

**Frequently Asked Questions relating to the Call for Expression of Interest:
Greek ESIF FoF 2016 / 01**

The following Frequently Asked Questions (FAQs) are provided for the benefit of potential Applicants. The list consists of questions submitted to EIF in similar Calls and the replies have been reviewed in line with Call ESIF FoF 2016/01. They are to be considered as preliminary guidance. **As stated in the body of the CEoI, additional questions have been submitted by 01 February 2017. Answers to these additional queries, shall be provided by 13 February 2017.**

Questions related to the Expression of Interest and Business Plan

Legal structure

Q1	Does the expression of interest need to be submitted by the financial intermediary or the fund manager, i.e. does the fund structure need to be in place by the time of submitting in the expression of interest? Is it expected that the Financial Intermediary, the Financial Instrument and the relevant structure is set up prior to the Applicant being selected as a Final Recipient?
	The intended fund structure and all related entities must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established, at the point of submission of the expression of interest. Establishment will be needed at the time of engagement of the Financial Intermediary.
Q2	Annex 2 of the Call for Expression of Interest allows for the fund manager to be set up after the submission of the Expression of Interest to FoF/EIF – are there any requirements as to the legal form of the Applicant?
	See answer to Q1. There are no specific requirements at the moment of submission of the Expression of Interest. The intended structure must be described, but not established. It is up to the Fund Manager to propose appropriate legal structure.
Q3	Does the Financial Intermediary have to be formed and registered at the time of the application submission? If not, what extra evidence is required of the Applicant’s Representative that such Financial Intermediary will be established and that the Representative has legal representative powers?
	See answer to Q1 regarding incorporation. No further documents except those listed in the CEoI are required.
Q4	The “Expression of Interest” is written in a form addressing existing teams. If the attendant is a new team of experienced investment and venture capital professionals not organized under same legal entity, would it be possible to sign “Expression of Interest” by team members personally, without specifying legal entity reg. number etc.? The plan is to establish new legal entity once necessary stages in the process have been passed.
	Yes, in such a case the team members should sign the Expression of Interest personally.
Q5	In case there is no legal entity in place now, who is supposed to sign “Declaration of Honour”?
	It should be signed by the team members who are expected to have ownership in the planned fund management company and carry rights in the planned fund.
Q6	Certain information which is part of the requested information is strictly confidential (e.g. parts of track record related to ongoing arrangements), and may

	require end-to-end NDAs. Does the EIF have a procedure/recommendation on how to mark this information and on how ensure the strict confidentiality of these parts?
	<p>EIF adheres to strict professional standards. Applicants undertake to designate information contained in any submitted document or file as Confidential Information only if, and to the extent that, they believe in good faith that such information is in fact confidential.</p> <p>To the extent that the received information is marked as “Confidential Information”, EIF will not disclose any of that information, other than to its mandators, shareholders, governing bodies, partners, directors, officers, employees, agents or advisors (including, without limitation, attorneys, accountants, consultants, bankers and financial advisors), or unless required by a treaty, law, Court order or by any rules or regulations which may be applicable to EIF.</p> <p>Should EIF disclose any of that information to the above-mentioned parties, EIF will make these parties aware of the confidential nature of such information. However, EIF is not in the position to assume responsibility for any action of any of those parties which could result in Confidential Information becoming public or otherwise being abused.</p>
Q7	What are the rules for determining the persons having power of representation, decision-making or control over the Financial Intermediary as set out in the Declaration of Honour? Does the term “person” include both legal and natural persons for the purposes of the Declaration of Honour?
	<p>The determination of the persons having power of representation, decision- making or control over the Financial Intermediary depends on the governance and legal structure (including without being limited to the composition, competencies and voting mechanisms in the different entities and their bodies) of the Financial Intermediary.</p> <p>The term “person” includes both legal and natural persons.</p>
Q8	As the management team is in the process of evaluating possible Investment managers joining the team as the Fund is set up, final details might not be available at the deadline of the call. Will detailed description of the plans be sufficient? Are amendments to the team allowed later on?
	<p>A detailed description about the team and its members is required when applying to FoF. The core members of fund management team are expected to be identified at the time of application and will be assessed as part of the Applicant’s proposal. Changes of core team members after submission of application are possible if duly justified, subject to adequate replacement and with market-standard level of investor control and oversight.</p>
Q9	Regarding which entity should be designated as the Applicant. At this time the Fund Management company is yet to be incorporated. Is it correct to file an application by the company that will assume the position of the General Partner, which will also be the sole owner of the Fund Management company once this entity has been established?
	<p>The proposed route is acceptable. Alternatively, if no legal entity exists at the time of application the application itself must be signed by the team members who are expected to have ownership in the planned Fund Management company and carry rights in the planned Fund. If they are available, for example draft articles of association or other relevant documents could be provided.</p>
Q10	May alternative Fund vehicles be established within the Financial Instrument in order to accommodate specific investment terms from certain investors?

	<p>Parallel structures may be considered provided that their use is justified (e.g. in order to accommodate mandatory tax or regulatory requirements applicable to investors in such structures).</p> <p>Any parallel structures should in principle be managed by the same general partner and should invest in and divest investments in parallel on the same terms and conditions as the Fund. Governance in relation to the Fund and any parallel structure shall be executed jointly and pro rata to the commitments of the investors in the Fund and the parallel structure(s). Additional costs for any parallel structures are borne by the respective investors.</p>
Q11	<p>Can a Fund Manager establish an Alternative Investment Fund (AIF) with some frequency for subscription/redemptions (e.g. annual/semi-annual/quarterly/monthly)? Liquidity would be arranged through another related legal entity also investing into the public Fund.</p>
	<p>It needs to be assessed on a case by case basis. Although not prohibited as proposal typically the vast majority of investment funds would be expected to be closed-ended funds without redemption.</p>

Multiple applications

Q12	<p>If the legal entity must be set prior to the application, can it be one legal entity for all three windows combined or it is necessary to present three different legal entities, one per window (TT or acceleration, early stage, growth)?</p>
	<p>See answer to Q1.</p> <p>An Applicant is not prevented from applying for each window separately. If applying for more than one window, the different windows could also be represented by different distribution cascades in one legal entity.</p>
Q13	<p>When applicant decides to apply for more than one type of windows, should the applicant write separate proposals, or it is sufficient to write only one proposal clearly stating which window he is applying for and separate this one proposal into two or more sections?</p>
	<p>Applicants are encouraged to submit separate proposals for each window applied for (innovation, early stage, growth). Such separate proposals can be submitted together within the same overall Expression of Interest so as to avoid duplication of information which is applicable to more than one (this must be clearly referenced when doing so).</p>
Q14	<p>What is the general plan – will there be one mandate per each fund type or multiple.</p>
	<p>All applications will be assessed on market terms. The viability and the feasibility of the investment strategy is a crucial element of this assessment and the capability of the Fund Manager to deploy the funds committed a pivotal point of consideration. In any case, the funds available are sufficient to support potentially more than one Fund Manager per window.</p> <p>As set in the CEoI <i>“The indicative capital allocated to the Financial Instrument(s), as well as the amounts available for contribution by the FoF to the selected Financial Intermediary(-ies), may be changed as necessary, at EIF’s sole discretion subject to applicable approvals, particularly if the funding available changes during the FoF implementation process or the demand for the Financial Instrument(s) so</i></p>

	requires”.
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Form

Q15	What is the preferred structure of the Business Plan? Should it follow closely the outline detailed in Appendix 2 or are deviations from the structure permissible as long as the key points detailed in Appendix 2 are addressed somewhere in the document?
	We encourage Applicants to follow the outline detailed in Appendix 2.
Q16	What is the preferred format of the Business Plan? Is it permissible to attach both a pitch deck and a private placement memorandum example, as long as the key points detailed in Appendix 2 are addressed in the documents?
	See answer to Q15. Attaching pitch deck and a private placement memorandum example as supporting materials is allowed.
Q17	What is the preferred file format of the Business Plan? Word, PDF, Powerpoint?
	PDF (it is suggested that tables are also submitted in excel).
Q18	What level of detail is expected in the description of competitors? Would age, fund size, investment size, strategy and region of operations be sufficient?
	The description of competitors is meant to show the Applicant’s understanding of the competitive landscape.
Q19	How should we submit the application?
	Please refer to section 6 in the Call for Expression of Interest document. Please note that the Expressions of Interest shall be submitted on or before the Deadline <u>both</u> by (i) e-mail and (ii) registered mail or professional courier service. The Deadline applies (i) in case of e-mails, to the reception by EIF and (ii) in case of registered mail or professional courier service, to the date of dispatch proven by the post office stamp or a dispatch receipt. The Deadline for the submission of Expressions of Interest is 01 March 2017.

Requirements

Q20	Can you explain which particular information is expected to provide under "List joiners and leavers of the team, their date of arrival/departure, position at arrival and current title;"? Who are these joiners and leavers?
	For existing teams, it is the information about people that have left or joined those teams since inception. Not applicable for new teams.
Q21	When detailing a description of the joint experiences of the team members, what level of depth is expected? Is listing each team member’s area of expertise sufficient?
	The joint experience question is essentially looking for a previous evidence of team members being able to successfully work together. Describe the professional or private situations where two or more team members have worked together (company, time period, positions/roles, joint projects etc).
Q22	In regards to the point “Detail the history of the Applicant and its previous/existing business activities, particularly describing any activity having potential of conflicts of interest with the planned fund”. If the Applicant is yet to be registered and has no previous/existing business activities, would the clause requesting information on fund

	manager team profile and board involvement be a sufficient substitute?
	This point is meant to allow the Applicant and the team members to openly disclose any past or current activities that may be reasonably deemed to have potential of conflicts of interest with the planned fund and time dedication. Applicant is expected to list such activities or declare absence of such and provide an explanation of their (i) potential conflict of interest and (ii) future time dedication.
Q23	What level of depth is expected in the description of governance and legal structure for all fund related entities? Would an outline of the envisioned structures and responsibilities be sufficient?
	The Applicant is expected to provide a full description of (i) the different entities of the envisioned structure, their legal form and their function as well as (ii) the various boards established in the fund related entities (i.e. composition, competences, voting mechanisms, shareholdings and entitlements). Typically, this should include the board of directors, the investment committee, the advisory board, any industry committee, etc. The envisioned structure shall include any personal SPV, any carried interest vehicle, any team commitment vehicle and any other entity. Furthermore, the rationale for the choice of the jurisdiction and/or legal entity of each vehicle shall also be described, including any tax implication on investors and/or team members.
Q24	Detailed description of target market segment. Does the description cover the target market of the Financial Instrument (position in the market) or the target market segments of the investees?
	Target market of the Financial Instrument.
Q25	Is an applicant permitted or expected to submit any documents to demonstrate its compliance with the eligibility criteria in addition to the following documents: <ul style="list-style-type: none"> - Expression of Interest, - Applicant Identification (Appendix 1 to the Expression of Interest), - Business Plan (based on elements listed in Appendix 2 to the Expression of Interest); - Applicant Documents (listed in Appendix 3), i.e. (1) copy of Applicant's registration Certificate, if applicable, (2) copy of identity card, passport or any other document which can be used for identification purposes, for the Applicant's Representative; (3) appropriate evidence of the representative's authorisation to act for and on behalf of the Applicant (signatory powers). - Declaration of Honour (based on template in Appendix 4 to the Expression of Interest)?
	Applicant is not required but can submit supporting documents if deems useful.
Q26	We note that the business plan must include the description of governance and legal structure for all fund related entities foreseen. Could the business plan set out several alternative governance and legal structure for fund related entities (e.g. a legal structure that can be established pursuant to the existing laws and alternatively a legal structure that can be established if certain draft laws, which are currently being prepared, are passed and take effect)?
	Business Plan can set out several alternative structures together with an explanation for having various alternatives.
Q27	Is EIF the sole and exclusive body responsible for the implementation of the FoF?

	The Hellenic Republic is the mandator and main cornerstone investor of this initiative. It has entrusted EIF to be the sole and exclusive manager of the scheme. EIF has the sole and exclusive responsibility for the implementation of the FoF, including the selection procedure and for the monitoring and reporting of all the operations. EIF is the sole and only counterparty to any legal agreement.
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Public / Private

Q28	Will capital invested by a Greek University Foundation be regarded as State money or Private money for the calculation of minimum threshold of private financing at the fund level?
	<p>It needs to be assessed on a case by case basis following the overall aim of the foundation and also the articles of incorporation of the foundation.</p> <p>The “private financing at fund level” includes funding committed by a) Fund Manager and affiliated parties, and b) private investors. According to the Call for Expression of Interest, Private Investors shall be deemed to be any investors which (i) are economically and structurally independent from the Fund Manager, and from any entities and/or individuals connected thereto, (ii) are economically and structurally independent from the eligible beneficiaries where an Investment is made, and from any entities and/or individuals connected thereto, and (iii) in the reasonable determination of the Fund Manager, are normal economic operators (i.e. investors operating in circumstances corresponding to the market economy investor principle in a free market economy, irrespective of the legal nature and ownership structure of such operators, to the extent that they bear the full risk in respect of their investment). The points (ii) and (iii) apply also to investors affiliated with Fund Manager.</p>

Miscellaneous

Q29	What is the meaning of “geographical focus” in the business plan section of the Call?
	The geography(ies) – regions within Greece or/and countries apart from Greece – where the fund is going to invest.
Q30	Could funding from FoF be combined with EIF funding under EU central mandates?
	In principle yes but under the restrictions set out by the applicable regulation and only in case EIF’s exposure limits per operation are not in breach.
Q31	Are you at all considering new teams without or with limited VC investment track-record but relevant start-up and angel investing experiences?
	Yes, FoF will consider new and emerging teams with no or limited experience in venture capital, but with other relevant experience, including investment track-record gained by start-up and angel investing experience. Nevertheless, some professional investment experience, present in the team, will be an advantage.
Q32	Please clarify what is entailed in the notion “Independent/Independence” as is it used in: “Describe any linkages restricting full independence of the management team and fund manager” and “The fund manager must be independent”.
	For information on the required level of independence, please see section “Fund Manager” of the term sheet. In this respect, it is of particular importance that the Fund Manager be able take management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.

Q33	Will re-investments of the proceeds from the Fund following successful divestments be allowed and if so, will re-investments be regulated in any way?
	FoF will not invest in ever-green funds. FoF may permit Fund Manager to re-use and re-invest proceeds, but with net invested capital [i.e. total acquisition cost of the underlying investments (including the realized investments) minus the total acquisition cost of realisations] not exceeding 100% of such Fund size at any time. It is to be regulated in the Operational Agreement with each selected Fund Manager.
Q34	Will there be any restrictions in place regarding the Financial Instrument's allowance to borrow money?
	The Financial Instrument/Fund is in principle not allowed to borrow money – this will be assessed on a case-by-case basis.

Questions related to the Eligibility/Selection Criteria

Q35	If incorporation is necessary and new legal entity must be established prior to application, how clauses 1.9 and 1.11 will be assessed in case of totally new entity?
	See answer to Q1 regarding incorporation. Eligibility Criteria 1.9 and 1.11 come from EU rules and are not crafted specifically for risk capital, but are generic for any EU supported financial instruments, including banks. EIF will apply them to the team, the proposed structure and the Expression of Interest as a whole.
Q36	"Applicant has adequate economic and financial viability"– what is meant by adequate economic and financial viability? Is this question tackling the economic and financial viability of the fund or the owner of the entity of the Fund?
	See answer to Q35. In substance it means whether the proposed fund management team has adequate economic and financial viability to perform the required role if selected under the CEoI.
Q37	Point 1.9 of the Eligibility Criteria demands an adequate economic and financial viability on part of the Applicant. Could you disclose more details about the specific criteria upon which these aspects are evaluated?
	See answers to Q35 and Q36.
Q38	In the "Eligibility criteria" clauses 1.9 and 1.11 refer to assessment of different applicant capabilities. How will those be assessed by EIF if the applicant is a team of individual unincorporated professionals, provided that assessment is binary: Yes/No?
	See answers to Q35 and Q36.
Q39	Point 1.12 of the Eligibility Criteria described in Annex 2 states that Applicant should adequately demonstrate that it will establish an accounting system providing accurate, complete and reliable information in a timely manner. What level of depth is required of the accounting procedure to satisfy this criteria?
	Eligibility Criteria 1.12 come from EU rules and are not crafted specifically for risk capital, but are generic for any EU supported financial instruments, including banks. EIF will apply them to the team and the Expression of Interest as a whole, to the extent they are reasonably applicable. An outline would be sufficient at this stage.
Q40	Is there a required level for own investment in the Fund for Fund Managers and/or Management Company?
	It is required that the team (via Fund Manager/Management Company or directly) invests into the Fund, but there is no fixed maximum level. The team's investment is

	meant to serve as an alignment tool between investors and the manager, the necessary size of it to be assessed against fund operational economics and broader financial position of the individuals in the team.
Q41	GP participation – we have limited personal funds being a new team and wonder if there is an acceptance for a more modest participation in the Fund up-front?
	See answer to Question 40.
Q42	In the Quality Assessment Criteria it is stated that candidates will be evaluated on “Applicant’s commitment for own investment in the Fund as requested in the Description of the Financial Instrument”. However, it remains unclear to us what level of commitment is required from the applicant. Is there a lower or higher limit in regards to the level of commitment from the applicant?
	See answer to Question 40.
Q43	What legal structures are compliant or not compliant with the selection requirements?
	For information on non-compliant legal structures/jurisdictions see primarily section “Additional requirements” of the term sheet. The intended Fund structure and all related entities, ownerships and cash-flows must be described (i.e. legal structure, governing laws and whether regulated or not), but not necessarily established at the point of submission of the expression of interest. It is up to the Fund Manager to propose appropriate legal structure. Please see also answer to Question 44.
Q44	Is there any difference in eligibility or quality assessment regarding where the Fund will be established (for example if the Fund is placed on Guernsey instead of Greece to be able to attract international investors in the Fund)?
	Any justification of a structural element would need to be assessed on a case by case basis in line with the list of non-compliant jurisdictions. In addition each individual team member is expected to confirm that the relevant tax authority has acknowledged the structure and has confirmed the respective tax treatments.
Q45	Is the preferred legal entity of the Fund a Greek ΑΚΕΣ?
	See answer to Question 43.
Q46	Will it be acceptable to complete the set-up of the legal structure and the advisory board in parallel to the evaluation period for FoF?
	See answer to Question 43.
Q47	Please specify what types of financing provided to investees that are considered.
	Investees are expected to be financed through equity, quasi equity and mezzanine investments. Typical financing provided to investees would include newly issued shares / partnership interests. For prohibited types of financing, please see term-sheet section “Prohibited types of investees and activities”.
Q48	What is an acceptable level of management fee over the lifetime of the Fund? 17%? Carry 20/80?
	The terms and conditions of the proposed Fund and its legal structure is part of the selection criteria and will be assessed. It is expected that the proposals will be according to market standards with regards to fee levels, carried interest and associated hurdles.
Q49	What is the current expectation on threshold (IRR threshold to LPs before carry) for a life science Fund in early stages?
	See answer to Question 48.
Q50	Possibility for deal by deal carry with no threshold if carry to team is lower,

	e.g. 10%?
	Carried interest will be calculated on portfolio basis.

Questions related to the Fund term-sheets and terms

Q51	Are there any restrictions regarding the jurisdiction where the financial intermediary or the fund manager is established (other than the exclusion of non-cooperative jurisdictions)?
	No further restrictions than set in CEol.
Q52	Are there any requirements regarding the form of fund manager's commitment and private investors' contribution, i.e. does it need to be structured as investment into fund's particular investments?
	It is up to the Fund Manager to propose an appropriate structure with all investors, including Fund Manager, signing upfront commitments to the Financial Intermediary (no direct investments in beneficiaries).
Q53	Indicative investment requested under this call - What is meant by this?
	Amount requested as investment into the proposed fund from resources available to EIF under the CEol (the sum of FoF resources and EIF co-investment).
Q54	Does EIF have some policies/restrictions with respect to clawback terms?
	EIF will apply market-standard terms.
Q55	Does EIF have any restrictions or limits on the winding up provisions of the Financial Instrument, including the return of resources from the fund to the FoF/EIF?
	EIF will apply market-standard terms.
Q56	What level of private investors do I need in my fund?
	The main and basic cornerstone investor of the initiative is the Hellenic Republic through the use of European Structural and Investment Funds (ESIF) allocations in the Operational Programme Competitiveness, Entrepreneurship and Innovation 2014 – 2020. The use of ESIF is subject to certain rules and regulations. One of these rules calls for the leverage of funds from investors that are designated as "private". The investors falling under this category may be entities that are not strictly considered private in terms of their share capital structure but they operate under market conditions and are fully market oriented in their investment activity. As such, entities like the EIF and other similar IFIs would fall under the "private" investors category. The level of private investors is explicitly mentioned in the Call term sheets.
Q57	Can an applicant submit an application asking for mixed resources (i.e., 70% from early stage window and 30% from growth window)?
	This is subject to the investment strategy of the Applicant.
Q58	What is the meaning of "Place of business of Eligible investees" in the term-sheet?
	See answer to Question 57.
Q59	Are there any areas you favour in particular? Is Life Science an area which is part of FoF scope?
	FoF targets Fund Managers with an investment strategy focusing on innovation, early stage and high growth SMEs. Life Sciences would typically fall into the scope of the FoF.
Q60	The Call outlines SME as a primary target. Is there a preference for earlier stage companies?
	Please refer to the term-sheet section "Eligible Investees" for information.
Q61	A standard lifetime of a VC Fund is 10+1+1 year. In Life Science there are good arguments for longer lifetimes, would a proposal of 12+1+1 years where the

	investment period is kept to 5 years be acceptable?
	The market standard lifetime would be 10+1+1 years. However, longer lifetime may be assessed on a case by case basis.
Q62	Please confirm that Indicative Term Sheet of the Windows are the separate documents named Part I.2.a, Part I.2.b and Part I.2.c.
	Confirmed.
Q63	Are there any geographical allocation targets?
	The source of funding is only one. Any targets for allocation per broad regional categories (less developed, transition, more developed) will be set after discussion with the successful Applicants.
Q64	The Fund Duration is designated as 10+1+1 years. Please clarify from which time point this duration is calculated (First Closing/Final Closing/First Investment).
	First closing.
Q65	Please clarify what committee or board may grant the right to the first and second extension of the Fund duration, respectively.
	The extension of the Fund's duration will depend on the requirements set out in the Fund's documentation, but would typically be decided by way of investor consent.
Q66	Please describe what is entailed by the "controls" that the Financial Instrument is required to perform due to the public nature of the FoF investment.
	As the FoF has been funded by EU Structural and Investment Funds (ESIF), the term sheet lists certain not fully market standard requirements, for example on Prohibited types of investees and activities. Thus the Fund Manager will have to do more checks and controls than in pure market situation. These requirements will be specified in the Operational Agreement entered into with each selected Fund Manager.
Q67	May investments into portfolio companies be used to finance acquisitions made by the portfolio company itself?
	Yes, this would typically be defined as an eligible investment. For prohibited types of financing, please see term sheet section "Prohibited types of investees and activities".
Q68	Are Fund Managers allowed to acquire existing shares in portfolio companies (replacement capital) from current owners?
	The Fund will primarily invest in new shares issued by companies. In principle, any replacement capital will have to be combined with new capital representing at least 50% of each investment round into the company and provided that such transfer takes place between independent investors.

Legal entity

Q69	Are there any requirements regarding the linkage between Greece and the financial intermediary or the fund manager (e.g. is an official office or branch needed in Greece)?
	There is no requirement to domicile either the fund or Fund Manager in Greece. It is hard to envision successfully managing a Greek focused fund without local presence.
Q70	Any preference for Fund and Fund manager jurisdictions?
	It is up to the Fund Manager to choose and propose most appropriate jurisdiction within constraints outlined in the CEoI.
Q71	Does the fund have to qualify as a UCITS (in the meaning of the Council Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions

	relating to undertakings for collective investment in transferable securities) or can it be any type of investment fund that is recognised under the applicable jurisdiction?
	It can be any type of investment fund that is recognised under the applicable jurisdiction, within constraints mentioned in the CEol. The rationale for the choice of the jurisdiction and/or legal entity of each vehicle shall also be described, including any tax implication on investors and/or team members.
Q72	Are the fund managers/board members allowed by FoF to own the management company of the fund through a company, i.e. not personally?
	Yes, provided it is duly justified and transparent.

Pari passu

Q73	Do we understand correctly that non-pari-passu distribution cascade is applied on a fund level? Or is it applied on a deal by deal basis?
	Distribution cascade is applied at a fund level.
Q74	If the answer to previous question is affirmative, does this mean that the Fund is not allowed to make any investments into investees that fail the conditions listed under non-pari-passu distribution cascade, or is the Fund simply not allowed to finance such investees with state aid funds, but may do so with funds raised from private investors?
	Fund is not allowed to make any investments into investees that fail the criteria listed in connection with non-pari-passu distribution cascade.
Q75	If the Distribution is to be applied on a fund level, then in regards to the following statement: "In case of equal proposals, pari-passu is always preferred as long as it doesn't hamper successful private fundraising" a) Do we understand correctly that the term equal proposals refers to eligible proposals made by separate Applicants with equal numeric scores as per Qualification Criteria? b) What evidence or lack thereof do you specifically have in mind when deciding if pari-passu hampers successful private fundraising or not?
	a) Correct b) EIF does not decide on cash flow cascade mechanism chosen. EIF takes a position on the ability of the Fund Manager to deliver on the chosen mechanism based on the information provided and thorough due diligence.
Q76	In regards to Additional not supported activities in case of non-pari passu Distribution cascade, specifically the clause "aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current costs linked to the export activity;" Do we understand correctly that, especially in the case of application of the non-pari-passu distribution cascade on a Fund level, the purpose of the clause is to prohibit the Fund from investing into activities that give the target firm an unfair competitive advantage, ie subsidizing current export levels to the detriment of third countries and Member States?
	Correct.

Public / Private

Q77	<p>It is stated in the Early-stage Venture Fund Term sheet under Private Financing that 50% + 1 EUR of total Fund size on Fund level should comprise private financing. Further down under Private Investors it is stated that Private investors shall be structurally and economically independent from the Fund Manager. Does this entail that financing provided by the Applicant/Fund Manager is not designated as private financing? To avoid further confusion please clarify which option/s is true?</p> <p>a) At Fund level, Financing must be distributed as 50%: FoF + EIF + "Fund Manager/Applicant" and 50% + 1 EUR: Private investors excluding Fund Manager/Applicant</p> <p>b) At Fund level, Financing must be distributed as 50%: FoF + EIF and 50% + 1 EUR: Private investors + Fund Manager/Applicant</p> <p>c) At Fund level financing can be distributed as, excluding Fund Manager/Applicant financing. 50% public financing (FoF+EIF) and 50%+ 1 EUR private investors independent from Fund Manager/Applicant. In addition to this financing, the Fund Manager/Applicant is required to commit to a certain percentage of total commitment on top of the commitments made by Private investors and FoF+EIF.</p>
	<p>The portion invested into the Fund by the Fund Manager is defined as private financing. Thus, the correct option is B. See also answer to Question 28.</p>
Q78	<p>May private investors that have previously invested in companies owned by the Applicant/Fund Manager invest in the Financial Instrument and, if so, will their commitments contribute to the private investor quota?</p>
	<p>Yes, private investors that have previously invested in companies owned by the Applicant/Fund Manager may also invest in the new Fund. Their commitments will count toward the private financing threshold. However, the Fund Manager must be independent and must be in a position to take the management and investment decisions independently, in particular without the influence of investors, sponsors or any other third party which is not integrated in the structure.</p>

Miscellaneous

Q79	<p>What is the meaning of Non-Cooperative Jurisdiction in criterion 1.14?</p>
	<p>It means any jurisdiction classified as "non-compliant" by the Organisation for Economic Cooperation and Development (OECD) and its Global Forum on Transparency and Exchange of Information for Tax Purposes, from time to time. It should further be noted that the Fund Managers shall not be established and shall not maintain business relations with entities incorporated in territories, whose jurisdictions do not cooperate with the Union in relation to the application of the internationally agreed tax standards.</p>
Q80	<p>Are coinvestments allowed?</p>
	<p>To be assessed on a case-by-case basis and dependent on whether it is a top up of an existing fund or a carve out of a regional fund for investments in Greece.</p>