

Please note that, from the, 19th June 2025 this is Microfinance Ireland's (MFI) standard Terms and Conditions for all borrowing entities.

If you have a previously approved loan and seek a copy of earlier Terms and Conditions, please send an email including the date of your loan offer to:

info@microfinanceireland.ie

Your Microfinance Ireland Loan is Supported by the Guarantee Agreement under The InvestEU Guarantee Instrument ("InvestEU" or the "Guarantee")

Schedule 1

Conditions Precedent

Microfinance Ireland ("MFI") shall not be obliged to advance the Loan unless the following conditions are satisfied by the date on which the Loan is to be drawn PROVIDED that should MFI agree that the Loan may be drawn notwithstanding that all of the Conditions Precedent have not been satisfied, the obligation to satisfy the outstanding Condition(s) Precedent shall continue unless MFI gives a written waiver of the requirement. The Borrower agrees that each such conditions precedent is for the benefit of MFI only and each is a separate and distinct condition precedent, and satisfaction by the Borrower of any condition precedent may be waived in the absolute discretion of MFI, with or without conditions.

1. Return of the Loan Offer Letter duly signed by the Borrower.
2. Completion and return of the Direct Debit Mandate enclosed with the Loan Offer Letter.
3. Completion and return of the Drawdown Notice enclosed with the Loan Offer Letter.
4. Provision of current Tax Clearance Certificate of the Borrower.
5. Provision of recent (within six (6) months, up to current date) original business bank account statements.
6. **Certified** copy of passport/driving licence of the Borrower. **(See details of certification on checklist provided with the Loan Offer Letter)**
7. **One** (1) recent (within six (6) months) original document is required for proof of current permanent address (e.g. utility bill, bank statement, tax free allowance certificate). **(See details on checklist provided with the Loan Offer Letter)**
8. The representations and warranties as set out in Schedule 2, are true with respect to the

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facts and circumstances existing.

9. MFI is satisfied that no Event of Default has occurred, or may occur, as a consequence of the Loan being drawn.
10. Delivery of such financial information as MFI may require in respect of the Borrower.
11. Up to date searches against the Borrower and all other appropriate registries and public offices in any relevant jurisdiction (including the Central Exclusion Database which is operated under Commission Regulation (EC, Euratom) No. 1302/2008) have been performed for the period of five (5) years immediately prior to the date of the Loan Offer Letter, with the full discharge of all acts which the MFI requires to be discharged.
12. The Borrower and its Microenterprise Business does not have a substantial focus on one or more Restricted Sectors as set out in Schedule 10.

Schedule 2

Representations and Warranties

The Borrower represents and warrants as follows on the date of acceptance of the Loan Offer Letter, on the date of drawdown of the Loan and on the fifteenth (15th) day of each month thereafter:

1. Capacity: The Borrower is not bankrupt, of unsound mind or incapable of managing his/her own affairs.
2. Power and Authority: The Borrower has the power to enter into and perform its obligations under the Loan Offer Letter, and all necessary action has been taken to authorise the creation, delivery and performance of the Loan Offer Letter, and the entering into of the Loan Offer Letter will not constitute a breach of any restrictions applicable to him/her.
3. Non-Conflict: The entry into and performance of the terms and conditions of the Loan Offer Letter do not and shall not contravene or conflict any law, statute, regulation or other instrument binding on the Borrower or any of his/her assets, or any agreement or document to which the Borrower is a party or which is binding on the Borrower or any of his/her assets.
4. Breach of Other Agreements: The Borrower is not in breach of, or in default under, any agreement or document to which the Borrower is a party or by which the Borrower or any part of his/her assets may be bound which, in the opinion of MFI, is likely to have a material adverse effect on the Borrower's ability to perform fully his/her obligations under the Loan Offer Letter.
5. Litigation: No litigation, arbitration or other proceeding is taking place (including without limitation any action under any environmental law or regulation), pending, or threatened against the Borrower's assets or any part of the Borrower's assets or revenues which, in the opinion of MFI, is likely to have a material adverse effect on his/her ability to perform fully his/her obligations under the Loan Offer Letter.
6. Insolvency Proceedings: The Borrower has not taken any action, nor have any other steps been taken or legal proceedings been started, to have the Borrower declared bankrupt, or for the appointment of a liquidator, an official assignee or trustee in bankruptcy, a receiver, an insolvency practitioner or similar officer to the Borrower, or as the case may be, over, or in relation to any or all of the Borrower's assets or revenues.
7. Authorisations & Compliance: The Borrower (i) is in compliance with all applicable laws,

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regulations and practices (including environmental laws, regulations and practices) in connection with the SME Business, (ii) holds and is in compliance with all necessary licences, permits, consents or other authorisations essential for the conduct of his/her business; and (iii) has not previously conducted, nor is currently conducting, business in any manner which could form the basis of any material environmental claim against him/her.

8. No Default: No Event of Default, as set out in Schedule 4, has occurred.

9. Disclosure: All information furnished by the Borrower to MFI in connection with the Loan is true, complete and accurate in all material respects as of the date it was provided, and the Borrower has made full disclosure to MFI prior to the date of the Loan Offer Letter of all facts in relation to the Borrower's business and assets to enable MFI to obtain a true and correct view of the financial condition, business and assets of the Borrower.

10. During the period of five (5) years immediately prior to the date of the Loan Offer Letter, the Borrower shall not have:
 - (i) been convicted of an offence concerning his/her professional conduct by a judgment which has the force of *res judicata*, which would affect his/her ability to implement the Loan Offer Letter; and
 - (ii) been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the EU's financial interests.

11. Eligibility Criteria: The Borrower represents, warrants and undertakes to ensure that the loan shall comply at any relevant time with the Eligibility Criteria (as set out in Schedule 9) applicable to that loan.

12. Microenterprise: The Borrower represents and warrants that he/she is either establishing or developing a microenterprise, including for the purpose of self-employment, being a microenterprise (which can include a self-employed person) that
 - (i) employs fewer than ten (10) full-time persons, on the date of application and has fewer than 10 full time employees in at least 2 of the last three years and
 - (ii) whose annual turnover (excluding V.A.T.) or annual balance sheet total (defined as Fixed Assets + Intangible Assets + Current Assets) does not exceed two million euro (€2,000,000) in respect of the full fiscal year immediately preceding, or in 2 of the last 3 years, that in which this Loan Offer Letter is entered into,

in accordance with the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium sized enterprises (2003/361/EC) as amended, restated, supplemented and/or substituted from time to time ("**Microenterprise**"), and in particular, the Borrower shall be

- (i) a vulnerable person who has lost or is at risk of losing their job; or
- (ii) a person who has experienced difficulties in either entering or re-entering the labour market; or
- (iii) a person who is at risk of social exclusion or is socially excluded

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and furthermore, is a person who is in a disadvantaged position with regard to access to the conventional credit markets.

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Schedule 3

Covenants and Undertakings

The Borrower covenants and undertakes that until the Loan is repaid in full:

1. Use of Loan: The Borrower shall use the Loan for the purpose specified in the (i) Application Form and the (ii) Loan Offer Letter, and shall prepare, update and make available documentation which will verify this, and that the Loan is being properly implemented.

The Borrower undertakes that it is not using any of the loan to refinance or to repay existing debt.

2. Financial Information: The Borrower shall prepare, update and supply to MFI promptly such up- to-date financial and other information in relation to the Borrower and his/her Microenterprise Business as MFI may from time to time specify or as may be specified in the Loan Offer Letter and shall ensure that all accounts and other financial information submitted to MFI are prepared consistently and in accordance with generally accepted accounting principles in Ireland. If deficiencies in the maintenance of this information are identified at any time, the Borrower shall promptly, and no later than three (3) months after being informed of such deficiencies (or sooner if required), comply with any instructions given to rectify such deficiencies.
3. Authorisations and Compliance: The Borrower shall comply with all applicable laws, regulations, or other legal requirements and obtain, renew and comply with the terms of all licences, permits, consents or other authorisations held in respect of his/her SME Business.
4. Notification of Default: The Borrower shall notify MFI of any Event of Default immediately upon becoming aware of its occurrence, and he/she shall immediately notify MFI in writing of the intention of any person of which the Borrower becomes aware who may take steps or present a petition or take similar proceedings to have the Borrower declared bankrupt, or for the appointment of a liquidator, an official assignee or trustee in bankruptcy, a receiver, an insolvency practitioner or similar officer to the Borrower, or as the case may be, over, or in relation to, any or all of the Borrower's assets or revenues.
5. Borrowing and Negative Pledge: The Borrower shall not borrow any monies or funds whatsoever from any other source without the prior written consent of MFI. He/she shall not create or permit to subsist any mortgage, charge, lien, encumbrance or other security interest (except a lien arising by operation of law in the ordinary course of business) on the whole or any part of the Borrower's present or future assets except with the prior written consent of MFI.
6. Material Change in Business or Disposal of Assets: The Borrower shall not make any material change, in the opinion of the MFI, in the nature of the Borrower's SME Business as presently conducted, except with the prior written consent of MFI; he/she shall not sell, transfer, lease (or where a lease is already in existence, consent to the lease being assigned) or otherwise dispose of, by one or more transactions, all or a substantial part of his assets, except with the prior written consent of MFI.
7. Insurance: The Borrower shall keep all his/her property and assets of an insurable nature insured with a well-established reputable insurance company against such risks and to a value such as a prudent person carrying on a similar business to that of the Borrower would normally insure such property and assets, subject to any insurance requirements as may be specified in the Loan Offer Letter.
8. Other Creditors: The Borrower shall promptly pay all creditors who would rank as

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preferential creditors in the event of his/her insolvency or upon the appointment of a receiver over any of his/her property or assets. All payments in respect of VAT, PAYE and Income Tax and any other taxes of the Borrower shall be kept up to date, and the Borrower shall not default on them. It shall ensure that MFI's claims against the Borrower under the Loan Offer Letter rank at least equally with the claims of all the Borrower's other unsecured and unsubordinated creditors save those whose claims are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application.

9. Mentoring: The Borrower shall accept and engage with any mentoring, training, coaching or advice which MFI might directly or indirectly provide, and, without limitation, which might be provided to the Borrower by, or through, a Local Enterprise Office ("LEO") to which the Borrower might be referred.

10. Change in Beneficial Ownership: The Borrower undertakes to inform Microfinance Ireland immediately of any change in the Beneficial Ownership of the Borrower at any time.

11. Bank Account & Payments: The Borrower undertakes that payments from MFI to the Borrower and to MFI from the Borrower in respect of this loan will be made through a bank account held with a credit institution situated within the territory of a Member State of the EU.

12. Grants and funds received under EU programmes: The Borrower undertakes:
 - I. Not to use a grant from an EU programme to reimburse or repay all or any of the loan
 - II. Not to use the loan to pre finance/bridge a grant funded from an EU programme
 - III. That the combination of the loan under this loan agreement and any funds received from any other EU programmes does not exceed the total project cost of the project financed by the MFI loan

13. Environmental Monitoring Plan: The Borrower undertakes
 - I. If the purpose of the Loan covers anaerobic digestion of bio waste, landfill gas capture and utilization, that the Borrower will have in place a monitoring plan for methane leakage
 - II. If the purpose of the Loan covers transport of CO₂ and underground permanent geological storage of CO₂, that the Borrower will have in place a monitoring plan in line with the provisions of the CCS Directive 2009/31/EC and EU ETS Directive 2018/410
 - III. If the purpose of the Loan covers activities requiring an environmental impact assessment in accordance with national legislation the relevant assessments, permits and authorisations required under applicable laws with respect to the activities have been obtained and remain valid.

14. Sanctioned Person & Restrictive Measures: The Borrower represents and undertakes that it is not a Sanctioned Person and that it is not in breach of Restrictive Measures. The Borrower also undertakes not to use the loan to finance activities involving a Sanctioned Person or that are in breach of Restrictive Measures.

A Sanctioned Person is any person or entity or group of individuals that are subject to Restrictive Measures. Restrictive Measures means;

- (i) EU Restrictive Measures; and/or

- (ii) any economic or financial sanctions adopted from time to time by the United Nations and any agency or person which is duly appointed, empowered or authorised by the United Nations to enact, administer, implement and/or enforce such measures; and/or

- (iii) any economic or financial sanctions adopted from time to time by the United States Government and any department, division, agency, or office thereof, including the United States Department of the Treasury Office of Foreign Asset Control (OFAC), the United

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States Department of State and/or the United States Department of Commerce; and/or

- (iv) any economic or financial sanctions adopted from time to time by the United Kingdom, and any UK government department or authority, including, inter alia, The Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade.

15. Exclusion Situation: The Borrower represents and undertakes that it is not in an Exclusion Situation. An Exclusion Situation means that the Borrower is in **any** of the following situations:

- (i) it is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (ii) in the past five (5) years, it has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- (iii) in the past five (5) years, it or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect its ability to implement the Guarantee or the Loan, as applicable and which is for one of the following reasons:
 - (a) negligently providing misleading information that may have a material influence or fraudulently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement.
 - (b) entering into agreements with other persons aimed at distorting competition.
 - (c) attempting to unduly influence the decision-making process of the contracting authority during the relevant "award procedure" as such term is defined in Article 2 of the Financial Regulation;
 - (d) attempting to obtain confidential information that may confer upon it undue advantages in the relevant "award procedure" as such term is defined in Article 2 of the Financial Regulation;
- (iv) in the past five (5) years, it or persons having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - (a) fraud.
 - (b) corruption.
 - (c) participation in a criminal organisation.
 - (d) money laundering or terrorist financing.
 - (e) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting

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or attempting to commit such offences.

- (f) child labour and other forms of trafficking in human beings.

it is under the published list of economic operators excluded or subject to financial penalty, in each case contained in the early detection and exclusion system database (the EDES database available at the official website of the EU) set up and operated by the Commission,

16. Excluded Activities: The Borrower undertakes not to be active in or use the loan to support any of the InvestEU and / or EIF Excluded Sectors and / or Activities as outlined in Schedule 8 or the Restricted Sectors / Assets outlined in Schedule 10.
17. If the loan is granted to finance the construction or major rehabilitation (i.e. exceeding 25% of the surface area or 25% of the building value) of an existing building such construction or rehabilitation will comply with national energy standards defined by the Energy Performance Buildings Directive (EPBD 2018/844/EU) or its successor and the Borrower undertakes to retain the relevant documentation as set forth in the national energy standard as defined by the EPBD.

Schedule 4

Events of Default

Upon the occurrence of any of the events specified below, MFI may by written notice to the Borrower terminate the Loan and/or demand immediate repayment of all or any amounts drawn and outstanding under the Loan and all accrued interest and other sums payable in respect of the Loan (and if the Loan is undrawn or only partially drawn, the Loan or the portion of the Loan which remains undrawn shall be cancelled) and MFI may declare that any security has become immediately enforceable:

1. Non-Payment: The Borrower fails to pay on the due date any amount payable under the Loan Offer Letter; or
2. Breach of Other Obligations: The Borrower fails to comply with any other obligation, covenant, term or condition of the Loan Offer Letter, unless failure to pay is caused by an administrative or technical error and payment is made within two (2) Business Days of its due date; or
3. Misrepresentation: any representation or warranty made or repeated by the Borrower in the Loan Offer Letter is, or proves to have been, incorrect in any material respect, in the opinion of MFI, when made or repeated; or
4. Cross Default: The Borrower defaults in the performance of any other agreement for monies borrowed so as to accelerate or potentially accelerate, in the opinion of MFI, the due date or repayment thereunder, or such borrowed monies are not repaid in full when due; or
5. Death/Bankruptcy/Incapacity: The Borrower dies, becomes bankrupt, makes any arrangement with his/her creditors, becomes or is declared to be of unsound mind or becomes a ward of court; or
6. Payment of Debts: The Borrower stops or threatens to stop payment of, or suspends making payments on, any of the Borrower's debts; or
7. Bankruptcy Proceedings and Analogous Proceedings: if any person petitions or takes any step, or other legal proceedings are started, to have the Borrower declared bankrupt or for the appointment of an official assignee or trustee in bankruptcy, a receiver, an insolvency practitioner or similar officer, to the Borrower, or as the case may be, over, or in relation to, any or all of the Borrower's assets or revenues; or
8. Distress or Execution: any distress, execution, attachment or other legal process affects the whole or a material part of the assets of the Borrower and is not discharged within twenty one (21) days; or
9. Judgments: any judgment is obtained against any Borrower and remains unpaid for a period of fourteen (14) days from the date of such judgment; or
10. Material Adverse Change: any event occurs after the date of this Agreement which in MFI's opinion is likely to have a material adverse effect on the ability of the Borrower to comply with its obligations under this Agreement; or
11. Illegality: any provision of the Loan Offer Letter becomes illegal, unlawful, invalid or unenforceable, or if the Borrower breaches or repudiates the Loan Offer Letter.

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12. Non-Compliance: if through no fault of MFI, the Borrower fails to comply with the terms of the Loan Offer Letter MFI reserves the right to either:
- (i) accelerate payment of all amounts owed to it by the Borrower under the Loan Offer Letter; or
 - (ii) terminate this Loan
- no later than thirty (30) calendar days following the end of the calendar quarter immediately following the date on which it became aware of same.

Schedule 5

Interest, Fees and Charges

1. Interest will accrue on a daily basis, from the date of actual draw down, and will be calculated and charged in accordance with the provisions of this section unless otherwise stated.
2. The Actual Repayment Schedule will set out the following:
 - a. Loan amount
 - b. Term of the loan
 - c. Annual Percentage Rate (APR)
 - d. Monthly loan repayment with the last loan repayment being different to the preceding monthly loan payments as MFI systems will seek the payment of the accrued interest, from the date of draw down to the date of the first loan payment, in the final loan payment.
3. The **maximum** interest rate applicable to the Loan shall be as set out in the Loan Offer Letter. Interest will be charged on account at the end of MFI's normal charging period, which is currently the fifteenth (15th) day of each month on the fifteenth (15th) day of the following month. MFI may alter its charging period by providing written notice to the Borrower. MFI reserves the right to charge interest at the contractual rate on unpaid interest due monthly.
4. We do not charge any fees for putting this loan facility in place.
5. We do not charge any fees for early or late loan repayments.
6. We do not charge any penalty/surcharge interest, if your loan goes into arrears, but please note that interest will continue to accrue on a daily basis.

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Schedule 6

Instructions and Related Indemnities

The Borrower authorises MFI to act on the instructions of the Borrower in accordance with the mandate or resolution provided to MFI. Any transactions so done, and instructions so communicated, shall be unconditionally binding on the Borrower.

1. MFI is authorised, but is not obliged, to rely upon and to act in accordance with any instructions communicated to MFI which may from time to time be, or purport to be, given by telephone, electronic mail or any electronic system or communications network used by MFI from time to time by the Borrower. MFI shall not be obliged to enquire as to the authority or identity of the person making or purporting to make such communication but may, at its discretion from time to time, make such enquiries as it deems appropriate.
2. The Borrower shall be bound by the terms of any instruction made by telephone, electronic mail or any electronic system or communications network used by MFI from time to time, and no written confirmation shall be required before or after MFI shall act on such instructions. MFI may provide the Borrower with written confirmation of a transaction, but any such confirmation shall not in itself constitute a contract and shall be subject to the exclusion of any errors or omissions.
3. MFI assumes no liability or responsibility for consequences arising out of the interruption of, delay and/or loss in transit of any messages, letters or documents or for any delay, mutilation or other errors arising in transmission or any instructions sent by telephone, electronic mail and/or any electronic system and/or communications network used by MFI from time to time or for errors in the translation of and/or interpretation of technical terms and MFI assumes no liability or responsibility for consequences arising out of the interpretation of instructions.
4. In consideration of MFI acting in accordance with the terms of these provisions, the Borrower undertakes to indemnify MFI and to keep MFI indemnified (on a full indemnity basis) against all losses, claims, actions proceedings, demands, damages, costs and expenses incurred or sustained by MFI of whatever nature and howsoever arising out of or in connection with such instructions provided MFI acts in good faith.
5. The Borrower indemnifies and agrees to keep indemnified MFI against all claims, demands, liabilities, losses, costs (including legal fees on a full indemnity basis), actions, proceedings, charges, and expenses arising which MFI may incur or suffer by reason of:
 - (a) MFI acting on any instructions received by telephone, via the internet, electronic mail or any electronic system or communications network used by MFI from time to time
 - (b) any breach of any covenant, representation or warranty by the Borrower or any default by the Borrower in the performance of any of the obligations expressed to be assumed by it
 - (c) Any change in the law or its interpretation or administration or compliance with any requirements of any regulatory authority

and the Borrower shall pay all such liabilities, losses, damages, costs, expenses, interest, fees, premiums, penalties and other sums forthwith on demand being made therefor by MFI, and MFI is hereby authorised to debit any account in the name of the Borrower with any sums so payable by the Borrower.

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Schedule 7

Breach & Variation

1. (a) MFI may release or discharge any person from any liability under or in relation to the Loan or take any composition from or make any other arrangement or variation with any such person without thereby releasing or discharging any other person or otherwise prejudicing MFI's rights or remedies against any other person.
- (b) No failure to exercise, nor any delay in exercising, on the part of MFI, any right or remedy under the Loan Offer Letter shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise, of any other right or remedy. The rights and remedies provided in the Loan Offer Letter are cumulative and not exclusive of any rights or remedies provided by law.
- (c) If the Borrower encounters difficulties in meeting its loan obligations, they may request an extension to the maturity date of the loan which may be granted or denied at the sole and absolute discretion of MFI.

Certificate of Officer

2. Any certificate issued by any officer of MFI as to any amount payable in respect of the Loan (whether principal, interest, or otherwise), will be final and binding on the Borrower, save in the case of manifest error.

Assignment

3. The Borrower shall not be entitled to assign any of his/her rights, or transfer any of his/her rights or obligations, under the Loan Offer Letter, any related document, or in respect of the Loan.
4. MFI shall have the right to assign, transfer or sub-participate its rights and obligations under the Loan Offer Letter or any related document, without the prior consent of the Borrower, to any bank, financial institution, trust, fund, person or other entity, and the Borrower irrevocably authorises and consents to any such assignment or transfer and agrees to enter into such documents (if any) as MFI may reasonably stipulate in order to effect any such assignment or transfer.

Disclosure and Promotion

5. In order to conclude the Borrower's application or to administer the Loan or in connection with any transfer or assignment of the Loan or of MFI's rights, title or interest in or to, or obligations under the Loan Offer Letter or for any other purposes relating to the Loan, the Borrower hereby authorises MFI to disclose any personal data and information held by MFI in relation to the Borrower, its accounts, its financial condition, operation or assets or any information in relation to its accounts or otherwise as MFI may consider appropriate. Such a disclosure may be made to any Local Enterprise Office ("**LEO**"), the Strategic Banking Corporation ("**SBCI**"), the European Commission ("**Commission**") European Investment Fund ("**EIF**"), the European Court of Auditors ("**ECA**"), the European Investment Bank ("**EIB**"), the European Anti-Fraud Office ("**OLAF**"), the European Public Prosecutors Office ("**EPPO**") or their agents, a prospective or actual assignee or transferee of the Loan or a prospective or actual participant in the Loan. The Borrower hereby consents to any such disclosure, which shall include consent to the disclosure and further processing of any such personal data and information by any disclosee. The Borrower warrants that all relevant consents have been

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obtained from any other data subject whose personal data might be involved and further undertakes to procure such consents where necessary.

6. The Borrower hereby consents to the disclosure of any personal data relating to the Borrower by MFI to any credit bureau, any third-party providing credit reference services or any financial institution or to any organisation engaged in fraud prevention and the further processing of such data by such institutions. The Borrower warrants that all relevant consents have been obtained from any other data subject whose personal data might be involved, and further undertakes to procure such consents where necessary.
7. MFI may be required to provide case studies to EIF in respect of Borrowers who have benefitted from an MFI loan. The Borrower acknowledges and agrees that MFI may need to provide a case study to EIF containing details of its business (in terms of jobs created, product range, turnover, international development etc.) and consents to MFI providing such a case study to EIF, the EU Commission or its contractors who may publish the case study. The Borrower agrees that the EIF, EU Commission or their contractors may contact the Borrower so that its business can be used to produce audio visual or print publications for promotion of the InvestEU Fund.
8. If the Borrower issues any press release, promotional material or publication on its website and / or any other or alternative means of promotion that references the loan from MFI it agrees to include in that press release, other promotional material or publication the EU and EIF emblems or a reference to the EU and EIF in a visible way.

Law and Force Majeure

9. If at any time one or more of the terms and conditions of the Loan Offer Letter either becomes invalid, illegal or unenforceable in any respect under any law, the legality, validity, or enforceability of the remaining provisions will not in any way be affected or impaired thereby.
10. If in the opinion of MFI any change shall take place in any applicable law or regulation or in the interpretation thereof so that it shall be unlawful or impossible for MFI to maintain or give effect to its obligations as contemplated in the Loan Offer Letter, MFI shall be at liberty to give notice of that fact to the Borrower and may by the same or a subsequent notice declare the Loan immediately due and payable/expired and whereupon the same shall become so payable together with accrued interest and any other sums then outstanding hereunder.
11. MFI will not be liable for any failure to perform any of its obligations under this Agreement arising directly or indirectly from the action or inaction or any governmental or local or other authority or utility provider or any strike, boycott, blockage, act of God or civil disturbance or other events it cannot control.

Governing Law and Courts

12. The Loan Offer Letter shall be governed and construed in accordance with the laws of Ireland.
13. The Borrower irrevocably agrees for the benefit of MFI that the courts of Ireland shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the Loan Offer Letter or its formation or validity, and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.
14. The Borrower hereby irrevocably waives any objection which it might now or hereafter have to the courts being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the

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Loan Offer Letter and agrees not to claim that any such court is not a convenient or appropriate forum.

15. Delay by MFI in giving notice or in exercising any of its rights shall not amount to a waiver of those rights or prejudice the subsequent exercise of those rights by MFI.

Changes to the Terms & Conditions set out in the Schedules to this Loan Offer Letter

16. MFI may vary the terms and conditions of the Loan Offer Letter from time to time, and MFI will write to the Borrower to give the Borrower reasonable advance notice of any changes.

These terms may be amended, replaced and/or supplemented from time to time by MFI in the following circumstances:

- (a) to comply with any changes in applicable law, or with the requirements or recommendations of any regulatory authority, or with the decision of a court of law or an ombudsman.
- (b) to reflect any changes in banking practice.
- (c) to comply with any requirements of the Guarantee Facility for the time being established under the InvestEU from which the financing of the Loan benefits; or
- (d) to reflect any enhancements made to MFI's computer systems.

Information

17. The Loan is being made available to the Borrower on the understanding that you have given MFI full information concerning all material facts in respect of the Borrower and the SME Business. It is a further condition that the Borrower makes available to MFI, on demand, all information (including access to bank accounts) that may reasonably be required to satisfy MFI that the Loan has been applied solely for the agreed purpose.

SBCI

18. "The finance provided under this agreement has been supported with finance from the Strategic Banking Corporation of Ireland (**SBCI**). SBCI in turn is supported with finance from <https://sbci.gov.ie/our-partners/funding-partners> and other persons from whom SBCI from time to time obtains funding. The interest cost of this finance has been reduced by a financial advantage, reflecting the financial advantage arising from the SBCI support".

The Borrower agrees to comply with the following undertakings and representations:

- (a) to use the subject of the Loan exclusively for the purposes specified in the Loan Offer Letter including these Terms and Conditions
- (b) to operate the Borrower in compliance with Environmental Laws, obtain and maintain for the subject of the relevant Loan where required the approval of the competent environmental authorities, comply with such approvals; and supply, upon the Lender's request, evidence to verify its fulfilment of the obligations set out in this paragraph
- (c) to operate the subject of the relevant Loan in accordance with the relevant standards of EU law, as well as the relevant laws of Ireland or other applicable laws

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- (d) to maintain in force all permits, licenses, approvals or authorisations necessary for the operation of the subject of the relevant Loan
- (e) to keep books and records of all financial transactions and expenditures in connection with the subject of the relevant Borrower
- (f) to represent to MFI that to the best of its knowledge, no funds used to make payments under the Loan or otherwise connected with the Loan are of illicit origin, including products of money laundering or linked to the financing of terrorism, as well as to promptly inform the MFI if at any time it becomes aware of the illicit origin of any such funds
- (g) to allow persons designated by the SBCI and the SBCI Funders, as well as persons designated by any EU Body (each a “Designated Person”) when so required by the relevant mandatory provisions of European Union law upon reasonable notice and during working hours
 - (i) to visit the location where the subject of the relevant Loan is kept (for the avoidance of doubt, including the business of the Borrower) and to conduct such checks as they may wish
 - (ii) to interview representatives of the Borrower (such representatives could be designated in advance by the Borrower, subject always to the proviso that the designated representatives must be employees of the Borrower and if no designated representatives are available on the inspection day, the person designated by SBCI and SBCI Funders and relevant EU Body has discretion to interview other representatives of the Borrower), and not obstruct contacts with any other person involved in or affected by the Borrower and
 - (iii) to review the Borrower's books and records in relation to the operating of the subject of the relevant Loan and to be able to take copies of related documents to the extent permitted by the law and
 - (iv) to provide each Designated Person, or ensure that each Designated Person is provided, with all necessary assistance for the purposes described in this clause
- (h) to make any payments to MFI under the Loan from a bank account in the name of the Borrower held with a duly authorized financial institution in the jurisdiction where the Borrower is incorporated or has its place of residence
- (i) to take, within a reasonable timeframe, appropriate measures in respect of any member of its management bodies who have been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that any such

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member of its management bodies is excluded from any activity in relation to each Loan entered into with that Borrower or in relation to the subject of the relevant Loan

- (j) to promptly inform MFI of any measure taken by the Borrower pursuant to paragraph (i) above

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- (k) to the extent permitted by law to promptly inform MFI of any credible allegation, complaint or information with regard to Criminal Offences related to any Loan or the subject of a Loan
- (l) to acknowledge that the SBCI Funders may be obliged to divulge such information relating to the Borrower and the Loan to any competent EU Body in accordance with the relevant mandatory provisions of EU law
- (m) to comply with all laws applicable to it including, without limitation, all applicable laws relating to the environment and all applicable European Union laws
- (n) without prejudice to the generality of paragraph (m) above, to comply with:
 - (i) all applicable laws relating to the environment
 - (ii) all applicable laws relating to procurement and subject to such compliance shall use procurement methods which respect the criteria of economy and efficiency
 - (iii) the European Convention on Human Rights and the European Social Charter and
 - (iv) all applicable laws relating to fraud, corruption and the other laws relating to the unlawful use of funds
- (o) that, as at the date of the agreement entered into between MFI and the Borrower in relation to the Loan in question, it satisfies the criteria of the relevant Annex in Schedule 5 (including any amendments or additions which may have been made to such criteria as at that date), which criteria will be posted by MFI on its website in relation to the type of Loan in question (i.e. De Minimis, AILS or other as applicable). Where amendments or additions are to be made to such criteria MFI will notify the Borrower within 5 Business Days of MFI becoming aware of such amendments or additions being necessary by providing the Borrower with written notice in accordance with governance procedures to be agreed between MFI and the Borrower so that MFI can amend the criteria appearing in the standard form agreements it enters into with Borrowers to reflect such amendments or additions
- (p) that, as at the date of the agreement entered into between MFI and the Borrower in relation to the Loan in question, it satisfies the criteria of an Eligible SME (including any amendments or additions which may have been made to such criteria as at that date)
- (q) that the Borrower is not a defendant in any proceedings brought by the European Commission and
- (r) to pay all amounts payable under the Loan and return the subject of the Loan in case of non-compliance with the above terms and conditions

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- (s) the Borrower acknowledges that it has agreed to all necessary data protection and other consents and notifications to
 - (t) permit MFI to provide information about the Borrower and the Loan which it is required to provide to SBCI, the SBCI Funders, any EU Body and any State Body and
 - (u) permit, in the case of loans conforming to the conditions outlined in Schedule 5, Annex B, SBCI to post information on its website about the Borrower and the loan
19. The financing under the Loan Offer Letter benefits from a Guarantee issued under the InvestEU Fund. The Borrower acknowledges and agrees that the European Court of Auditors ("ECA"), the representatives and advisors of the Participating Member States, the European Anti-Fraud Office ("OLAF"), European Investment Fund (the "EIF"), the European Investment Bank ("EIB"), the agents of the EIF or any other person designated by the EIF or the EIB, the Commission, the agents of the Commission (including OLAF), the European Public Prosecutor's Office ("EPPO"), any other European Union institution or European Union body which is entitled to verify the use of the Guarantee in the context of the InvestEU Fund and any other relevant national authorities and their representatives, or other competent national court of auditors or duly authorised body or institution under applicable law which is entitled to carry out audit or control activities (collectively, the "Relevant Parties") shall have the right to carry out audits and controls and to request information in respect of this agreement and its execution. Subject to applicable laws, the Borrower shall
- a. permit remote monitoring and monitoring visits and inspections by each of the Relevant Parties of its business operations, books and records
 - b. permit Relevant Parties to visit sites, installations and works financed by the Guarantee
 - c. allow interviews conducted by each of the Relevant Parties of its representatives and not obstruct contacts with representatives or any other person involved under the InvestEU Fund
 - d. permit the Relevant Parties to conduct on the spot audits and checks and for this purpose shall permit access to its premises during normal business hours
 - e. permit review of its books and records in relation to this agreement and to take copies of these and related documents to the extent permitted by applicable law and as may be required and
20. The Borrower undertakes to promptly provide, upon request, any document or information related to itself or the relevant loan and required to be included in any report by the Intermediary, or any Relevant Party including information needed to verify proper implementation and compliance with this loan agreement and the Eligibility Criteria.

The Borrower undertakes to maintain and be able to produce all relevant documentation for the implementation of this Agreement in relation to the borrowing

including the inspection by the Relevant Parties (as defined in Clause 20 of this Schedule 7) for a period of 5 years after the loan repayment date or, if notified by MFI of any ongoing audit or investigation under this agreement by OLAF, the date that such investigation is closed. Such documentation will include documents necessary to verify that the use of the loan is (i) in compliance with European and national law (ii) the proper implementation of this agreement (iii) compliance with the rules and regulations relating to the relevant state aid regime and (iv) any other information reasonably required.

21. The Borrower agrees that, (i) the Guarantor (ii) the EIB or (iii) the Commission shall be entitled to publish on their website information relating to their loan including (i) the name, nature and purpose of the loan; (ii) name and address, and the type and amount of financial support received; and (iii) the name, country of establishment the borrower and the region at NUTS 2 level, and the type of financial support received; except if:

- (i) with respect to the Intermediary, (1) it would be illegal under the applicable laws and regulations, or (2) prior to receiving financial support under the Guarantee, the Intermediary informs the Guarantor in writing that:
- (ii) (a) the publication requirement risks harming its commercial interests; or
- (iii) (b) it risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union; and
- (iv) with respect to borrowers:

the De Minimis/ALS Aid Amount of the loan is lower than:

- 1. **Agriculture/Fisheries:** €50,000 if the Microenterprise is active in primary agricultural production or the processing and marketing of agricultural products, over a three-rolling fiscal-year period
- 2. **All other sectors:** €300,000 over a three-rolling fiscal-year period
 - (i) in which case the information published shall be limited to statistical data, aggregated in accordance with relevant criteria, such as geographical situation, economic typology of the Borrower, type of support received and the EU policy area under which such support was provided prior to receiving financial support under the Loan,
 - (ii) the Borrower informs MFI in writing that the Borrower is a natural person who objects to publication.

Compliance with Laws

22. The Borrower undertakes to comply in all respects with all laws and regulations (whether national laws and regulations or laws and regulations of the European Union, including those related to data protection, State Aid and procurement rules) to which it may be subject, the breach of which may

- (i) adversely impact the performance of the Loan Offer Letter; or
- (ii) adversely prejudice the interests of the EIF or the Commission.

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23. The Borrower undertakes that it is not engaged in and will not in the future engage in any Illegal Activities and that the loan shall not finance Illegal Activities or artificial arrangements aimed at tax avoidance and to comply with any laws to which it may be subject and the breach of which would constitute an Illegal Activity. Illegal Activity is defined as activities carried out for illegal purposes according to applicable laws in the following areas: (i) fraud, corruption, coercion, collusion or obstruction, (ii) money laundering, financing of terrorism or tax crimes as each are defined in the AML directives, (iii) Fraud and other illegal activity against the financial interests of EIB, EIF, and the EU as defined in the PIF Directive.
24. Without prejudice to clauses 22 and 23 above, the Borrower undertakes
 - (i) at all times to comply with relevant standards and applicable legislation on the prevention of tax evasion, money laundering, the fight against terrorism and the fight against tax fraud; and
 - (ii) not to be established in a Non-Compliant Jurisdiction. In case the status of a jurisdiction changes after the date of the Loan Offer Letter, this change in status shall only be applicable on or after the date of such change.

Data Protection

The Data Protection Acts 1988 and 2003 (as amended) and the General Data Protection Regulation (the 'GDPR') detail how we may use your personal information and our obligations under Data Protection Law. We keep the Data Protection Documents under regular review and any amendments and/ or updates we make will be reflected in the relevant Data Protection Document which is accessible online at <https://www.microfinanceireland.ie/privacy-policy/>

To the extent that Microfinance Ireland DAC processes, as data controller, any personal data in connection with this application, the terms set out in Microfinance Ireland DAC Privacy Policy shall apply to such processing. If there is any conflict between the data protection provisions with respect to Microfinance Ireland DAC herein and the provisions in Microfinance Ireland DAC Privacy Policy, the provisions of Microfinance Ireland DAC Privacy Policy shall prevail.

The terms "data controller", "personal data" and "processing" shall have the meaning given to such terms in Data Protection Legislation, and "Data Protection Legislation" means all applicable data protection law, including the General Data Protection Regulation (EU) 2016/679 ("GDPR") and the Data Protection Act 2018, which gives further effect to the GDPR, and any legislation which amends, extends, consolidates, re-enacts or replaces same, including any statutory instruments and regulations that may be made pursuant thereto from time to time.

The applicant acknowledges and accepts that to the extent that any of the information constitutes personal data, within the meaning of Data Protection Legislation; such personal data will be used by Microfinance Ireland DAC and may be disclosed to and used by the SBCI and the disclosees, for the purposes set out above.

The applicant further acknowledges and accepts that in connection with such purposes, the information may be transferred to countries outside the European Economic Area ("EEA") that may not have data protection laws or have data protection laws that do not provide the same level of protection as EU data protection law. Such transfers will only be carried out for the purposes described above, or as otherwise required by law or regulation, where "appropriate technical and organisational measures" (within the meaning of Data Protection Legislation) are implemented in respect of such transfers.

The Borrower acknowledges and agrees that Personal Data of the Borrower collected by MFI may be communicated to the EIF, EIB and / or any mandators / funding partners. In particular the Borrower

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name, address, email address and other Personal Data may be communicated to EIF, EIB and / or any other Relevant Party, all acting as independent data controllers and such data may be made public.

To the extent consent is necessary under Data Protection Legislation or other applicable data protection legislation, the applicant hereby expressly consents to the use of the personal data, including the transfer of the personal data outside the EEA, for the purposes outlined above. The applicant acknowledges and accepts that Microfinance Ireland DAC and SBCI are entitled to use and further disclose the personal data for such purposes without requiring the applicant's consent where such use/processing is otherwise "lawful" within the meaning of Data Protection Legislation. An individual has the right at any time to request a copy of any personal data (within the meaning of Data Protection Legislation) that Microfinance Ireland DAC holds in relation to him / her and to have inaccuracies in that information corrected.

By signing this application form the applicant certifies that all personal data furnished in connection with this application is complete and accurate and acknowledges and consents (to the extent consent is required under Data Protection Legislation or other applicable data protection legislation) to the use of the personal data for the purposes described above.

25. The Borrower notes and agrees, with reference to

(a) Regulation (EU) N° 2018/1725 of the European Parliament and of the Council, dated 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data (OJ L 295, 21.11.2018, p.39-98);

(b) Regulation (EU) N° 2016/679 of the European Parliament and of the Council dated 27 April 2016 relating to the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("GDPR"); and/or

(c) all applicable laws and regulations relating to the processing of Personal Data, including national legislation implementing the Data Protection Directive (Directive 95/46/EC) and the Directive on Privacy and Electronic Communications (Directive 2002/58/EC), and any other laws and regulations implementing, derogating from or made under them, and any orders and codes of practice, guidelines and recommendations issued by the applicable Regulatory Authorities,

in each case as amended, restated, supplemented or substituted from time to time.

(i) that pursuant to Article 5(a) of the Regulation, the name, address, other Personal Data and purpose of the Borrower and personal data information in connection with the Loan will be communicated to the EIF, the EIB and/or the Commission or other Relevant Party

all acting as independent controllers and that this data may be made public; (ii) that any personal data communicated to the EIF and/or the Commission will be stored until five (5) years after the Termination Date and may be published

(iii) that requests by the Borrower to verify, correct, delete or otherwise modify personal data communicated to the EIF and/or the Commission, as the case may be, should be addressed to the EIF and/or the Commission, as applicable, at the following address:

- in respect of the EIF:

European Investment Fund
37B Avenue J.F. Kennedy
L-2968, Luxembourg
Grand Duchy of Luxembourg
Attention: Debt Services/Portfolio Guarantees
And

- in respect of the Commission:

Commission Européenne
Directorate General Economic and Financial Affairs
L-2920 Luxembourg
Grand Duchy of Luxembourg
Attention: Head of Unit L2 – EIF Programme Management

Such requests shall be treated as described in Articles 13 to 19 of the Regulation in its Section 5: "Rights of the Data Subject".

The website for the EIF Final Recipient Data Protection Statement and the EIB Privacy Statement are provided below

and

(i) That pursuant to Article 32, paragraph (2) of the Regulation, the Borrower may lodge a complaint with the European Data Protection Supervisor if he or she considers that his or her rights under Article 286 of the Treaty establishing the European Community have been infringed as a result of the processing of personal data by the EIF and/or the Commission.

(ii) For the avoidance of doubt, any reference to personal data in the Loan Offer Letter (Data protection) shall mean personal data as defined in the Data Protection Regulation.

The Borrower undertakes to bring this clause to the attention of any other data subjects whose personal data may be involved, and to procure any relevant consents for the purposes of this clause from the data subjects concerned.

"EIB Privacy Statement" means EIB guidelines on the handling of personal data available at: <https://www.eib.org/en/privacy/lending.htm>, as such document may be updated and/or replaced from time to time in line with the applicable Data Protection Regulation.

"EIF Final Recipient Data Protection Statement" means EIF guidelines on the handling of personal data of Final Recipients available at: <http://www.eif.org/attachments/processing-of-final-recipients-personal-data.pdf>, as such document may be updated and/or replaced from time to time in line with the applicable Data Protection Regulation.

"EIF Financial Intermediary Data Protection Statement" means EIF guidelines on the handling of personal data of Intermediaries available at:

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http://www.eif.org/attachments/eif_data_protection_statement_financial_intermediaries_due_diligence_en.pdf, as such document may be updated and/or replaced from time to time in line with the applicable Data Protection Regulation and together with the EIF Final Recipient Data Protection Statement, the "EIF Data Protection Statements".

"EIF Data Protection Statement Processing of Final Recipients' Personal Data for monitoring purposes" means EIF notice on the handling of personal data of Final Recipients available at <https://www.eif.org/attachments/final-recipients-monitoring-dataprotection.pdf> as such document may be updated and/or replaced from time to time in line with the applicable Data Protection Regulation.

"Personal Data" means personal data within the meaning of the applicable Data Protection Regulation.

"Regulatory Authorities" means all governmental, statutory or regulatory bodies and any other competent authorities in any jurisdiction having responsibility for the regulation or governance of the applicable Data Protection Regulation, and "Regulatory Authority" means any of them.

Invalidity/Severability

26. Without prejudice to MFI's rights under Schedule 4, paragraph 11, if at any time any provision, or part of any provision, of the Loan Offer Letter is or becomes illegal, unlawful, invalid or unenforceable in any respect, that shall not affect or impair the legality, lawfulness, validity or enforceability of any other provision of this Agreement, or as the case may be, the other part or parts of the provision concerned.

Schedule 8

EXCLUDED SECTORS AND / OR ACTIVITIES

InvestEU Excluded Sectors and / or Activities

1. Activities which limit individual rights and freedoms or that violate human rights.
2. Activities in the area of defence activities, the use, development, or production of products and technologies that are prohibited by applicable international law.
3. Tobacco-related products and activities (production, distribution, processing and trade).
4. Activities excluded from financing pursuant to the relevant provisions of the Horizon Europe Regulation (Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination): research on human cloning for reproductive purposes; activities intended to modify the genetic heritage of human beings which could make such changes heritable; and activities to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.
5. Gambling (production-, construction-, distribution-, processing-, trade- or software-related activities).
6. Sex trade and related infrastructure, services and media.
7. Activities involving live animals for experimental and scientific purposes insofar as compliance with the European Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes cannot be guaranteed.
8. Real estate development activity, such as an activity with a sole purpose of renovating and re-leasing or re-selling existing buildings as well as building new projects; however, activities in the real estate sector that are related to the specific objectives of the InvestEU Programme as specified in Article 3(2) of the InvestEU Regulation and to the areas eligible for financing and investment operations under Annex II to the InvestEU Regulation, such as investments in energy efficiency projects or social housing, shall be eligible.
9. Financial activities such as purchasing or trading in financial instruments, in particular, interventions targeting buy-out intended for asset stripping or replacement capital intended for asset stripping shall be excluded.
10. Activities forbidden by applicable national legislation.
11. The decommissioning, operation, adaptation or construction of nuclear power stations.
12. Investments related to mining or to the extraction, processing, distribution, storage or combustion of solid fossil fuels and oil, as well as investments related to the extraction of gas. This exclusion does not apply to: (a) projects where there is no viable alternative

technology; (b) projects related to pollution prevention and control; (c) projects equipped with carbon capture and storage or carbon capture and utilisation installations; industrial or research projects that lead to substantial reductions of greenhouse gas emissions as compared with the applicable European Union Emission Trading System benchmarks.

13. Investments in facilities for the disposal of waste in landfill. This exclusion does not apply to investments in: (a) on-site landfill facilities that are an ancillary element of an industrial or mining investment project and where it has been demonstrated that landfilling is the only viable option to treat the industrial or mining waste produced by the activity concerned itself; (b) existing landfill facilities to ensure the utilisation of landfill gas and to promote landfill mining and the reprocessing of mining waste.
14. Investments in mechanical biological treatment (MBT) plants, save that this exclusion does not apply to investments to retrofit existing MBT plants for waste-to-energy purposes or recycling operations of separated waste such as composting and anaerobic digestion.
15. Investments in incinerators for the treatment of waste, save that this exclusion does not apply to investments in: (a) plants exclusively dedicated to treating non-recyclable hazardous waste; (b) existing plants, where the investment is for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such investments do not result in an increase of the plants' waste processing capacity.

EIF Excluded Sectors and / or Activities

1. Prisons and detention centres of any form (such as correctional institutions or police stations with detention facilities).
2. Any activity involving significant degradation, conversion or destruction²⁶ of critical habitats²⁷.
3. Conversion of natural forests into plantation. This includes irrigated forests²⁸, logging, clear cutting or degradation of (and commercial concessions over) tropical natural forests or high conservation value forests²⁹ in all regions, as well as the purchase of logging equipment for this purpose.
4. Extraction of mineral deposits from the deep sea³⁰.
5. Extraction or mining of conflict minerals and metals³¹.
6. Animal and human reproductive cloning.
7. Any activity involving live animals for scientific and experimental purposes, including gene editing and the breeding of these animals³².
8. Sex trade and related infrastructure, services and media.
9. Projects with political or religious purpose.
10. Production of or trade in weapons and ammunition, including any explosives and sporting weapons.
11. *Tobacco*: Projects with the purpose of producing, manufacturing, processing or distribution of tobacco³³.
12. *Gambling*: Gambling and related equipment, hotels with in-house casinos³⁴.

Schedule 9 Eligibility Criteria

- A. **Borrower Eligibility Criteria**
"Borrower Eligibility Criteria" means the following criteria:

No.	Borrower Eligibility Criteria	Time of Compliance
1.	The Borrower shall be established and operating in at least one of the (i) Eligible Countries or (ii) (for Thematic Products other than the Microfinance Product, Social Entrepreneurship Product and Skills and Education Product) Other Participating Countries or, in the case of natural persons, a resident of at least one of the (i) Eligible Countries or (ii) (for Thematic Products other than the Microfinance Product, Social Entrepreneurship Product and Skills and Education Product) Other Participating Countries, unless otherwise set out in a Thematic Schedule.	Signing Date
2.	The Borrower shall not be incorporated or established in a Non-Compliant Jurisdiction, unless in the case of NCJ Implementation.	Signing Date
3.	The Borrower shall not be engaged in any Illegal Activities.	Continuing
4.	The Borrower is not a Sanctioned Person.	Continuing
5.	The Borrower is not in breach of Restrictive Measures.	Continuing
6.	The Borrower is not, to the best of its knowledge, in an Exclusion Situation.	Signing Date
7.	If the Borrower (other than a natural person which enters into the Loan in his or her personal capacity and not as an enterprise engaged in an economic activity) is established or incorporated in a country listed for HPTR in Annex I and/or Annex II of the European Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes, the Borrower does not benefit from any HPTR as evidenced by a self-declaration of the Borrower provided in a written form to the Intermediary.	Signing Date
8.	If a Borrower is a Small Mid-Cap it has provided the Obligor Limit Self-Declaration.	Signing Date
9.	The Borrower shall not be active in one or more of the EIF Excluded Sectors and/or Activities (other than the sectors under paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) thereunder).	Continuing
10.	The Borrower shall not be active in one or more of the sectors under paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) of the EIF Excluded Sectors and/or Activities. However, this Eligibility Criterion shall not be applicable if, the	Signing Date

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	<p>Borrower's main/primary activity is not registered in one of the NACE codes listed under paragraphs 11 (<i>Tobacco</i>) and 12 (<i>Gambling</i>) of the EIF Excluded Sectors and/or Activities, and:</p> <ul style="list-style-type: none"> a. less than 10% (ten per cent) of the annual revenues of the Borrowers are generated from these activities, or b. the Loan's Committed Principal Amount is less than or equal to EUR 50,000. 	
11.	<p>The Borrower shall not have its Main Activity in one or more of the sectors and/or activities listed under EIF Restricted Sectors and/or Activities.</p> <p>However, in cases where the Borrower's Main Activity is in one or more of the sectors under paragraph 14 (<i>Energy-intensive and/or high CO2-emitting industries and sectors</i>) (with the exception of item (iii) (<i>Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds</i>) thereof) of the EIF Restricted Sectors and/or Activities, this Eligibility Criterion shall not be applicable if the Loan's Committed Principal Amount is less than or equal to EUR 50,000.</p>	Signing Date

B. **Loan Eligibility Criteria**

"Loan Eligibility Criteria" means the following criteria:

No.	Loan Eligibility Criteria	Time of Compliance
(1)	<p>The Loan shall not be in the form of a refinancing (i.e. replacing existing indebtedness) other than:</p> <ul style="list-style-type: none"> (a) where the amount allocated to the refinancing of the existing transaction(s) does not exceed 10% of the initial principal amount of the Loan; or (b) if the SME Competitiveness – Higher Risk Category 3 Product applies, with respect to such SME Competitiveness Higher Risk Category 3 Product, a Loan in the form of a 'Solvency Support Loan' (as set out in the Thematic Schedule). 	Continuing
(2)	The Loan shall not have been included in any other portfolio supported by the Guarantor or any other entity under the InvestEU Fund.	Continuing
(3)	The Loan shall be signed during the Inclusion Period ⁵ .	Signing Date
(4)	The Loan shall be in the form of a Debt Financing.	Continuing
(5)	For Borrowers:	Signing Date ⁶

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	<p>(i) other than Borrowers which are Small Mid-Caps, the aggregate principal amounts outstanding under all Covered Loans entered into by the Intermediary with the same Borrower under this Agreement shall not exceed EUR 7,500,000 (or, if the Loan is not denominated in EUR, an equivalent amount in the currency of denomination of the Loan, determined using the Relevant FX Rate on the Effective Date); or</p> <p>(ii) which are Small Mid-Caps, the aggregate principal amounts outstanding of (i) all the Covered Loans entered into by the Intermediary with the same Borrower under this Agreement, and (ii) any other InvestEU supported debt financing instrument provided by the Intermediary or other third parties as evidenced in the Obligor Limit Self-Declaration, shall not exceed EUR 7,500,000 (or, if the Loan is not denominated in EUR, an equivalent amount in the currency of denomination of the Loan, determined using the Relevant FX Rate on the Effective Date),</p> <p>(such amount, in each case, the "Obligor Limit"), provided that the Obligor Limit may be increased for a Thematic Product in accordance with the terms of the relevant Thematic Schedule and shall be subject to the maximum limit specified in that Thematic Schedule.</p>	
(6)	If Loan is a subordinated debt transaction, it shall be in the form of a Subordinated Debt Transaction.	Continuing
(7)	The Committed Principal Amount of a Loan shall not exceed the Maximum Loan Principal Amount.	Signing Date
(8)	The scheduled maturity of a Loan shall not be earlier than the Minimum Loan Maturity.	Continuing
(9)	The Loan shall comply with the provisions on Enhanced Access to Finance.	Continuing
(10)	<p>The purpose of the Loan shall be:</p> <ul style="list-style-type: none"> (a) an investment in tangible or intangible assets; (b) working capital; (c) business transfers; (d) any form of performance guarantees; or (e) as set out in the Thematic Schedule for the relevant Portfolio. 	Continuing
(11)	The Loan shall be denominated in the Base Currency or an Additional Currency.	Continuing
(12)	The Loan shall not finance Illegal Activities or artificial arrangements aimed at tax avoidance.	Continuing

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(13)	The documents governing the Loan are legal, valid, binding and enforceable under applicable law.	Continuing				
(14)	The Loan shall not finance transactions (i) with a Sanctioned Person, or (ii) that are in breach of any Restrictive Measures.	Continuing				
(15)	The Loan shall not support any InvestEU Excluded Activities. For the purpose of compliance with this eligibility criterion the Intermediary may rely on representations or undertakings from the Borrower in the documentation governing the Loan	Continuing				
(16)	The Loan shall not be used to pre-finance a grant from a European Union programme.	Continuing				
(17)	<p>The Loan shall not be a Project Finance Transaction, provided that a Loan:</p> <p style="margin-left: 40px;">(a) entered into with a Borrower that is an SPV; and</p> <p style="margin-left: 40px;">(b) where each Sponsor:</p> <p style="margin-left: 80px;">(i) is an SME or a Small Mid-Cap; and</p> <p style="margin-left: 80px;">(ii) maintains the direct legal obligation to repay (in aggregate) in full any amount due under the Loan,</p> <p>shall be deemed not to be a Project Finance Transaction.</p> <p>For the purposes of this Loan Eligibility Criterion, the following definitions apply:</p> <p>"Project Finance Transaction" means a Loan that satisfies all of the following conditions:</p> <p style="margin-left: 40px;">(a) it is entered into with a Borrower who is a special purpose vehicle with a distinct legal personality from the Sponsor(s) (such Borrower hereinafter referred to as an "SPV");</p> <p style="margin-left: 40px;">(b) financing a Project or a series of Projects;</p> <p style="margin-left: 40px;">(c) for which the initial credit decision taken by the Intermediary is based on future cash flows of the SPV; and</p> <p style="margin-left: 40px;">(d) for which the Intermediary takes security over the assets and revenues of the SPV or the Project and has no recourse or has limited recourse to the Sponsor(s).</p> <p>"Project" means a project falling within one of the categories below:</p> <table><tr><td>1. Energy</td><td>2. Transport</td><td>3. Public-Private Partnerships</td><td>4. Other</td></tr></table>	1. Energy	2. Transport	3. Public-Private Partnerships	4. Other	Continuing
1. Energy	2. Transport	3. Public-Private Partnerships	4. Other			

TERMS AND CONDITIONS FOR ALL BORROWERS

	<table><tr><td>1.1 Power</td><td>2.1 Roads/Bridges/tunnels/rail</td><td>3.1 Hospital services</td><td>4.1 Mining</td></tr><tr><td>1.2 Onshore wind</td><td>2.2 Urban transport</td><td>3.2 Education</td><td>4.2 Industrial plants</td></tr><tr><td>1.3 Offshore wind</td><td>2.3 Airports/ports</td><td>3.3 Urban renewal</td><td>4.3 Telecom</td></tr><tr><td>1.4 Solar CSP</td><td>2.4 Rolling stock</td><td>3.4 Water treatment</td><td></td></tr><tr><td>1.5 Solar PV</td><td></td><td>3.5 Waste management</td><td></td></tr><tr><td>1.6 LNG Regas. Terminals</td><td></td><td></td><td></td></tr></table>	1.1 Power	2.1 Roads/Bridges/tunnels/rail	3.1 Hospital services	4.1 Mining	1.2 Onshore wind	2.2 Urban transport	3.2 Education	4.2 Industrial plants	1.3 Offshore wind	2.3 Airports/ports	3.3 Urban renewal	4.3 Telecom	1.4 Solar CSP	2.4 Rolling stock	3.4 Water treatment		1.5 Solar PV		3.5 Waste management		1.6 LNG Regas. Terminals				
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	"Sponsor" means a natural person or a legal entity, which holds shares in the SPV to which Debt Financing is provided under a Project Finance Transaction."																									
(18)	The Loan shall not have the specific purpose of financing any of the EIF Excluded Sectors and/or Activities.			Continuing																						
(19)	The Loan shall not have the specific purpose of financing any of the EIF Restricted Sectors and/or Activities. However, for Loans financing any of the sectors under paragraph 14 (<i>Energy-intensive and/or high CO2-emitting industries and sectors</i>) (with the exception of item (iii) (<i>Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds</i>) thereof) of the EIF Restricted Sectors and/or Activities, this Eligibility Criterion shall not be applicable if such Loan's Committed Principal Amount is less than or equal to EUR 50,000.			Signing Date																						
(20)	Loans provided with the specific purpose of financing the heating and/or cooling (including Combined Cooling/Heat and Power production (CCHP, CHP)) of buildings ⁷ shall finance any of the following investments involving: (i) new heating and cooling facilities in buildings (including CCHP, CHP) which do not use coal, peat or oil; (ii) individual natural gas boilers and micro-gas CHP meeting the minimum energy efficiency criteria, defined as A-rated boilers in the EU (applicable to <400kWth) or boilers with efficiencies of >90%;			Signing Date																						

TERMS AND CONDITIONS FOR ALL BORROWERS

	<ul style="list-style-type: none"> (iii) gas-fired CCHP, CHP generation only if the project results in emissions in the production of electricity of no more than 250g CO₂ per kWh; and/or (iv) sub-projects related to the rehabilitation or extension of existing networks, or construction of new district heating/cooling networks, if there is no increase in CO₂ emissions as a result of the combustion of coal, peat, oil, gas or non-organic waste on an annual basis. <p>This Eligibility Criterion shall not be applicable if the Loan's Committed Principal Amount is less than or equal to EUR 100,000 if, within such Loan the amount specifically granted for covering the costs of the new heating/cooling system does not exceed EUR 50,000.</p>	
(21)	<p>For Loans provided with the specific purpose of financing investments in power and/or heat production, using biomass, the following biomass sustainability conditions shall be met:</p> <ul style="list-style-type: none"> (i) feedstock shall be from non-contaminated biomass or biogenic waste inside the EU, or certified for sustainability when sourced from outside the EU, and shall not consist of feedstocks that can serve as food or compromise food security⁸; (ii) forest feedstock shall comply with forest certification principles and standards (e.g. FSC/PEFC), either through full certification or by enabling the adoption of forest certification (i.e. roadmap to certification). The feedstock sourcing areas that are not yet certified, have to comply with the same standards and principles so as to be certifiable (i.e. apply the same principles and criteria stipulated in the international accredited forest certification systems); and (iii) feedstock shall not be derived from palm oil products or raw material from tropical forest and/or protected sites (protected sites include Natura 2000 sites designated under EU legislation, sites recognized under the Ramsar, Bern (Emerald network) and Bonn Conventions and areas designated or identified for designation as Protected Sites by national Governments). <p>This Eligibility Criterion shall not be applicable if the Loan's Committed Principal Amount is less than or equal to EUR 50,000.</p>	Signing Date
(22)	Loans shall not have the specific purpose to finance desalination projects.	Signing Date
(23)	<p>If the Loan is provided for the specific purpose to finance⁹ the acquisition of a vehicle for the purpose of transport¹⁰, it shall not finance any Restricted Asset.</p> <p>This Eligibility Criterion shall not be applicable if:</p>	Signing Date

TERMS AND CONDITIONS FOR ALL BORROWERS

	<p>(i) the Loan's Committed Principal Amount is less than or equal to EUR 50,000; and</p> <p>(ii) the Borrower is not active in transportation and storage (NACE code classification section H) and/or renting and leasing of motor vehicles (NACE codes 77.11 & 77.12) sectors.</p>	
(24)	All documents confirming compliance of the Loan with all of the applicable Eligibility Criteria shall be available to the Guarantor, if so reasonably requested by the Guarantor, at the latest on the 30th Business Day following such request or the other date agreed in writing with the Guarantor, in accordance with Clause 14.11(a).	Continuing

Schedule 10

RESTRICTED SECTORS AND / OR ACTIVITIES AND RESTRICTED ASSETS

EIF Restricted sectors / Activities and Restricted Assets

1. Coal mining, processing, transport and storage.
2. Oil exploration, production, refining, transport, distribution and storage.
3. Natural gas exploration, production, liquefaction, regasification, transport, distribution and storage.
4. Electric power generation including thermal power stations³⁵, exceeding the Emissions Performance Standard (i.e., 250 grams of CO₂e per kWh of electricity), applicable to fossil fuel-fired power and cogeneration plants. Geothermal plants operating at life cycle emissions higher than 100gCO₂e/kWh.
5. Projects in the mining sector³⁶.
6. Nuclear energy and manufacturing within the nuclear industry (such as processing of nuclear fuel, uranium enrichment, irradiated fuel reprocessing).
7. Hydropower.
8. Waste incineration; collection, treatment and disposal of hazardous waste.
9. Research, development, production and/or commercialization of equipment or infrastructure dedicated to military/police use³⁷.
10. Health sector projects with secure or forensic units.
11. For-profit projects in the education sector by kindergarten, primary and secondary schools located outside the European Union.
12. Manufacture of conventionally-fuelled aircraft and related machinery (sub-activity of NACE 30.30).
13. Conventionally fuelled air transport and airports, and service activities incidental to conventionally-fuelled air transportation (sub-activities of NACE 51.10, 51.21 and 52.23).
14. Energy-intensive and/or high CO₂-emitting industries and sectors (NACE nomenclature, 4 digits):
 - (i) Manufacture of carbon black, soda ash and chlorine (part of NACE code: 20.13 manufacture of other inorganic basic chemicals).
 - (ii) Manufacture of other organic basic chemicals (part of NACE: 20.14).
 - (iii) Manufacture of nitrogen compounds and fertilisers containing nitrogen compounds (sub-activities of the NACE code: 20.15).
 - (iv) Manufacture of plastics in primary forms (NACE 20.16).
 - (v) Manufacture of cement (NACE 23.51).

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- (vi) Manufacture of basic iron and steel and of ferro-alloys (NACE 24.10).
- (vii) Manufacture of tubes, pipes, hollow profiles and related fittings, of steel (NACE 24.20).
- (viii) Manufacture of other products of first processing of steel (NACE 24.30, incl. 24.31- 24.34).
- (ix) Aluminium production (NACE 24.42).

RESTRICTED ASSETS

"Restricted Asset" means any of the below listed mobile assets for transport:

Passenger cars	vehicles for which the corresponding direct CO2 emission thresholds exceed 115g CO2/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) ³⁸ on a per vehicle basis.		
Vans/ Light Commercial Vehicles	vehicles for which the corresponding CO2 emission thresholds exceed 182g CO2/km according to the Worldwide Light duty vehicle Test Procedure (WLTP) ³⁹ on a per vehicle basis.		
Trucks/ Heavy duty vehicles (HDVs)	Axle and chassis configuration⁴⁰	Vehicle subgroup⁴¹	Reference value above gCO2 / t-km
	Rigid, 4x2, GVW > 16t	4-UD	307.23
		4-RD	197.16
		4-LH	105.96
	Tractor ⁴² , 4x2, GVW > 16t	5-RD	84
		5-LH	56.6
	Rigid, 6x2	9-RD	110.98
		9-LH	65.16
	Tractor, 6x2	10-RD	83.26
		10-LH	58.26
trucks (including, without limitation, trucks that are part of a heavy duty vehicle sub-group), other than those that meet (i) "EURO VI" standards or higher and are not covered by any of the 4 axle chassis configuration groups outlined in the table directly above or (ii) in case of waste collection trucks, "EURO V" standards or higher.			
vehicles dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.			
L-category vehicles (2- and 3-wheel vehicles and quadricycles)	any such vehicle other than zero direct emissions vehicles.		
Public transport: Trams, metros & buses (urban and interurban)	any such mobile assets other than zero direct emission mobile assets (trams, metros & buses) for urban and suburban services.		
	for interurban buses/coaches only (not urban or suburban) and only until 31 December 2025, any such mobile assets other than buses with combustion engines.		

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Trains	any such train other than zero direct emission trains.
	<p><i>Bi mode trains:</i></p> <p>any such train other than trains which have zero direct (tailpipe) CO2 emission when operated on a track with necessary infrastructure, and use a conventional engine where such infrastructure is not available.</p>
	vehicles dedicated to transport of fossil fuels or fossil fuels blended with alternative fuels.
Inland water way vessels	(a) any such vessel other than zero direct emission vessels.
	(b) any such vessel other than Vessels powered solely by advanced biofuels or sustainable synthetic fuels guaranteed either by technological design or ongoing monitoring and third-party verification.
	(c) until 31 December 2025, passenger transport vessels other than hybrid and dual fuel vessels that derive at least 50% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation.
	(d) where technologically and economically not feasible to comply with zero direct emission vessels, until 31 December 2025, freight transport vessels for which direct emissions exceed 28.3 gCO ₂ equivalent per tonne-km (gCO ₂ e/tkm).
	(e) vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.
Sea and coastal vessels ⁴⁴	(a) any such vessel other than zero direct emission vessels.
	(b) any such vessel other than vessels powered solely by advanced biofuels ⁴³ or sustainable synthetic fuels guaranteed either by technological design or ongoing monitoring and third-party verification.
	(c) until 31 December 2025, freight transport vessels other than hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation.
	(d) Where technologically and economically not feasible to comply with zero direct emission vessels, until 31 December 2025,
	<ul style="list-style-type: none"> (i) vessels other than vessels that have an attained Energy Efficiency Design Index (EEDI) value 10% below the EEDI⁴⁵ requirements applicable on 1 April 2022 if the vessels are able to run on zero direct (tailpipe) CO2 emission fuels⁴⁶ or on fuels from renewable sources; (ii) for passenger transport vessels: vessels other than hybrid and dual fuel vessels that derive at least 25% of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation; (iii) for freight transport vessels, only where it can be proved that the vessels are used exclusively for operating coastal and short sea services designed to enable modal shift of freight currently transported by land to

TERMS AND CONDITIONS FOR ALL BORROWERS

	<p>sea: freight transport vessels for which direct emissions exceed 28.3 gCO₂equivalent per tonne-km (gCO₂e/tkm);</p> <p>(iv) vessels that comply with the criteria under (b) or (c) above.</p>
	<p>(e) Vessels using only conventional fuels (Fuel oils, Gasoil / Diesel oils, Gasoline).</p>
	<p>(f) vessels dedicated to transport fossil fuels or fossil fuels blended with alternative fuels.</p>
<p>Retrofitting of inland waterway and sea and coastal vessels.</p>	<p>Other than measures and retrofits that bring demonstrable environmental, safety and/or security improvements (excluding mid-life retrofits that significantly extend the physical life of the asset).</p>