds Bank Account, any other JEREMIE Bank Account and the JEREMIE Non-Eligible Expenses Bank Account shall at all times and in all respect be used, committed or otherwise disposed of separately from other EIF resources, and shall be used exclusively for the performance of the Holding Fund Activity and the Run-Off Activities, as applicable, in accordance with this Agreement.
- 3.6 The Funds Bank Account shall be:
- (a) credited with, *inter alia*, the following items:
 - (i) the Funds received from the Region in accordance with Article 6.1 or Article 6.2, as applicable, and Article 6.3, if applicable;
 - (ii) interest accrued in the Funds Bank Account;
 - (iii) income generated from the treasury management of the balance of the Funds Bank Account in accordance with the Treasury Guidelines; and
 - (b) debited, by signatories duly authorised by EIF, with the following items:
 - (i) contributions to Operations;
 - (ii) Funds Management Costs, as provided under Article 10;
 - (iii) bank charges in connection with the Funds Bank Account and the treasury management of the Funds;
 - (iv) any other amount expressly authorised in writing by the Region and EIF

jointly.

3.7 The Additional Funds Bank Account shall be:

- (a) credited with, *inter alia*, the following items:
 - (i) the Proceeds of Operations received in accordance with Article 9.4;
 - (ii) interest accrued in the Additional Funds Bank Account;
 - (iii) income generated from the treasury management of the balance of the Additional Funds Bank Account in accordance with the Treasury Guidelines; and
- (b) debited, by signatories duly authorised by EIF, with the following items:
 - (i) contributions to Operations;
 - (ii) Additional Funds Management Costs, Consequential Management Costs and Run-Off Fees, as provided under Article 10;
 - (iii) bank charges in connection with the Additional Funds Bank Account and the treasury management of the Additional Funds;
 - (iv) any other transactions expressly authorised in writing by the Region and EIF jointly.

3.8 Any payment from the JEREMIE Non-Eligible Expenses Bank Account, in relation to Non-Eligible Expenses the funding of which is requested by EIF and which is expressly authorised by EIF and the Region jointly in accordance with Article 11 below, shall be validly made by signatories duly authorised by EIF.

4. Holding Fund Activity and Run-Off Activities

4.1 During the Implementation Period, EIF shall perform the Holding Fund Activity, which shall comprise the following:

- 4.1.1 Pursuit of the strategy set out in the Investment Strategy and Planning, as well as revision of the Investment Strategy and Planning in accordance with Article 7, and preparation of Terms of Reference, in accordance with Article 8, selection and, where appropriate, revision of the Business Plans and submission of the relevant proposals to the Investment Board;
- 4.1.2 Identification of appropriate Financial Intermediaries (by calls for expression of interest and other relevant procedures in accordance with applicable law, including EIF's internal rules and procedures) which shall receive contributions from the JEREMIE Holding Fund, in the framework of Operations to be selected by EIF and submitted for information to the Investment Board, for purposes of implementation of the JEREMIE strategies as defined in the Investment Strategy and Planning;
- 4.1.3 Negotiation of terms of Operations and submission of the relevant transaction(s) to the Investment Board for information purposes, and execution of the Operational Agreements for the ultimate benefit of the Region in accordance with the terms of the legal documentation thereof;
- 4.1.4 Portfolio management of the contributions from the JEREMIE Holding Fund to the Operations;
- 4.1.5 Reasonable assistance in collecting relevant information necessary in order to allow the Region to comply with applicable EU rules on state aid, with the exclusion of overall monitoring and review of compliance with EU rules on state aid, which shall be the Region's sole responsibility. The Region shall indicate to EIF in writing the

type of information and the procedure required by it for the purpose of the preceding sentence;

- 4.1.6 Reporting to the Investment Board on the progress of the various Operations in accordance with Article 14 and Appendix C;
 - 4.1.7 Treasury management of the balance of the JEREMIE Bank Accounts, also by outsourcing and/or subcontracting to third parties all or part of the relevant activities, in accordance with the Treasury Guidelines.
- 4.2 During the Run-Off Period, EIF shall perform the following activities (the “**Run-Off Activities**”):
- (a) Review of the reports provided by the Financial Intermediaries under the relevant Operational Agreements;
 - (b) Calculation of losses based on information provided by the Financial Intermediaries and calculation of management fees to be paid to the Financial Intermediaries, in accordance with the relevant Operational Agreements;
 - (c) Treatment of guarantee calls and payment of any amounts to be paid to the Financial Intermediaries under the relevant Operational Agreements;
 - (d) Receipt of the Proceeds of Operations (net of any losses occurred in respect of any loan in accordance with the relevant Operational Agreement);
 - (e) Receipt and control of the invoices related to the management fees provided by the Financial Intermediaries in accordance with the relevant Operational Agreement;
 - (f) Relationship management activity with Financial Intermediaries under the relevant Operational Agreements;
 - (g) Maintenance of internal systems related to the Operational Agreements;
 - (h) Issuance of Annual Progress Reports in accordance with Article 14.2;
 - (i) Upon termination of this Agreement pursuant to Article 15, performance of the arrangements necessary for the termination of the Agreement and the return of the JEREMIE Funds to the Managing Authority (it being understood that, upon such termination, no agreed upon procedure audit will be performed);
 - (j) Treasury activity in accordance with the Treasury Guidelines;
 - (k) Secretariat of the Investment Board; and
 - (l) One monitoring visit (desk review) per Financial Intermediary (if necessary).
- 4.3 EIF shall perform the Holding Fund Activity and the Run-Off Activity in its own name, but for the ultimate benefit of the Region, and, consequently, EIF shall be the holder of and entitled to any right or interest of claim that may arise under any Operational Agreement. However, any risk materialising out of the Holding Fund Activity or the Run-Off Activity shall be solely assumed by the Region and the Region shall hold EIF harmless for any related losses.
- 4.4 EIF shall be responsible for its internal administration of the Holding Fund Activity and the Run-Off Activity. EIF shall designate a project manager, who shall act as the central point of contact for the Region and for the Investment Board in connection with this Agreement.
- 4.5 For the avoidance of doubt, during the Run-Off Period, EIF (i) shall not perform any Holding Fund Activity; and (ii) shall perform the Run-Off Activities only.
- 4.6 In performing the Holding Fund Activity and the Run-Off Activities, EIF shall be entitled to retain (at the expense of the JEREMIE Holding Fund) services of attorneys and external consultants, such as tax and legal advisers, for specific tasks in connection with the Holding

Fund Activity or the Run-Off Activities requiring, at the reasonable opinion of EIF, expert advice. When procuring such services, EIF shall ensure that (i) the scope of such services is connected to the scope of this Agreement, (ii) the fees payable for such services are established on competitive market terms, and (iii) the services rendered by the external consultants are reasonably evidenced.

5. Investment Board

- 5.1 The Region shall establish an Investment Board with the view to supervising the implementation of the Investment Strategy and Planning and to ensuring the compliance of the Operations with the objectives of the Operational Programme and selection criteria approved by the Monitoring Committee, in each case as specified in this Agreement.

In order to foster the efficiency of the JEREMIE Holding Fund, the Region specifically agrees that, for all matters relating to the implementation of the JEREMIE Holding Fund and falling into the scope of this Agreement, the Region and the Managing Authority shall express their positions through the Investment Board. The Parties acknowledge that any decisions of the Investment Board shall always be taken after appropriate assessment of the position of the Region and of the Managing Authority as appropriate, and that EIF, for all purposes of the EU Structural Funds Regulations, shall be entitled to safely assume without further enquiry that any decisions taken by the Investment Board fully reflect the position of such entities.

For the avoidance of doubt, the Parties acknowledge that the delegation above shall have effect exclusively for the purposes of this Agreement and for the governance of the JEREMIE Holding Fund, and that the same does not limit the powers and responsibilities attributed to the Region and the Managing Authority under the EU Structural Funds Regulation.

- 5.2 The Investment Board shall consist of three ordinary members appointed by the Region, being employees or representatives of the Region with experience in the financial service field. EIF shall be entitled to designate up to two representatives to participate in the sessions of the Investment Board as IB Observers, provided that, for the avoidance of doubt, the IB Observers will not be IB Members and will, therefore, have no voting rights. The IB Observers shall receive the same written information on matters discussed and/or decided upon by the Investment Board as the members of the Investment Board. The Investment Board shall have the right to designate from time to time, on an *ad hoc* basis, other individuals as IB Observers, in case it deems that the participation of such individuals is appropriate considering the agenda of the Investment Board.
- 5.3 The term of office of each IB Member and of the IB Observers, other than those appointed on an *ad hoc* basis, shall be four years and re-appointment for additional terms shall be permitted. If the position of an IB Member vacates for any reason whatsoever, the Region shall without unreasonable delay appoint a new IB Member for the remainder of the term of office of the substituted IB Member. Subject to the remaining provisions of this Article, the Investment Board shall be able to carry out its tasks under this Agreement even in the absence of such substitution. For the avoidance of doubt, the principles set out in Article 5.2 in respect of the composition of the Investment Board shall also apply to the replacement of any IB Member in the circumstances contemplated in this Article 5.3.
- 5.4 [*Intentionally left blank.*]
- 5.5 Neither the IB Members nor the IB Observers shall be entitled to any compensation for their duties in the Investment Board.
- 5.6 Subject to Article 5.14 below, the Investment Board shall be responsible for the following matters:
- 5.6.1 Upon proposal by EIF, approval of any amendments or revisions of the Investment Strategy and Planning;

- 5.6.2 Upon proposal by EIF, approval of any Terms of Reference which shall provide the basis for the submission of the respective Business Plan and, where necessary, of any amendments or revisions thereof;
- 5.6.3 Review of the progress and the strategy of the JEREMIE Holding Fund, approval of the Annual Progress Reports, and discharge of EIF for performing the Holding Fund Activity, during the relevant period in accordance with this Agreement;
- 5.6.4 Adoption of the rules of internal organisation which the Investment Board deems appropriate, and in any case in line with what provided for under Articles 5.10, 5.11 and 5.12 below;
- 5.6.5 Upon proposal by EIF, approval of the Annual Associated Expenses Forecast in accordance with Article 10.6;
- 5.6.6 Upon proposal by EIF, review of the Annual Costs Report submitted by EIF for information purposes in accordance with the Costs Letter; and
- 5.6.7 Upon submission for information of proposed Operations (by EIF) in accordance with Article 4.1.2 above, express a non-binding opinion on such Operations (it being understood that while the EIF may take into account any such opinion, the decision as to which Operation to pursue shall only be an EIF decision).
- 5.7 In addition to the matters set out under Article 5.6 above, and subject to Article 5.14 below, the Investment Board shall, on the basis of information to be provided by EIF, carry out the following tasks:
 - 5.7.1 Regular monitoring of EIF's overall performance of the Holding Fund Activity during the Implementation Period, of the performance and impact on the regional economy, as applicable, of the JEREMIE Holding Fund and of the performance of the Operations, in accordance with the JEREMIE objectives, the Investment Strategy and Planning and the Operational Programme;
 - 5.7.2 If necessary, issuance of recommendations or statements of principle of a general nature (i.e. not relating to single Operations) to EIF and to the Region regarding the performance of the Holding Fund Activity during the Implementation Period, the further development of the activities of the JEREMIE Holding Fund and/or further activities directed at optimising the impact on the national/regional economy, as applicable, of the JEREMIE Holding Fund and of the Holding Fund Activity;
 - 5.7.3 Monitoring of EIF's performance of the Run-Off Activities during the Run-Off Period and of the performance of the outstanding Operations based on the information provided by EIF in the Annual Progress Report; and
 - 5.7.4 During the Run-Off Period, issuance of recommendations or statements of principle of a general nature (i.e., not relating to single Operations) to EIF and to the Region regarding the possible use of the Proceeds of Operations under Article 9.4.
- 5.8 During the Implementation Period, the Investment Board shall hold meetings at least once every calendar semester. During the Run-Off Period, the Investment Board meetings will be held annually. The Chairman shall convene the meetings of the Investment Board upon the written request of the Chairman and/or of two IB Members and/or of EIF. Decisions by the Investment Board shall be adopted by simple majority of the IB Members who are present (for the avoidance of doubt, including IB Members attending via a conference call or video conference), with a minimum presence of two IB Members being required. The Chairman of the Investment Board shall have a casting vote.
- 5.9 For the avoidance of doubt, the Parties acknowledge that EIF shall have the exclusive right to take any decisions necessary in order to perform the Holding Fund Activity and to make proposals to the Investment Board on the matters set out in paragraphs 5.6.1- to 5.6.6 above.

In connection with EIF's proposals on the matters set out in paragraphs 5.6.1, 5.6.2, 5.6.3 and 5.6.5 above, the Investment Board shall have the right to approve, or to approve and propose amendments to, or to reject, the proposals by EIF. If the Investment Board wishes to approve and propose any amendments to a proposal by EIF, this shall be recorded in the Investment Board minutes accordingly. In such case, EIF shall, within a reasonable time following the IB meeting:

- (a) totally accept such amendments in writing and communicate such acceptance to the Investment Board. In this case, the condition upon which the proposal by EIF had been approved, shall be deemed to be satisfied, and the Investment Board shall not be required to approve again the amended proposal;
 - (b) partially accept such amendments. In this case, EIF shall draft a new proposal, taking into account those amendments, and shall submit the same to the Investment Board, which shall have the right to approve it, to reject it or to approve and propose amendments to it in accordance with this Article 5.9; or
 - (c) reject such amendments. In this case, the proposal by EIF shall be deemed as rejected.
- 5.10 The Investment Board shall be entitled to set up an administrative structure aimed at enabling the same to carry out its tasks. The costs and the administration burden connected to such administrative structure shall be borne solely by the Region.
- 5.11 The Investment Board shall be entitled to take the decisions under Article 5, other than by a meeting in accordance with Article 5.8, also by written procedure or a no-objection procedure (tacit procedure), as such procedures will be determined through Internal Rules in accordance with Article 5.12.
- 5.12 The Investment Board shall be entitled to adopt its own Internal Rules, after consultation with EIF, which shall comply with the provisions of this Agreement, provided that:
- (i) the Investment Board shall be convened by the Chairman or, in his/her absence or vacancy, by the Vice Chairman (to be determined in accordance with the Internal Rules);
 - (ii) the call of any meeting of the Investment Board shall be communicated to the IB Members, and copied to the IB Observers, by fax or e-mail, to be received no later than five Business Days before the scheduled date for the meeting;
 - (iii) the communication of call shall include at least the date, venue and agenda of the meeting;
 - (iv) attendance of the meeting shall be permitted also via conference call or video conference, as long as the Chairman (or, in his/her absence, the Vice Chairman) is satisfied of the identity of the relevant person;
 - (v) the Chairman shall be entitled to open the discussion on each point of the agenda, to regulate the debate, to include new points if all IB Members in office so agree, and to certify the vote;
 - (vi) any decisions of the Investment Board shall be accounted for in minutes, to be drafted by EIF. The minutes shall be final upon their approval by way of signature and in accordance with the Internal Rules.

Any communications to the Investment Board shall be validly effected if made to the address of the Region in accordance with Article 17.1, or to such other address or in such other manner as the Investment Board may communicate to EIF.

- 5.13 IB Members shall respect defined standards of integrity and shall abstain from action that could induce a conflict of interest in the discharge of their duties.
- 5.14 Notwithstanding anything in this Agreement to the contrary, during the Run-Off Period, the

faculties of the Investment Board will be limited to the extent necessary for the supervision of the Run-off Activities.

6. Funding of the JEREMIE Holding Fund

- 6.1 For the purposes of creating the JEREMIE Holding Fund, the Region deposited into the Funds Bank Account an initial amount of Funds equal to EUR 45,000,000 (forty-five million euro), disbursed from the Operational Programme, which, through the execution of the Second Addendum, has been reduced to EUR 21,500,000 (twenty one million five hundred thousand euro) (the “**Contributed Resources**”). Notwithstanding this reduction, the Region declares its readiness to consider additional disbursements to the JEREMIE Bank Account on a need basis and upon recommendation by EIF, also in the event of a shortfall in the JEREMIE Funds.
- 6.2 During the Implementation Period, the Region shall use its best endeavours to procure that the required amount of funds available under JEREMIE from time to time, based on the market supply and demand and a relevant justified proposal by EIF, is made available to the JEREMIE Bank Account in order to ensure optimised implementation of the objectives of JEREMIE and to enable EIF to perform the tasks of the JEREMIE Holding Fund. The Region shall at its discretion take all action required in order to effectively make the disbursements pursuant to the EU Structural Funds Regulations and any other regulations of the European Union being relevant for JEREMIE and/or the JEREMIE Holding Fund at any given time.
- 6.3 In the event that any Contributed Resources remain in the JEREMIE Bank Account as at the termination of the Agreement (as defined in article 15.1 below), following the delivery of the Final Progress Report, but in any event no later than nine (9) months following the termination of the Agreement, EIF shall return such Contributed Resources to the Region by deposit to a bank account timely notified to EIF by the Region.

7. Investment Strategy and Planning

- 7.1 EIF shall carry out the Holding Fund Activity described in Article 4.1 in accordance with the Investment Strategy and Planning, as it is set out in Appendix A in accordance with the terms of the EU Structural Funds Regulations and on the basis of the Operational Programme.
 - 7.2 Should the Region or EIF deem it necessary, the Investment Strategy and Planning may be revised taking into account:
 - 7.2.1 the performance and the impact on the regional economy of the JEREMIE Holding Fund until such time;
 - 7.2.2 any change of the underlying legal regulations for JEREMIE (including, but not limited to, the EU Structural Funds Regulations);
 - 7.2.3 any recommendations issued by the Investment Board;
 - 7.2.4 any relevant change in the Operational Programme related to the Operations; and
 - 7.2.5 any other circumstances, which, in the reasonable opinion of the EIF, require such revision.
- Should such revision be deemed necessary, EIF shall submit a draft of the revised Investment Strategy and Planning to the Investment Board and the revised Investment Strategy and Planning shall be approved by the Investment Board, in accordance with Article 5.6.1.
- 7.3 Any derogations from the Investment Strategy and Planning due to market changes, including inter alia due to changes in the value, risk profile or otherwise of certain Operations resulting only from market forces or changes in the market shall be deemed not to be in breach of the Investment Strategy and Planning.

8. Terms of Reference and Business Plan

- 8.1 In respect of each Operation proposed under Article 4.1, Terms of Reference shall be prepared by EIF and shall be the basis for any Business Plan to be submitted by the Financial Intermediaries in accordance with this Article 8.
- 8.2 All Terms of Reference shall:
- (i) be formulated in accordance with the terms of the EU Structural Funds Regulations and on the basis of the Operational Programme; and
 - (ii) reflect, and be in compliance with, the selection criteria as approved each time by the responsible Monitoring Committee of the Operational Programme.
- 8.3 Each Financial Intermediary shall be required to draft its Business Plan in accordance with the relevant Terms of Reference and submit such Business Plan to EIF. In addition to the requirements of the Terms of Reference, the Business Plan shall at least include the elements required in 43, par. 3 of the Implementing Regulation.

9. Operations

- 9.1 The selection of Financial Intermediaries pursuant to Article 4.1 shall be implemented by EIF in accordance with the Investment Strategy and Planning as well as with the EIF's internal rules and procedures.
- 9.2 Any Operational Agreement under Article 4.1 shall, notwithstanding any other terms set out in this Agreement, include, *inter alia*, the following elements:
- (a) the definition of the investment strategy and planning;
 - (b) the definition of the rules governing the Operation;
 - (c) the definition of the rules in relation to the reporting, monitoring and control of the Operation;
 - (d) the description of an exit policy of the Operation;
 - (e) winding-up provisions of the Operation, including, if and as relevant, the reutilisation of resources provided under the Operation and returned to the Financial Intermediary from investments in enterprises;
 - (f) the determination of the amount and the terms of payment of the management costs, if any, by EIF to the Financial Intermediary, in compliance with article 43, par. 4 of the Implementing Regulation;
 - (g) the obligation of the Financial Intermediary to allow access to documents related to the Operations for the representatives of the Region, the Commission, the European Court of Auditors, EIF and any other national or regional or European entity duly empowered by applicable law to carry out audit and/or control activities;
 - (h) the obligation of the Financial Intermediary to carry out adequate information, marketing and publicity measures in accordance with the provisions of the EU Structural Funds Regulations and the related national implementing legislation, if any, such as campaigns, focussed in the relevant territory as appropriate, aimed at making the JEREMIE initiative known to the SMEs in the relevant territory;
 - (i) the obligation of the Financial Intermediary to comply with any applicable state aid rules, to ensure that the limits of provided State aid are respected, and to report to EIF accordingly;
 - (j) procedures for submission of annual accounts for the Operation by the Financial

Intermediary to EIF and auditing procedures to be complied with by the Financial Intermediary;

- (k) the right of EIF to recover any losses due to a breach by a Financial Intermediary of its obligations under the relevant Operational Agreement, in accordance with suitable and market-standard clauses, which right shall be enforceable either by EIF or by the Region acting as agent of EIF in accordance with Article 9.5 below;
- (l) in the investment agreements between the Financial Intermediary and the enterprises for the financing of the enterprises from the Operation, the Financial Intermediary shall provide that:
 - (i) such enterprises shall keep records of the investment or other financial contribution made by the Financial Intermediary for at least the period provided under article 90, par. 1 Reg. 1083;
 - (ii) the Financial Intermediary shall be entitled to recover any losses due to a breach by the enterprises of their obligations under the relevant investment agreement;
 - (iii) the Financial Intermediary shall diligently, whether by negotiation or legal action, enforce its claims against such enterprises;
 - (iv) the representatives of the Region, the Commission, the European Court of Auditors, EIF and any other national or regional or European entity duly empowered by applicable law to carry out audit and/or control activities may access the premises and documents of such enterprises for the purpose of ensuring the legality and regularity of the financing from the Operation and of the enterprises' business;
 - (v) this financing comes in part from EU Structural Funds and complies with the objectives of the Operational Programme;
 - (vi) such enterprises shall engage in no action or decision contrary to Community rules, particularly rules concerning competition.

EIF shall not be responsible to the Region for any breaches by the Financial Intermediaries of their obligations under the Operational Agreements.

- 9.3 Any Proceeds of Operations shall be paid to the Additional Funds Bank Account without any unreasonable delay and shall be made available to the JEREMIE Holding Fund.
- 9.4 During the Implementation Period, any Proceeds of Operations may be re-invested in accordance with this Agreement. During the Run-Off Period, (i) the Proceeds of Operations shall first be used to pay the Run-Off Fees and any management fees due to Financial Intermediaries, and to honour guarantee payments (if any) in accordance with applicable Operational Agreements; and (ii) in the event that any Proceeds of Operations or other amounts remain in the JEREMIE Bank Account after the payments made under item (i) above, such Proceeds of Operations or other amounts (A) may be re-invested, if the Parties agree in writing on the necessary changes to this Agreement; or (B) upon Region's request, shall be returned to the Region at any time.
- 9.5 EIF shall diligently, whether by negotiation or legal action, enforce its claims against Financial Intermediaries. The Parties shall in each case agree on the most appropriate course of action to enforce the claims against Financial Intermediaries. In case the costs related to negotiations or legal actions to enforce such claims are:
 - (a) deemed "eligible expenditure" as referred to, *inter alia*, in the definition of "Funds Management Costs" in Article 1.1 and pursuant to applicable law, EIF may initiate the relevant negotiations or take the relevant legal actions to enforce its claims in accordance with the applicable procedures;

- (b) deemed Non-Eligible Expenses pursuant to applicable law, subject to an agreement between the Parties where the Region undertakes to reimburse such Non-Eligible Expenses, EIF may either itself initiate the relevant negotiations or take the relevant legal actions to enforce its claims in accordance with the applicable procedures or, to the extent permitted by applicable law, assign the relevant claims to the Region for enforcement in the name of the Region (as applicable).

To the extent permitted by applicable law, any amounts recovered as a result of the relevant negotiations or the relevant legal actions to enforce any claims against Financial Intermediaries referred to in this Article 9.5 shall be returned to the JEREMIE Holding Fund and further managed in accordance with the provisions of this Agreement.

10. Costs

- 10.1 The Region acknowledges that, in consideration for the operation of the JEREMIE Holding Fund, the management of the JEREMIE Funds and the performance of the Holding Fund Activity during the Implementation Period, EIF shall be entitled to the Management Costs, which the Region hereby agrees to assume and pay through the JEREMIE Holding Fund.

The Funds Management Costs are subject to the thresholds set out in article 43, par. 4 of the Implementing Regulation and shall, on a yearly average for the term of this Agreement, not exceed the threshold set out therein.

The Management Costs, including their payment, shall be further prescribed in the Costs Letter.

- 10.2 Upon termination of this Agreement, including early termination, EIF shall calculate the aggregate Management Costs due and paid with respect to this Agreement. Should the Funds Management Costs exceed the thresholds set out in article 43, par. 4 of the Implementing Regulation, the Parties agree that EIF shall repay to the Region an amount equal to such excess of the Funds Management Costs.

- 10.3 Further, the Region acknowledges that during the period of time from termination of the Agreement pursuant to Article 15 until the final transfer or winding-up of the JEREMIE Holding Fund, but no later than nine months following the termination of the Agreement, including the transfer of the JEREMIE Funds and the Operational Agreements to the Region or an entity newly appointed by the Region, and in consideration of the activities set out in Article 15, EIF shall be entitled to the Consequential Management Costs, which the Region hereby agrees to assume and pay through the JEREMIE Holding Fund in accordance with Article 10.4.

To the extent the Consequential Management Costs are subject to the thresholds set out in article 43, par. 4 of the Implementing Regulation, the Consequential Management Costs shall, on a yearly average for the period of time the Consequential Management Costs become due, not exceed the threshold set out therein.

To the extent the Consequential Management Costs are not subject to the thresholds set out in article 43, par. 4 of the Implementing Regulation, the Parties agree that the Consequential Management Costs shall, on a yearly average for the period of time the Consequential Management Costs become due, not exceed the threshold of 2.0% per annum of the JEREMIE Funds on a pro-rata basis.

- 10.4 During the Implementation Period, the Funds Management Costs shall be withheld from the funds available in the Funds Bank Account whereas the Additional Funds Management Costs and the Consequential-Management Costs shall be withheld from the funds available in the Additional Funds Bank Account, each in the manner and timing set forth by the Parties in the Costs Letter.

The Parties agree that,

- (a) in case the Funds Management Costs due exceed the Funds credited to the Funds Bank Account, such excess amount of Funds Management Costs shall be withheld from the funds available in the Additional Funds Bank Account; and
- (b) in case the Funds Management Costs and/or Additional Funds Management Costs and/or the Consequential Management Costs due exceed the Additional Funds credited to the Additional Funds Bank Account, such excess amount shall be invoiced by EIF and paid by the Region, *provided that* such excess amount remains within the relevant threshold applicable or agreed with respect to the Management Costs and the Consequential Management Costs in accordance with this Agreement.

In case any amount is not paid when due, EIF shall be entitled, from the date of such payment being due, to default interest on such unpaid amounts equal to 6-month EURIBOR, as displayed in the relevant Bloomberg or other applicable screen on the date in which the payment was due, and every six months thereafter if necessary, plus a spread of 2.0%.

10.5 To cover EIF's costs and expenses in relation to the implementation of the Run-Off Activities pursuant to Article 4.2, during the Run-Off Period the Region shall pay, in a manner provided in Article 9.4, the Run-Off Fees to EIF. The Run-Off Fees will be payable in advance by 31 January each year during the Run-Off Period, provided that the fees corresponding to the period from 1 February 2017 to 31 December 2017 will be payable within 10 days following the signature of this Agreement.

10.6 During the Implementation Period, EIF shall communicate to the Investment Board the Annual Associated Expenses Forecast for any calendar year no later than 15 November of the previous calendar year. The Annual Associated Expenses Forecast for the year 2012 shall be communicated by EIF to the Investment Board within a reasonable time from the Effective Date.

The Investment Board shall, within thirty (30) days from receipt of the Annual Associated Expenses Forecast, notify in writing its approval of, or objections to, the relevant Annual Associated Expenses Forecast, provided that any objections shall be duly justified. The following shall apply:

- (i) should EIF receive the approval from the Investment Board, the Annual Associated Expenses Forecast shall be deemed to be approved on the date EIF receives such approval;
- (ii) should EIF receive neither approval nor objections from the Investment Board, the Annual Associated Expenses Forecast shall be deemed to be approved at the end of the thirtieth day from receipt of the Annual Associated Expenses Forecast by the Investment Board;
- (iii) should EIF receive any objections from the Investment Board, EIF shall, within fifteen (15) days from receipt of the objections, take into account such objections in good faith, taking any actions it deems appropriate to this effect, including discussing the objections with the Investment Board and/or the Region, and shall submit an amended Annual Associated Expenses Forecast to the Investment Board. The amended Annual Associated Expenses Forecast shall be deemed to be adopted within five (5) Business Days from receipt.

10.7 The Parties acknowledge that, in implementing the Operations, there will be further costs, which shall comprise the amounts payable to the Financial Intermediaries for carrying out the Operations under the Operational Agreements or other required external services such as e.g. external legal adviser. For the avoidance of doubt, such further costs shall not be attributed to the Management Costs, but they shall constitute additional expenditure which shall be eligible in accordance with the EU Structural Funds Regulations.

- 10.8 During the Run-Off Period, EIF shall inform the Investment Board of the Associated Expenses incurred each year in the Annual Progress Report.

11. Non-Eligible Expenses

Non-Eligible Expenses incurred in the performance of the Holding Fund Activity during the Implementation Period shall be validly paid from time to time by EIF, during this Agreement, out of the funds deposited by the Region in the JEREMIE Non-Eligible Expenses Bank Account at the relevant time, as long as such Non-Eligible Expenses are approved by the Region in accordance with this Article 11. At any time EIF foresees any Non-Eligible Expenses, it shall communicate to the Region a request for funding, including the relevant amount and time of payment, a brief description of the reasons for such Non-Eligible Expenses, and a statement of the grounds, which suggest the non-eligibility of the same. The Region shall, within fifteen days from receipt, approve or reject the request, provided that, in case of approval, the decision shall provide for the payment of the relevant amount into the JEREMIE Non-Eligible Expenses Bank Account in line with the timeline set forth in the approved request. For the avoidance of doubt, no approval by the Region will be required for EIF to recover amounts for expenses, which have been incurred by EIF, are set out in the Costs Letter as Associated Expenses and have been approved by the Investment Board as eligible expenses, but, subsequently, they are assessed by the competent authorities to be Non-Eligible Expenses.

12. Miscellaneous

The Region shall ensure that:

- 12.1 it will provide all necessary information and assistance in accordance with reasonable requests by EIF in order to enable EIF to carry out the Holding Fund Activity and the Run-Off Activities, in each case in accordance with the terms of this Agreement and applicable law (including EU Structural Funds Regulations and EU rules on state aid);
- 12.2 it will inform EIF prior to amending or changing any laws, regulations or administrative acts which in the reasonable opinion of the Region may have an adverse effect on the availability of funds for the JEREMIE Holding Fund or on the performance of the JEREMIE Holding Fund tasks or the Run-Off Activities in accordance with this Agreement;
- 12.3 it will carry out without unreasonable delay the necessary assessments to ensure compliance of Operations with the EU rules on state aid, and will carry out any notifications towards the Commission for Operations, in relation to which such notifications are required under the EU rules on state aid;
- 12.4 it will comply with its obligations under the EU Structural Funds Regulations and any other applicable Community rules, irrespective of EIF's specific tasks as provided under this Agreement.

13. Liability

- 13.1 Where appropriate, EIF shall implement adequate internal policies in order to ensure that the Holding Fund Activity and the Run-Off Activities are performed in compliance with this Agreement.
- 13.2 EIF shall under no circumstances be held responsible or liable for the financial performance of the JEREMIE Holding Fund or for the financial results of any of the Operations, nor for the failure by the Region to comply with applicable EU Structural Funds Regulations or with any other applicable EU rules.

Any liability of EIF connected to its own performance of the Holding Fund Activity and the Run-Off Activities shall be limited to cases of wilful misconduct and gross negligence, provided that compliance with the Investment Strategy and Planning and with the decisions of the Investment Board shall exclude liability of EIF. EIF shall not be liable to the Region for consequential damages.

- 13.3 Any liability of EIF in connection with this Agreement shall further be excluded to the extent any action by EIF is based on information obtained from the Region, including, but not limited to, any information set out in the National Strategic Reference Framework or in any Operational Programme. Subject to EIF having knowledge of such information, EIF assumes no obligation to independently verify the accuracy, relevance or completeness of any such information.
- 13.4 The Region shall indemnify and hold harmless EIF for any costs, expenses and/or any liability incurred by EIF as a result of a third party claim brought against EIF as a result of EIF carrying out the Holding Fund Activity or the Run-Off Activities. Such obligation to indemnify shall exist only in the event that the costs, expenses or damage to EIF have not been caused by wilful misconduct or grossly negligent actions or omissions by EIF and that EIF has diligently defended such claim.

14. Monitoring, Reporting, Auditing

- 14.1 During the Implementation Period, the Parties shall comply with their respective monitoring, reporting and auditing obligations as set out in Appendices B, C and D, as such Appendices may be extended or otherwise amended.
- 14.2 By June 30 of each year during the Run-Off Period, EIF shall prepare and submit for the approval by the Investment Board an Annual Progress Report for the immediately preceding calendar year, informing the Investment Board of the Proceeds of Operations. The Annual Progress Reports prepared during the Run-Off Period will consist of quantitative information only, and will be provided in English language. The first Annual Progress Report during the Run-off Period will be issued by June 30 2017.
- 14.3 During the Run-Off Period, EIF shall prepare un-audited annual financial statements including a balance sheet, a statement of income and a treasury report as set out in Appendix C.

15. Effective Date; Termination

- 15.1 This Agreement is effective as of 31 January 2017 (the “**Effective Date**”) and shall, unless terminated earlier in accordance with this Article, remain in force until 31 December 2020 (the “**Term**”).

Notwithstanding the foregoing, after 31 July 2019, the Region will be entitled to request, by a 6-months’ prior written notice delivered to EIF at any time, the transfer of the JEREMIE Holding Fund from EIF to the Region.

If, within 6 months prior to the expiry of the Term, the Region has not requested such transfer, this Agreement will be automatically renewed for another 3-year term, and the termination of this Agreement will be deemed to be extended to 31 December 2023 (the “**First Renewal Term**”). Further, if within 6 months prior to the expiry of the First Renewal Term, the Region has not requested such transfer, this Agreement shall be automatically renewed for another 2-year term until 31 December 2025 (the “**Second Renewal Term**”), and the termination of this Agreement will be deemed to be extended to 31 December 2025.

The Parties agree that for the period of time from termination of the Agreement until the final transfer or winding-up of the JEREMIE Holding Fund, but no later than nine (9) months following the termination of the Agreement, EIF shall carry out the following activities:

- (a) no later than five (5) months following the transfer or winding-up of the JEREMIE Holding Fund, deliver the Final Progress Report covering the preceding year to the Region, based on latest available data from the Financial Intermediaries;
 - (b) for sixty (60) days after the delivery of the Final Progress Report under item (a) above, be available to the Region to provide clarifications and explanations on the Final Progress Report provided; and
 - (c) any further reasonable activity, in particular related to the winding-up of the JEREMIE Holding Fund, which may be agreed between EIF and the Investment Board.
- 15.2 During the term of this Agreement, either of the Parties to this Agreement may at any time terminate this Agreement with immediate effect by notifying to the other Party that a Termination for Cause has occurred.
- 15.3 In particular, and without prejudice to the generality of the grounds which may give rise to a Termination for Cause:
- (a) the Region may declare a Termination for Cause in case of:
 - (i) a failure by EIF to comply with the strategies defined in the Investment Strategy and Planning; or
 - (ii) a failure by EIF to comply with any of its material obligations under this Agreement,
 in each case provided that the Region has sent a warning notice to EIF stating such breach and EIF has not cured such breach within a period of sixty (60) days from the date of receipt of the notice; and
 - (b) EIF may declare a Termination for Cause in case of:
 - (i) a failure by the Region to comply with any of its material obligations under this Agreement in case such failure would prevent EIF from the performance of the Holding Fund Activity or the Run-Off Activities in accordance with this Agreement, as applicable, or
 - (ii) a default in payment of any amount due to EIF under this Agreement in excess of EUR100,000 (one hundred thousand) for a period of more than sixty days,
 in each case provided that EIF has sent a warning notice to the Region stating such breach and the Region has not cured such breach within a period of sixty (60) days from the date of receipt of the notice.
- 15.4 Without prejudice to a Termination for Cause, this Agreement may be terminated by EIF, at all times, in case the Region or any public authority duly empowered within the Region amends or changes any laws, regulations or administrative acts and such amendment, in the reasonable opinion of EIF, may have an adverse impact on the activities, or on the performance, of the JEREMIE Holding Fund.
- 15.5 Upon termination of this Agreement, EIF shall be released from any obligation to perform the Holding Fund Activity or, if the Agreement is terminated during the Run-Off Period, the Run-Off Activities, as of the effective date of such termination. All amounts in respect of Management Costs or Run-Off Fees, as applicable, to which EIF shall be entitled concerning periods prior to the effective date of the termination, shall become due and payable as of such date. EIF shall refund a portion of the Management Costs or the Run-Off Fees, as applicable, corresponding to the amount of the Management Costs or the Run-Off Fees, as applicable, received for the remaining term of this Agreement from the effective date of the termination until 31 December of the year of the termination (based on the number of remaining full months) within fifteen days from the effective date of the termination.

- 15.6 Upon termination of this Agreement earlier than the end of the Term, all expenses incurred by a Party in connection with such termination, including expenses regarding the transfer of the JEREMIE Funds, the Operational Agreements to the newly appointed successor entity, as may be applicable, shall be borne by the Party liable for such termination.
- 15.7 All Operational Agreements shall provide for substitution and/or nomination rights of the Region in order to ensure the transfer of such agreements to the Region or to a successor entity newly appointed by the Region, as applicable, in case of termination of this Agreement. Accordingly, in case of termination of this Agreement:
- (a) all Operational Agreements shall remain effective between the relevant Financial Intermediary and the Region or an entity newly appointed by the Region as a manager of the JEREMIE Holding Fund, as applicable; and
 - (b) all commitments and obligations provided for in the Operational Agreements in force shall remain valid and fully effective between the relevant Financial Intermediary vis-à-vis the Region or an entity newly appointed by the Region as JEREMIE Holding Fund, as applicable.

Should any Operational Agreement from EIF to another entity, for any reason, be not transferable, the Parties shall without undue delay enter into consultation and shall use best efforts to enable substitution of EIF under the relevant Operational Agreement.

- 15.8 Upon expiration or termination of this Agreement, the balance of the JEREMIE Funds deposited into any JEREMIE Bank Account and the balance of any funds deposited in the JEREMIE Non-Eligible Expenses Bank Account, as well as any assets resulting from the implementation of Operations, shall be returned to the Region or an entity newly appointed by the Region, and shall be credited to such bank account which the Region shall communicate to EIF. All expenses incurred by EIF in connection with such transfer shall be borne by the Region and shall be withheld from the JEREMIE Funds to be returned, unless such transfer occurs upon termination of this Agreement due to a Termination for Cause declared by the Region.
- 15.9 Notwithstanding any other provision of this Article 15, in the event that an unforeseeable exceptional situation or event beyond any of the Parties' control occurs (other than labour disputes, strikes or financial difficulties and the kind), including (without limitation) the cancellation or suspension of JEREMIE pursuant to an act of the European Union or of the Region or otherwise, which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence (each a **"Force Majeure Event"**), the Party facing such Force Majeure Event shall inform the other Party without delay through a written notice (**"Force Majeure Notice"**) stating the nature, probable duration and foreseeable effects. Upon receipt of a Force Majeure Notice, the Parties shall immediately enter into consultation and make every effort to minimise any damage due to the occurrence of the relevant Force Majeure Event, it being understood that neither Party shall be held in breach of its obligations under this Agreement if it is prevented from fulfilling them due to a Force Majeure Event. If the Parties, acting in good faith, ascertained that the continuation of the performance of the Holding Fund Activity is impossible or extremely onerous as a result of the occurrence of a Force Majeure Event, this Agreement shall be terminated in accordance with this Article 15.

16. Governing Law; Dispute Resolution

- 16.1 This Agreement shall be governed by, and construed in accordance with, the laws of Italy.
- 16.2 The Parties shall use their best endeavours to settle any dispute arising in connection with this Agreement in an amicable manner. Any dispute arising in connection with this Agreement, including its existence, shall be finally and irrevocably settled by arbitration in accordance

with the rules of arbitration and conciliation of the International Chambers of Commerce (“ICC Rules”) by three arbitrators, one to be appointed by the Region, one by EIF and the third in accordance with the Rules. The language of the arbitration proceedings shall be English and the place of arbitration shall be in Rome (Italy).

17. Final Provisions

- 17.1 Any notice or communication by one Party to the other Party shall be made in writing and shall be delivered by registered mail or telefax, with transmission confirmation clearly stating in the subject **JER-012**, to the following addresses:

If to the Region:

Regione Calabria

Dipartimento Seac

Dirigente Settore 4 Avv. Valeria Scopelliti

Cittadella Regionale Località Germaneto

88100 Catanzaro

telefono 0961 853027

If to EIF:

European Investment Fund

Attn: Gianluca Massimi - Mandate Management, Iberia & Adriatic Department

37B avenue J.F. Kennedy

L-2968 Luxembourg

Grand Duchy of Luxembourg

Either Party shall inform the respective other Party in writing without undue delay of any change of the above address details. Until receipt of notification of such changes, each Party may validly serve notice to the last address duly notified to it.

- 17.2 This Agreement constitutes the entire agreement of the Parties on the subject hereof and replaces and supersedes any prior agreement.
- 17.3 Amendments to this Agreement shall be made in writing and shall become effective upon execution by both Parties hereto.
- 17.4 If a provision of this Agreement shall become or be held invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected. The invalid or unenforceable provision shall be deemed replaced by a valid and enforceable provision which represents the intentions of the Parties when agreeing on the invalid or unenforceable provision to the utmost possible extent.
- 17.5 The Parties shall negotiate in good faith and execute any amendments to the terms of this Agreement, which may become necessary or desirable in case of an amendment of the EU Structural Funds Regulations or any laws, regulations or administrative acts of Italy and/or the Region.
- 17.6 This Agreement shall not be construed as a novation (*novazione*) of the Original Agreement.
- 17.7 This Agreement has been executed in 2 counterparts in the English language, each of which represents an authentic original of this document.

For the Region Calabria

For the European Investment Fund

Dipartimento Sviluppo Economico e Attrattori
Culturali
Direttore Generale
Dott. Paolo Praticò

Gianluca Massimi
Head of Mandate Management for Western
Balkans, Iberia & Adriatic

Nicolas Panayotopoulos
Head of Corporate and Institutional Affairs
Division

INVESTMENT STRATEGY AND PLANNING

1. Introduction

The following Investment Strategy and Planning has been established in the context of the JEREMIE initiative in Calabria and aims at setting out the principles for a coordinated approach between the Region and EIF, in close cooperation with the Commission, for the programming and implementation of the JEREMIE initiative in the context of the Operational Programme co-financed by the European Regional Development Fund for the period 2007-2013.

2. Preliminary considerations: gap analysis in Calabria

The main market failures in the Calabria region (“Calabria” or “Region”) could be summarised as follow:

1. The economy of Calabria is still among the least developed in Italy characterised by the lack of a critical mass of active population and a less developed economy compared to other Italian regions.
2. The limited infrastructure constitutes an important physical and functional hindrance to the development of business in the Region.
3. R&D spending remains insufficient and the Region occupies one of the lowest levels in innovation rates of all Italian businesses.
4. Calabrian SMEs environment consists of more than 150,000 enterprises, 99% of which with less than 20 employees. In 2010, outstanding loans provided by credit institutions in Calabria amounted to approximately EUR 17bn, but only 50% of these amounts correspond to loans for companies.
5. Credit granted to the production sector has increased for both small businesses and for medium and large companies.
6. 2/3 of the lending volumes are devoted to more structured businesses (more than 20 employees), mainly due to presence of better collateral.
7. The size of loans is directly proportional to the dimension of the SME: the lower the number of employees, the lower the lending amount per SME (on average, about EUR 27,000 per loan in the region).

All the above suggests that micro and very small SMEs in Calabria have limited access to credit for the development of their activities.

3. Investment Strategy: overview

3.1. JEREMIE in Calabria

JEREMIE, Joint European Resources for Micro to Medium Enterprises, is an initiative of the Commission together with the European Investment Bank Group in order to promote increased access to finance for the development of micro, small and medium-sized enterprises in Calabria.

Improving access to finance is a priority area of the renewed Lisbon agenda for growth and jobs in an effort to increase the availability of capital in Europe and, in particular, in Calabria for new business creation and the development of existing SMEs.

3.2. Objectives

For the programming period 2007 – 2013 and further up to 31.10.2016, improve access to finance for the development of enterprises in Calabria, primarily small and medium-sized enterprises (SMEs) - including micro-enterprises- as defined in the Commission Recommendation 2003/361/EC¹, through the use of non-grant instruments such as loans (including micro-loans), venture capital or guarantees promoting and adopting an innovative and sophisticated financial engineering approach to be implemented through the establishment of a JEREMIE Holding Fund.

3.3 Envisaged Financial Engineering Instruments

The Parties envisage that the Financial Engineering Instruments which will be implemented in the framework of the JEREMIE Holding Fund will be based on the ones developed by EIF, and namely the Funded Risk Sharing Product (“FRSP”) which, based on the preliminary analysis of the Calabria economy market, appears to be the most appropriate instrument to be implemented. For further details on FRSP, reference is made to paragraph 5 below.

Notwithstanding the above, the Parties acknowledge that products and details thereof will have to be further agreed with the Managing Authority, through the Investment Board. Moreover, at this stage, the structure and operations of each instrument are to be further developed also in light of compliance with state Aid rules.

3.4. Investment policy

In this respect, the following key actions (among others) will be undertaken by the JEREMIE Holding Fund:

- Set-up and implement a financial engineering instrument (currently identified as per clause 3.3 above) for the benefit of SMEs, as well as start-ups with emphasis on technology and innovation.
- Such funds and schemes might play an essential role as an engine for entrepreneurship and job creation.
- Implement non-grant instruments as provided under 3.3 above, to facilitate access to credit and micro-credit for the strengthening of start-ups and the consolidation and development of SMEs, including micro-enterprises.

¹ OJ L 124, 20.5.2003

- With regard to the creation and reinforcement of micro-enterprises, emphasis might be put on certain specific disadvantaged groups of entrepreneurs (e.g. immigrants, young individuals, females, unemployed, disable, etc.).
- The Region will ensure that any public support under the JEREMIE initiative will comply with the procedural and material State aid rules applicable at the point of time when the public support is granted.

4. Investment Strategy: plan to achieve the objectives

4.1. Selecting Financial Intermediaries

EIF will launch one or more series of open calls for expression of interest addressed to financial intermediaries generally offering them the possibility to participate in the initiative. EIF will then evaluate and select the applicants and select the Financial Intermediaries. The selection procedure should be based on specific and appropriate selection criteria, as approved by the Monitoring Committee as provided under applicable EU Structural Funds Regulations, in line with the objectives of the Operational Programme.

EIF will evaluate the Business Plan(s) of the candidate(s) financial engineering instrument(s) in accordance with Articles 43 (2) and 44 of the Implementing Regulation. The terms and conditions for contributions to Financial Engineering Instruments from the JEREMIE Holding Fund, including the financial strategy, deliverables, monitoring implementation, exit policy and winding up provisions, will be set up in an Operational Agreement, to be entered into between EIF, on behalf of and acting through the JEREMIE Holding Fund, and the selected counterparty.

4.2. Financial Intermediaries supporting SMEs

In accordance with the relevant Operational Agreement, the selected Financial Intermediary/ies will in turn make available equity, loans or guarantees to SMEs, including micro-enterprises. The Financial Intermediaries will be responsible for the channelling of the JEREMIE resources to the supported SMEs, including micro-enterprises.

4.3. Leverage for contributions from Operational Programme

Contributions from the Operational Programme to the JEREMIE Holding Fund and/or from the JEREMIE Holding Fund to the selected Financial Intermediaries, are expected to give rise to some leverage effect, bringing in additional loan capital from banks, micro finance institutions and other local, national or international financial institutions.

5. JEREMIE Holding Fund: size, flexibility, revolving nature, risks and liabilities

5.1 Size, flexibility and revolving nature

In the current financial context, it is very challenging to accurately predict the optimal size of the JEREMIE Holding Fund. In this respect, the JEREMIE Holding Fund will require prudent initial funding contributions by regional authorities with the opportunity to increase funding allocations at a later date, depending on the progress of the initiative.

Adapting financial engineering tools during the cycle of implementation is also foreseen, allowing responsiveness to market conditions. The JEREMIE Holding Fund will endeavour to provide for a set of tailor-made financial tools, designed to be optimally applied in accordance with the needs of SMEs with respect to access to finance in Calabria.

By the same token, given the extent the activities depend on market conditions and on the characteristic of each instrument launched, EIF cannot guarantee that all the resources contributed by the JEREMIE Holding Fund to the selected Financial Intermediary(ies) will be utilised and channelled to the SMEs (i.e. some money could remain unspent).

In addition to the above, although financial schemes and products for the benefit of SMEs will be of a revolving nature, the Parties acknowledge that, as JEREMIE is a novel and development-intensive initiative, it cannot be ensured (for the avoidance of doubt), that funds initially contributed into the JEREMIE Holding Fund and invested for the implementation of the Financial Engineering Instruments will be returned to the JEREMIE Holding Fund i.e. the Financial Engineering Instruments might not be self-sustainable. In the worst case scenario, in particular, due to poor performance or to default of Financial Intermediaries, the return from the Financial Engineering Instruments could be even equal to zero.

5.2 Relevant risks: counterparty risk and ineligibility risks, State aid

(a) Counterparty risk

Generally, JEREMIE aims to support the development of Financial Engineering Instruments exposed to a risk-capital market and is subject to extensive regulatory requirements. This, *inter alia*, means, that implementation of the JEREMIE initiative requires dealing with high risks, as, through financial engineering instruments, it aims to facilitate finance for final beneficiaries.

In particular, such high risks may relate to counterparty risk of financial intermediaries via which JEREMIE Financial Engineering Instruments are implemented, i.e. the risk of a Financial Intermediary becoming insolvent, and not being therefore able to proceed with the investment in SMEs (in case the insolvency occurs after the investment from the JEREMIE Holding Fund and before the investment of the Financial Intermediary in the SMEs), and/or to channel the returns to the JEREMIE Holding Fund (in case the insolvency occurs after the investment from the JEREMIE Holding Fund and after the investment of the Financial Intermediary in the SMEs).

In accordance with professional due diligence, EIF will seek to assess such counterparty risk,

including through identification of suitable risk mitigations mechanisms. However, the Region acknowledges that, particularly due to the novelty of the JEREMIE initiative and of the products to be implemented, there are likely to be circumstances under which it will not be possible for EIF to exclude such risk, due either to a) legal constraints in the legislative/regulatory framework (e.g. lack of effective financial security measures), or b) commercial constraints (e.g. certain risk mitigation would not make the product commercially viable for Financial Intermediaries otherwise interested participating in the implementation of the Holding Fund Activity). The Region acknowledges and accepts that such risk shall be borne by the JEREMIE Holding Fund, and that EIF shall not be liable for any expense considered ineligible (under applicable EU Structural Funds Regulations) in such circumstances.

(b) Eligibility risk

Although EIF will ensure the monitoring of FI Operations in accordance to Appendix B, the Region agrees that, in case the costs incurred will not be considered eligible, any such costs shall be entirely borne by the JEREMIE Holding Fund, and that EIF shall not be liable for any expense considered ineligible (under applicable EU Structural Funds Regulations) in such circumstances.

(c) Other risks connected to the envisaged product

Whilst the specific instruments which will be used for the implementation of the Holding Fund Activity will be determined on the basis of market needs established during the implementation phase of the JEREMIE Action, as specified under paragraph 3.2 above, the Parties acknowledge and agree the funded risk sharing product ("FRSP") is the product which might be used for such purposes. The main features as well as some of the risks attached to such product are outlined below.

Description of FRSP – Relevant Risks and Liabilities

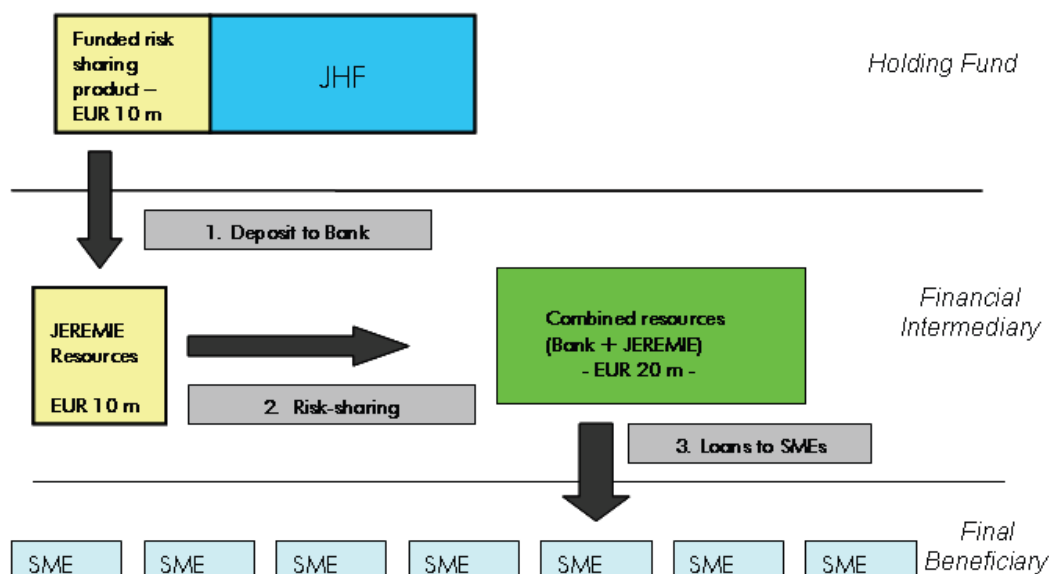
General Description

This product consists of (i) a loan issued by the EIF (on behalf of the Region acting through the JHF) to a Financial Intermediary pursuant to an Operational Agreement, combined with (ii) an undertaking by the Financial Intermediary to build up a new loan portfolio (within a ramp-up period) satisfying certain eligibility criteria, co-financed by the liquidity provided to it by the JEREMIE Holding Fund. The product also features a risk-sharing element, in so far as the portfolio repayment risk is shared (at a pre agreed rate) between the JEREMIE Holding Fund and the Financial Intermediary on a loan by loan basis. The Parties acknowledge that if the FRSP is implemented with some elements of subsidy (i.e. a reduced interest rate or the absence thereof), this may have as a consequence that the JEREMIE Holding Fund may have a reduced return profile or fail to achieve a full revolving character.

The origination, due diligence, documentation and execution of the underlying loans will be performed by the Financial Intermediary. Each Financial Intermediary will be responsible for the handling of payments, the ongoing monitoring and the reporting to the EIF. A management fee will be paid to the Financial Intermediary in consideration of such services.

The repayment claim under the Operational Agreement between EIF and the Financial Intermediary will decrease by reference to the losses occurred under the newly originated loan portfolio (under agreed conditions and at a predetermined ratio), thereby providing a risk-sharing element. The

example below, with indicative figures, illustrates a case where the risk-sharing rate is 50%.



Eligibility and Counterparty Risks

The Region acknowledges and agrees with the above product description, its terms and the risk associated with it for the JEREMIE Holding Fund. The Region agrees that the JEREMIE amounts disbursed by the Financial Intermediary to the final beneficiaries, and the management fees paid to the Financial Intermediary, shall be considered as eligible expenditures.

In particular, the Region acknowledges and agrees with the following:

1) Loan transactions entered into by the Financial Intermediary with SMEs shall meet a number of eligibility criteria in order to be included in the portfolio and be covered by the FRSP. Some of these eligibility criteria are determined on the basis of commercial considerations whilst others are fixed on the basis of relevant requirements set out in the applicable EU Structural Funds Regulations. Non compliance with such eligibility criteria has different consequences depending on the circumstances.

Underlying transactions which do not comply with the agreed eligibility criteria at the date of inclusion in the portfolio shall be excluded from it as of the date of their inclusion.

Differently, underlying transactions which do comply with the agreed eligibility criteria at the date of inclusion in the portfolio but fail to meet such criteria at a later stage, are not automatically excluded from the portfolio in case the breach of the eligibility criteria is outside the control of the Financial Intermediary and losses suffered by the Financial Intermediary in connection thereof shall, subject to certain conditions, remain covered by the FRSP². This raises a risk of ineligibility of the relevant

² Such feature attempts to bring the product close to the requirements of the Capital Adequacy Directive with a view to enabling Financial Intermediaries to benefit from capital relief

expenditure under the applicable EU Structural Funds Regulations. If losses covered under the FRSP relate to underlying transactions which do not comply with relevant eligibility criteria (subject to the terms above), the relevant expenditure could be considered as non eligible under applicable EU Structural Funds Regulations.

2) When JEREMIE Holding Fund financing is provided to the Financial Intermediary before the underlying loans (between the Financial Intermediary and the final beneficiaries) are entered into, the JEREMIE Holding Fund will be exposed - inter alia - to a risk regarding the financial standing of the counterparty and the potential ineligibility of expenditures. Such risk could materialise in case the Financial Intermediary does not disburse the amounts drawn from the JEREMIE Holding Fund to final beneficiaries and at the same time does not return such amounts to the JEREMIE Holding Fund, or the latter is otherwise not in the position to recover them.

The Region agrees that any such risks (as described under 1 and 2 above) shall be entirely borne by it and the JEREMIE Holding Fund and that EIF shall not be liable for any expense considered ineligible (under applicable EU Structural Funds Regulations) in such circumstances.

State Aid

The Region hereby acknowledges the fact that the FRSP could include an element of State aid to the extent no interest or below market interest rates are charged on the JEREMIE portion of the FRSP financing on-lent to SMEs, with the equivalent benefit being therefore fully passed to SMEs.

In this respect the Region acknowledges and agrees that:

- (i) the aid to be created by the proposed FRSP instrument shall fall within the de minimis thresholds and fulfil the conditions of Regulation (EC) 1998/2006,
- (ii) the calculation of the gross grant equivalent of the aid and subsequent granting of the de minimis aid in accordance with applicable regulations shall be the exclusive responsibility of the Financial Intermediary and not of EIF;
- (iii) the data collected on the application of State aid requirement shall be provided to the Investment Board without any liability for EIF for the accuracy of the data collected by the Financial Intermediary.

and allowing them not to be penalised for a wrong-doing by an SME which they do not have control over.

6. Activities needed in order to initiate the plan.

The Parties agree that the following activities are only indicative and only reflect the expectations of the Parties at the time of execution of this Agreement.

The Parties agree that the steps and activities needed in order to achieve plan will be decided in agreement with the Investment Board.

Signature of this Agreement between the Region and EIF.	4Q2011
EIF to open the JEREMIE Bank Accounts, in accordance with EIF procedures.	4Q2011
Region to disburse EUR 45,000,000 (forty-five million) to the JEREMIE Bank Account, as provided in this Agreement.	4Q2011
EIF to transfer the money for treasury management to Banque et Caisse d'Epargne de Luxembourg.	4Q2011
Region to set-up the Investment Board (i.e. nomination of Board Members).	4Q2011
First meeting of the Investment Board: confirmation of the portfolio of products including recommendations/ indications related to financial engineering product(s).	4Q2011
Preparation of financial engineering product(s), in accordance with pre-set priorities.	4Q2011
Submission by EIF to the Investment Board of the "Call for expression of interest" for the financial engineering product(s).	4Q2011
Marketing of the JEREMIE initiative. Activities to be agreed and approved by the Investment Board.	4Q2011
Launch of "Call for expression of interest" for the first financial engineering product(s).	4Q2011
Selection of the Financial Intermediaries (including assessment of proposals, due diligence, etc...).	1Q2012
Negotiation and signature of Operational Agreement(s) with Financial Intermediary(ies).	2Q2012
EIF management and monitoring.	2012
Further steps, to be proposed by EIF, will need to be approved by the Investment Board in accordance with this Agreement.	

Appendix B

MONITORING OF IMPLEMENTATION IN ACCORDANCE WITH APPLICABLE RULES

1. Definition

Monitoring is the process for the collection and analysis of financial and non-financial information on a regular basis in order to check the JEREMIE Holding Fund performance, to compare it with its stated objectives, budget and work plan and its compliance with legal and contractual requirements.

2. Aim

The monitoring process shall provide the authorities responsible for the Operational Programme, including the Managing Authority (MA) with a reasonable assurance that:

- the implementation of the JEREMIE initiative (i) complies with the applicable requirements, particularly with the EU Structural Funds Regulations, and (ii) includes where applicable the necessary arrangements to collect relevant information under the State aid rules;
- the objectives set out for such initiative are being pursued;
- the requirements of the legal base are respected.

3. General principle

The monitoring process will provide assurance by regular checking and progress measurement, using appropriate instruments, to identify deviations and risk of non-compliance, so that corrective actions can be taken when necessary.

4. Main Actors

The implementation of JEREMIE is expected to be based on a cascade of decisions and actions where several actors are sequentially implied: Commission, Region and/or Managing Authority, EIF, JEREMIE Holding Fund, Financial Intermediaries and SMEs (primarily).

5. Broad guidelines

- The monitoring in relation with the Investment Strategy and Planning of the JEREMIE Holding Fund shall be carried out by the Investment Board.
- The monitoring of the implementation of the Operations shall be carried out by EIF.
- The monitoring of Operations shall include activities carried out internally and/or externally, by different actors, in a “cascade” structure, which ensures that the implementation of each stage is controlled by an actor at a higher stage.

- EIF shall procure that Operational Agreements shall include the necessary provisions enabling the same to collect relevant information from the Financial Intermediaries, in order to facilitate an adequate monitoring of the Operations, including relevant information to be collected from enterprises receiving support under JEREMIE. EIF shall procure that the Operational Agreements will provide for EIF's right to carry out monitoring visits to the Financial Intermediaries and to the enterprises receiving support from the JEREMIE Holding Fund.

6. Monitoring instruments to be implemented by the JEREMIE Holding Fund

It is expected that monitoring instruments to be implemented by the JEREMIE Holding Fund will include documentary checks, reporting and monitoring visits as appropriate.

Within six months from the execution of this Agreement, EIF shall notify to the Investment Board the details of the procedures, monitoring process and information flows applied in the framework of the monitoring system of the JEREMIE Holding Fund.

Appendix C

REPORTING

The JEREMIE reporting system is an essential element of the JEREMIE monitoring system and is designed to ensure appropriate management of the initiative and, as far as possible, to contribute to the reporting obligations of the Region required by the Commission.

During the Implementation Period, EIF shall comply with the following reporting procedures:

- (i) EIF shall prepare for each calendar year the Annual Progress Report, setting out a detailed analysis of the Holding Fund Activity performed during the previous calendar year, an analysis on the progress with the implementation of the Investment Strategy and Planning and detailed information on the progress of the Operations.
- (ii) The Annual Progress Report shall include the information, relating to the Operations and to the JEREMIE Holding Fund, necessary in order to allow the Region to comply with its reporting obligations towards the Commission in accordance with the Implementing Regulation.
- (iii) The Annual Progress Report and an executive summary of the same shall be made available in the English language.
- (iv) The Annual Progress Report shall be submitted by EIF to the Investment Board for its approval by 31st March of each calendar year.
- (v) Upon request of the Investment Board, EIF shall on a semi-annual basis prepare, in the English language, a Semi-Annual Progress Report including an analysis on the progress with the implementation of the Investment Strategy and Planning and detailed information on the progress of the Operations. If requested, such Semi-Annual Progress report shall be submitted, in the English language, by EIF to the Investment Board for its approval by 30 September of each calendar year. EIF shall procure that Operational Agreements shall include the necessary provisions enabling the same to collect relevant information from the Financial Intermediaries, in order to facilitate an adequate monitoring of the Operations, including relevant information to be collected from enterprises receiving support under JEREMIE.
- (vi) No later than 31st May of each calendar year, EIF shall submit to the Investment Board audited annual financial statements at the JEREMIE Holding Fund level, by the external auditors selected by EIF.
- (vii) EIF shall, on a semi-annual basis, submit to the Investment Board a financial report, in the form of a Balance Sheet, Profit and Loss, Management Costs Report and Treasury Report which shall be in the form attached herein.
- (viii) Within nine months from the execution of this Agreement, EIF shall notify to the Investment Board the details of the reporting procedures applied in the framework of the monitoring system of the JEREMIE Holding Fund.
- (ix) EIF shall submit to the Region the Closure Report by 31 January 2017, which shall be prepared on the basis of the Closure Guidelines. The Region acknowledges that EIF will carry out a number of tasks which, depending on the circumstances and on its professional judgement, may indicatively include the following:
 - Ensure the receipt of the report from the Financial Intermediary (including sending reminders);
 - Review and validation of the last report sent by the Financial

Intermediary;

- Payment of the last call to the Financial Intermediary (where necessary);
- Ensure termination of Operational Agreements (where necessary);
- Issuance of the confirmation letter to the Financial Intermediary in order to confirm the closing balance;
- Ensure the receipt of confirmation answers from the Financial Intermediary (including sending reminders);
- Supervise the audit of eligible and non-eligible expenditures (where necessary);
- Ensure answer to questions addressed by the Region to EIF in relation to the Closure Report;
- Arrange the return of funds to the Region (where necessary);
- Supervise the audit of cash positions after the return of funds (where necessary);
- Issuance of the Mandate termination letter (where necessary).

JER 012 - JEREMIE CALABRIA**31/12/20xx****Balance Sheet (EUR)**

ASSETS				LIABILITIES			
		31/12/20xx	31/12/20xy			31/12/20xx	31/12/20xy
Cash at bank				Accruals and deferred income			
	Cash at bank	0	0			0	0
	Term deposits	0	0				
		0	0				
Investments		0	0				
Prepayments and accrued income				Capital and reserves			
	Prepayments	0	0	Contribution		0	0
	Interest receivable	0	0	Profit/(Loss) brought fwd		0	0
		0	0	Profit/(Loss) of the year		0	0
						0	0
Total Assets		0	0	Total Liabilities		0	0

JER 012 - JEREMIE CALABRIA**31/ 12/ 20xx****Profit and Loss (EUR)**

	31/ 12/ 20xx	31/ 12/ 20xy	Budget at 31/ 12/ 20xx	Variance EUR	Variance %
INCOME					
Interest on cash at bank	0	0			
Interest on term deposits	0	0			
Interest on operations	0	0			
Dividends on operations	0	0			
Other income	0	0			
TOTAL INCOME	0	0	0	0	0
CHARGES					
Flat Annual Management Fees	0	0	0	0	0%
Associated Expenses	0	0	0	0	0%
Expenditures related to operations	0	0	0	0	0%
TOTAL CHARGES	0	0	0	0	0%
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR	0	0			

JER 012 - JEREMIE CALABRIA
31/ 12/ 2011

Management Costs Report (EUR)

Categories of Annual Management Costs	Amount of Annual Management Costs
Flat Annual Management Fees	0
Total	0
Associated Expenses	
Costs related to consultants, legal advisors	0
Costs related to litigation	0
Cost related to marketing and campaigning	0
Costs related to tenders	0
Costs related to translations	0
Costs related to termination and transfers	0
Costs related to bank accounts	0
Costs related to external audit	0
(*) Other costs	0
Total	0
Total Annual Management Costs for 2011	0

(*) Other costs will mainly include minor costs or exceptional costs (i.e capability audit).
An explanation will be provided if the amounts included in other costs are material.

TREASURY REPORTING TEMPLATE

JER 012 - JEREMIE CALABRIA											
MM/DD/YYYY											
Term/ Call deposit	JEREMI E CODE	OP COD E (*)	Commencemen t date	CUR	Deposi t amount	Total interest at maturit y	Interes t rate	Maturit y date	Tota l days	Accrued interest at reportin g date	Accrued days
Term	JER-012										
Call	JER-012										

(*)Code of the Operational Programmes as set in EIF systems in line with the Funding Agreement.

Appendix D

AUDIT

1. General principle

Without prejudice to the audit and control rights under applicable law, the Parties agree that they may rely upon any audits and/or controls carried out by independent external auditors in respect of the JEREMIE Holding Fund.

In case an additional audit and/or control of the JEREMIE Holding Fund are envisaged, EIF shall:

- i. be informed of any such audit and/or control with at least six (6) weeks prior written notice; and
- ii. two (2) weeks prior to such audit and/or control, be provided with a list of the documents to be the subject of the audit and/or control.

This provision shall also be included in the Operational Agreements.

2. Rules

EIF shall comply with the following auditing requirements:

- Appropriate arrangements shall be made by the JEREMIE Holding Fund with the Financial Intermediaries to enable to the extent possible the Commission, EIF, their authorised representatives, the European Court of Auditors and all other Community institutions or Community bodies and the respective institutions of the Region, which are entitled to verify the use of the JEREMIE Funds, to have access to information to enable them to discharge their duties.
- In this respect, Operational Agreements shall include appropriate provisions, and will provide that appropriate provisions shall be included in any subsequent agreement providing support to enterprises under JEREMIE.
- The Region is entitled to verify the appropriateness of expenditure related to the JEREMIE Holding Fund costs. For that purpose, EIF as operator of the JEREMIE Holding Fund shall provide the Region with relevant supporting documents. The Parties agree to define ‘relevant supporting documents’, for the purposes hereof, as documents specific and directly related to the JEREMIE Holding Fund, including copies of commitment/guarantee agreements, draw-down/payment notices, invoices for associated expenses, statements of accounts and similar.
- However, for documents which form part of the overall administration of EIF’s operative business, which cannot without unreasonable effort be individualised and specifically allocated to the operation and management of the JEREMIE Holding Fund (e.g. EIF procedures), the Region will rely on the assurance given by the EIF external auditors on EIF’s systems and internal controls.

3. Terms

Any party involved in an Operation shall be required to maintain relevant documentation for inspection purposes:

- for a period of three years following the closure of an Operational Programme in accordance

with article 89(3) of Reg. 1083;

- for a period of three years following the closure of an Operation in the framework of a partial closure of an Operational Programme in accordance with article 88 of Reg. 1083.

Evidence of expenditure in the form of received invoices and proof of payment for goods and services by the enterprise is only required as part of the audit trail to justify financial assistance from the EU Structural Funds where the equity, loan or guarantee or other financing offered to an SME is conditional on certain expenditure on particular goods and services.

The above rules are without prejudice to the rules observed by the Region in ensuring compliance with the state aid rules.

Appendix E

EXIT POLICY FOR EXIT OF THE CONTRIBUTION FROM THE OPERATIONAL PROGRAMME OUT OF THE JEREMIE HOLDING FUND AND WINDING-UP PROVISIONS OF THE JEREMIE HOLDING FUND

Exit policy in respect of the Financial Engineering Instruments

In accordance with article 44(2)(h) of Regulation 1828, this Appendix E sets out provisions for the exit policy of the JEREMIE Holding Fund in respect of the underlying Financial Engineering Instruments.

The exit policy depends on the specific features of each Financial Engineering Instrument deployed by the JEREMIE Holding Fund in accordance with the Investment Strategy and Planning. The Financial Engineering Instruments have various structures and objectives, and, therefore, the exit policies and the connected legal technicalities are likely to be different for each Financial Engineering Instrument.

In general terms, considering that the instrument EIF intends to implement is a funded debt product, the main principles of the relevant exit policy can be described as follows:

Funded debt products normally combine an element of funding provision with a risk-sharing mechanism. The funds lent to the Financial Intermediary should be returned to EIF (less the allocated losses and relevant management fees), at the latest on a certain date set out in the Operational Agreement, thus 'exiting' the Operation. In addition, for certain transactions, upon the occurrence of specific events, the outstanding funding is to be returned to EIF immediately and a guarantee is then activated. Also in such case, the product provides for a termination date, which is set out in the relevant Operational Agreement, after which the JEREMIE Holding Fund should free up the remaining relevant resources previously earmarked for the purposes of honouring possible calls of the guarantee part of the product, thus 'exiting' the Operation. Also in this case, depending on the type of underlying assets, such term can exceed 31 January 2020.

EIF should ensure that there will be clear procedures and practices established within the Operational Agreements, so that the JEREMIE Holding Fund will be entitled to 'exit' the Operation in accordance with standard market practices.

The result of the 'exit' should be that the JEREMIE Holding Fund should either receive back the end result, if any, of its investments or loan, and/or be entitled to free up amounts earmarked for the service of guarantee calls, if any. Any such amount should, therefore, be available to the JEREMIE Holding Fund, either for reinvestment in accordance with this Agreement and the Investment Strategy and Planning, or – as the case may be – for the winding-up of the JEREMIE Holding Fund.

Winding up

Subject to the procedure agreed in Article 15, the Managing Authority may decide, after consultation

with EIF, on winding up the activities of the JEREMIE Holding Fund.

The Parties acknowledge that, according to the applicable EU Structural Funds Regulations, the JEREMIE Holding Fund is intended to be a self-sustainable investment structure, which, by creating and implementing financially engineered investments of a revolving nature, enables further rounds of investment activities in the area of SME finance. This being considered, the Parties acknowledge that, upon termination of this Agreement, the Managing Authority should be entitled to take any actions it deems appropriate with reference to the JEREMIE Holding Fund, including, with no limitations, the following:

- (a) to continue the operation of the JEREMIE Holding Fund, and appoint either EIF or a suitable entity as administrator or manager thereof, by entering into an appropriate contractual arrangement with such entity; or
- (b) to wind-up the JEREMIE Holding Fund, and require EIF, upon conclusion of all exits from all existing Operations, to transfer any remaining JEREMIE Holding Fund's assets either to the Managing Authority or to any other entity, in accordance with applicable EU Structural Funds Regulations.

It is confirmed that the above list shall not be regarded as exhaustive, but only as an example of potential options.

Appendix F
TREASURY GUIDELINES

1. The Region and EIF acknowledge that in performing the Holding Fund Activity and the Run-Off Activities under this Agreement, EIF has the right to manage all JEREMIE Funds from time to time deposited into the JEREMIE Bank Accounts, which shall, after deduction of those amounts which EIF shall deem appropriate to remain in the JEREMIE Bank Accounts for liquidity purposes, be termed “**Treasury Funds**”.
2. EIF, in accordance with its internal rules and procedures, shall, for the purposes of the management of the Treasury Funds, select a bank (or, for the avoidance of doubt, multiple banks) (“**Treasury Bank(s)**”) duly authorised to operate within the European Union, and having at least the rating of Baa2/P-2 by Moody’s (or any equivalent rating released by Standard & Poor’s and/or Fitch Ratings) and approved by EIF in accordance with its internal rules and procedures.
3. Treasury Funds shall be deposited in Euro as deposits of various maturities with the Treasury Bank, in accordance with the relevant agreement between EIF and the Treasury Bank.
4. EIF shall report to the Investment Board any relevant information on the treasury management undertaken by EIF in accordance with the Treasury Guidelines within the Annual Progress Report to be provided in accordance with Article 14.2.