

Conditions of EIB-Funding

- SME and Midcap

As a result of the continuous good relationship between SG Finans AS and the European Investment Bank, we have the pleasure of offering our customer's beneficial financing tailored to climate relevant sub-projects with a focus on low-carbon transport modes in Norway.



In order to obtain these beneficial terms offered to our customers there are several outlined conditions that needs to be assured and fulfilled. The conditions vary from final beneficiary so the customer need to identify witch segment it belongs to. The qualifications of each financial beneficiary and qualified sub-projects are listed below. The responsibility to meet these criteria lies with the customer.

WHAT ARE THE QUALIFICATIONS TO BE A SME?

By definition, small medium-sized enterprises consists of enterprises, which employ fewer than 250 persons with equivalence of full – time positions on the consolidated basis, and which have either an annual turnover not exceeding 50 million euro, or an annual balance sheet total not exceeding 43 million euro.

WHAT ARE THE QUALIFICATIONS TO BE A MIDCAP?

EIB defines MidCaps as a company with minimum 250 employees, and less than 3000 employees on the consolidated basis. The employee count is done on equivalent full – time positions.

WHAT OTHER QUALIFICATIONS ARE PREREQUISITE FOR BOTH SEGMENTS?

In addition to this, the customer must be an autonomous enterprise. The definition of this implies;

Autonomous enterprise

- i. The enterprise does not hold 25% or more of capital/voting rights (whichever is the higher) in one or more other enterprises.
- ii. No enterprise has a stake of 25% or more of its capital or voting rights (whichever is the higher) in the enterprise.
- iii. The following investors may, however, hold up to 50% of the capital/voting rights if they do not exercise a dominant influence: public investment corporations, venture capital companies and business angels, universities and non-profit research centres, institutional investors including regional development funds, autonomous local authorities with an annual budget of less than EUR 10 million and fewer than 5,000 inhabitants

Partner enterprises

- iv. An enterprise is considered a partner enterprise if it holds at least 25% but no more than 50% of capital/voting rights (whichever is the higher) in one or more other enterprises and/or another enterprise holds at least 25% but no more than 50% of its capital/voting rights (whichever is the higher).

In this case, the number of employees is the sum of the number of employees of the enterprise itself plus a proportion of the number of employees of each of the partner enterprises, immediately upstream and downstream, which reflects the percentage of shares/voting rights that are held.

Linked enterprises

Two enterprises are considered linked if one controls the other, directly or indirectly, through the majority of capital/voting rights or through the ability to exercise a dominant influence through a contract or by agreement. In most EU member states, linked enterprises are required to prepare consolidated accounts.

For linked enterprises, the number of employees is the sum of the number of employees of the enterprise itself plus the total number of employees of each of the linked enterprises. For linked enterprises, the number of employees has to be added for all enterprises at all levels throughout the entire chain upstream and downstream.

WHAT IS A SUB-PROJECT?

The aggregated sub-project cost(s) for the new investments by any customer to be financed through EIB, shall not exceed the equivalent of EUR 25 million. However, the sub-project may be a part of a larger investment if each part is economically and technically viable in itself, and not dependent on the realization of another phase. In this case EIB may finance one of these parts separately if their respective investment cost is below EUR 25

million.

The sub-project shall include new investment either in: a) tangible and/or intangible fixed assets, or b) and such investments can be identified in terms of location, design and benefits, carried out over a period of up to 3 years for SME and MidCap. For the avoidance of doubt, EIB financing cannot be allocated to Sub-Financings that refinance previous financings for the same Sub-Project (unless such new Sub-Financing is for an increased amount in which case EIB financing is possible for this increased amount only).

THE SIMPLIFIED CRITERIA FOR SUB-PROJECT FINANCING ARE OUTLINED AS;

SME and Midcap

- i. For passenger cars and Light Commercial Vehicles (LCVs), the following conditions apply:
 - a. The vehicle shall be primarily used for business purposes; and
 - b. the CO2 emission of new passenger cars shall not exceed 120 gr/km whereas the CO2 emission of new LCVs shall not exceed 175gr/km. The customer shall keep evidence of the of the CO2 emission of each vehicle on file during the term of the agreement.
- ii. The EIB finance shall not at any given time exceed the actual cost of the sub-project(s) to be financed.
- iii. The EIB finance may cover 100% of the equipment lease object cost, however this amount shall never constitute more than 12.5 MEUR or the equivalent in any other currency.
- iv. The economic and technical life span of the sub-project shall be no less than the equivalent of 2 years, and duration of the EIB financing shall not exceed that of the economical and/or technical lifespan.
- v. Both operational leases and financial leases are eligible, as long as the asset financed has a medium to long-term economic life.
- vi. Financial holding companies whose sole economic activity is to hold and to manage portfolio of equity participations and/or investments in other companies, and leasing companies associated with a specific manufacturer are not eligible.
- vii. Where EU subsidies are associated, the sum of the EIB financing and the potential EU subsidies used to finance this sub-project may not exceed 100% of the investment cost.
- viii. As a main rule, the sub-projects to be financed shall be located in Norway. However, SG Finans clients and their investments located in other EU member states are not excluded.
- ix. If EIB financing is allocated to sub-projects in the form of climate action related investments, The economic, environmental, technical and financial aspect of the subproject will be assessed by SG Finans AS and confirmed to the customer.

EXCLUDED SECTORS AND ACTIVITIES

Customers that are eligible for EIB financing shall not be operating within one or more of the following sectors;

- i. Production or trade of weapons and ammunition, explosives equipment or infrastructures specifically designed for military use, and equipment or infrastructure which result in limiting people's individual rights and freedom (i.e. prisons, detention centres of any form) or in violation of human rights.
- ii. Live animals for experimental and scientific purposes insofar as compliance with the "Council of Europe's Convention for the Protection of Vertebrate Animals used for Experimental and other Scientific Purposes" cannot be guaranteed.
- iii. Activities which give rise to environmental impacts that are not largely mitigated and/or compensated.
- iv. Activities considered ethically or morally controversial or which are forbidden by national law, e.g. research on human cloning.

- v. Financial activity involving the purchase of goodwill, licenses or rights for mineral resource exploitation and production rights in the agricultural sector.
- vi. Real Estate development activity.
- vii. Pure financial transactions (such as the purchase of shares, or any other financial product).
- viii. Any other sectors identified by EIB as non-eligible sectors do not apply for EIB financing.
- ix. Customers active in more than one sector are eligible for EIB financing, even if a secondary activity of the customer is within an excluded sector, provided that the main activity of the customer is within a non-excluded sector. The main activity corresponds to the activity, which contributes most to the total gross value added – as measured by income before interest, taxes and depreciation – of the customer.

Irrespective of the eligibility of the customer's main activity, each customer for which more than 10% of its annual revenues is generated by the following activities is not eligible for financing by the EIB:

- i. activities targeting the production or facilitating the use of gambling and related equipment.
- ii. activities targeting tobacco production, manufacturing, processing, or specialist tobacco distribution, and activities facilitating the use of tobacco (e.g. "smoking halls").

Entities which are subject of an EIB's exclusion decision do not qualify for EIB financing. Entities that are currently excluded are listed on [EIBs website](#).

LEGAL COMPLIANCE

All sub-projects eligible for financing must at any given time comply with the relevant applicable EU and national legislation.

Sub-projects financed by the EIB must comply with EU Directives and national laws on procurement, where applicable. For further information on compliance requirements, please visit [EIBs website](#).

SG FINANS AS

SG Finans AS is Norway's leading finance company within equipment leasing and factoring. The company's products are marketed under the trademarks SG Equipment Finance and SG Factoring. The company is a part of the French Societe Generale Group, one of Europe's largest financial corporations.

SG Finans has a strong local presence with 50 years history and 21 offices in Norway, Sweden and Denmark. The head office for the Scandinavian businesses is located at Lysaker (Oslo/Norway). The company has total managed assets of NOK 37 billion and 360 skilled employees, all working to provide our customers and partners with solutions for their business.

HEAD OFFICE SCANDINAVIA

SG FINANS AS
STRANDVEIEN 18
POST BOX 105
1325 LYSAKER
TELEPHONE: +47 21 63 20 00

OFFICES IN NORWAY

BERGEN - BODØ - DRAMMEN - FREDRIKSTAD - HAMAR - HARSTAD
HAUGESUND - KRISTIANSAND - OSLO/LYSAKER (HEAD OFFICE)
SANDEFJORD - SKIEN - STAVANGER - TROMSØ - TRONDHEIM - ÅLESUND

OFFICES IN SWEDEN

GOTHENBURG - MALMØ - UMEÅ - STOCKHOLM

OFFICES IN DENMARK

COPENHAGEN - VEJLE