

**AMENDMENT NO. 2
TO THE FUNDING AGREEMENT**

between

**The Ministry of Economy of the Slovak Republic
acting on behalf of the Slovak Republic**

and

European Investment Fund

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THIS AMENDMENT NO. 2 TO THE FUNDING AGREEMENT (Amendment) is entered into on

_____ 2014

BETWEEN:

- (1) **The Ministry of Economy of the Slovak Republic**, acting on behalf of the Slovak Republic, Mierová 19, 827 15 Bratislava 212, Slovak Republic (**Ministry of Economy**); and
- (2) **The European Investment Fund**, avenue J.F.Kennedy 15, L-2968, Luxembourg, LUXEMBOURG (**EIF**);

The Ministry of Economy and EIF being jointly referred to as the **Parties** and each of them a **Party**.

PREAMBLE:

- (A) On 23 December 2008, the Slovak Republic and EIF entered into the Framework Agreement on the implementation of the JEREMIE Initiative in the Slovak Republic, as amended by amendment no. 1 dated 28 April 2010 and amendment no. 2 dated 12 January 2011 (**Framework Agreement**).
- (B) On 28 October 2009, in accordance with the Framework Agreement, EIF and the Ministry of Economy entered into a funding agreement, as amended by amendment no. 1 dated 25 May 2010 (**Funding Agreement**).
- (C) On 22 December 2010, EIF and Slovenský záručný a rozvojový fond, s. r. o. (**SZRF**) entered into the Holding Fund Agreement, as further amended and restated on 4 March 2013 (**Holding Fund Agreement**).
- (D) For the sake of clarity, the Parties wish to confirm their common understanding and interpretation of certain provisions of the Funding Agreement, including *inter alia* Annex 6 to the Funding Agreement.
- (E) Therefore the Parties decided pursuant to subclause 11.4 of the Funding Agreement to enter into this Amendment.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalised terms and expressions defined in the Funding Agreement shall have the same meaning when used herein, unless this Amendment provides otherwise.

1.2 Interpretation

The interpretation rules set out in subclause 1.2 of the Funding Agreement shall apply to this Amendment as if they were fully repeated in this Amendment, except for the fact that references, in this Amendment, to the Funding Agreement contained in subclause 1.2 of the Funding Agreement shall be considered as references to this Amendment.

2. AMENDMENTS TO AND CLARIFICATION OF THE FUNDING AGREEMENT

2.1 Nature of Annex 6 to the Funding Agreement

The Parties acknowledge and confirm that the Investment Strategy and Planning Summary set out in Annex 6 of the Funding Agreement is of an indicative nature only and was intended by the Parties to be further elaborated in the Investment Strategy and its amendments as approved by the Investment Board.

2.2 Amendments to Annex 6 to the Funding Agreement

Without prejudice to the generality of Clause 2.1 of this Amendment, the Parties agree to amend Annex 6 to the Funding Agreement as follows:

- (a) Fourth bullet point of Clause 3.3 of Annex 6 to the Funding Agreement shall be in whole replaced by the following wording:

“Provide support for short-term financing requirements of SMEs (e.g. working capital facilities) with the aim of (i) freeing up liquidity to foster investment activity of SMEs; or (ii) strengthening the potentially economically viable existing or new business activities of SMEs.”

- (b) Both paragraphs of Clause 4.1 of Annex 6 to the Funding Agreement shall be in whole replaced by the following wording:

“The allocation to the holding fund from Operational Programme comes from the Priority Axis 1 “Innovation and growth of competitiveness” of the Operational Programme. The main objective of the Operational Programme is to improve the competitiveness of the Slovak economy and thereby also stimulate further economic growth.

All Operations within the JEREMIE Initiative shall be implemented at the level of the Priority Axis 1 “Innovation and growth of competitiveness” of the Operational Programme which axis shall lead to the provision of support to SMEs through financial engineering instruments.“

- (c) All five bullet points under Clause 4.3 of Annex 6 to the Funding Agreement shall be in whole replaced by the following table:

Indicator	Definition	Basis
New jobs created	New created and occupied jobs (In the meaning of §11 (1) of Act No. 311/2001 Coll.), full time equivalents (FTE): A new working position created (did not exist before) as a direct result of project completion.	In the year preceding the beginning of the project
New jobs created for men		
New jobs created for women		
	New jobs created: Net increase in jobs compared to the year preceding the beginning (= a loan agreement or any other legal framework for the provision of the financial resources within the financial engineering instruments) of the project implementation.	
	Full-time equivalent: Jobs can be full time, part time or	

	seasonal. Seasonal and part time jobs are to be converted to FTE.	
Number of projects-direct investment aid to SMEs (initially as number of SMEs supported)	Any operation that is a loan agreement or any other legal framework for the provision of the financial resources to SMEs within the financial engineering instrument.	Non relevant
Private investments in the project (Eur) (initially as expenses for innovations)	Private investment leverage to the funds granted from the Operational Programme Competitiveness and Economic Growth in the financial engineering instrument.	Non relevant
Increase in value added in supported enterprises (Eur)	Value added in financial statements of supported enterprises for 2007 and for the year to be compared with. Enterprise, which did not carry out on business in 2007 will indicate "0" as a basis.	Stated in 2007

2.3 Implemented Operations

The Parties agree, acknowledge and confirm that:

- (a) the Operations implemented until the date of this Amendment have been implemented at the level of the Priority Axis 1 "Innovation and growth of competitiveness" of the Operational Programme Competitiveness and Economic Growth (**Operational Programme**); and
- (b) the implementation of the Operations at the level of the Priority Axis 1 "Innovation and growth of competitiveness" of the Operational Programme is fully in compliance with the Funding Agreement, the Framework Agreement, the Holding Fund Agreement and the Operational Programme.

3. FINAL PROVISIONS

- 3.1 This Amendment represents an agreement of the Parties relating to the provisions of the Funding Agreement cited in clause 2 of this Amendment and replaces and supersedes any previous written or oral agreement between the Parties relating to the cited provisions of the Funding Agreement. The remaining provisions of the Funding Agreement are unaffected by this Amendment and remain valid and effective in their original wording.
- 3.2 This Amendment shall become part of the Funding Agreement. The Funding Agreement and this Amendment shall, from the effective date of this Amendment, be interpreted as one document and all provisions of the Funding Agreement of a general nature (including but not limited to clauses 1, 8, 9, 10, and 11 of the Funding Agreement) shall apply to this Amendment *mutatis mutandis*.
- 3.3 For the avoidance of doubt and as a specification of the general rule under subclause 3.2 above, the provisions of clause 10 of the Funding Agreement (Governing Law; Dispute Resolution) shall apply *mutatis mutandis* to the resolution of disputes arising out of this Amendment or in connection with it (including any dispute or discrepancy as to the existence, validity, enforcement, termination or cancellation of this amendment or any of its provisions) or any disputes relating to the non-contractual obligations arising out of this Amendment or in connection with it.

- 3.4 This Amendment has been executed in 3 copies in each of the English and Slovak languages, each of which represents an authentic original of this document. In case of discrepancies, the English version shall prevail.
- 3.5 This Amendment is valid as of the day of its execution by both Parties and becomes effective as of the day following the day of its publication pursuant to section 47a of Act No. 40/1964 Coll. the Civil Code as amended.
- 3.6 The Parties agree with the publication of this Amendment in full wording in the Central Register of Agreements maintained by the Government Office, which will be procured by the Ministry of Economy within one Business Day after signing of this Amendment by both Parties.

SIGNATORIES

SIGNED for and on behalf of the **European Investment Fund**:

Name: **Pier Luigi Gilibert**

Title: Chief Executive

SIGNED for and on behalf of the **Ministry of Economy of the Slovak Republic**:

Name: **Tomáš Malatinský**

Title: Minister