

## General Conditions for Loan Investment Guarantee

1 January 2002

### 1 Definitions

Exchange Rate Published by the European Central Bank	The Euro Foreign Exchange Reference Rate published by the European Central Bank on the date in question. If the date is not a banking day for the European Central Bank, the Euro Foreign Exchange Reference Rate published on the preceding banking day shall be used as the exchange rate.
Execution of the Investment	The Investment is regarded as executed on the date when, and to the extent that, the Project Enterprise draws down the guaranteed credit.
Finnvera	Finnvera plc
Guarantee	Investment Guarantee, to which these Conditions are applied, as defined by the Guarantee Agreement
Guarantee Agreement	The Guarantee Agreement, together with any amendments made thereto, signed by Finnvera and the Guarantee Holder.
Guarantee-Covered Loss	The Guarantee-Covered Loss specified in Section 10 of these Conditions, which has occurred in accordance with Section 4.
Guarantee Currency	The Guarantee Currency specified in the Guarantee Agreement.
Guarantee Event	Actions or events specified in Section 4 of these Conditions that may lead to an indemnifiable loss under these Conditions.
Guarantee Holder	The Guarantee Holder specified in the Guarantee Agreement.
Guarantee Period	The period of validity of the Guarantee specified in the Guarantee Agreement.
Guarantee Year	A period of (12) twelve months that begins each calendar year on the date when the Guarantee Agreement became binding on Finnvera.
Guaranteed Interest	Interest payable on the Guaranteed Loan Investment, as specified in the Guarantee Agreement, excluding any penalty interest for late payment.
Guaranteed Loan Investment	The Loan Investment specified in the Guarantee Agreement.
Host Country	The Host Country specified in the Guarantee Agreement.

Host Country Authorities	The present or any succeeding authority exercising centralised governing and legislative authority in the Host Country or any other public authority in or of the Host Country on which regulatory powers are conferred by the laws of the Host Country.
Investment Project	The Investment Project to be undertaken by the Project Enterprise specified in the Guarantee Agreement.
Local Currency	The legal currency of the Host Country.
Percentage of Cover	The percentage, given in the Guarantee Agreement, of the Guarantee-Covered Loss specified in Section 10 of these Conditions.
Premium	The Premium and handling fee specified in the Guarantee Agreement.
Project Enterprise	The Project Enterprise specified in the Guarantee Agreement.
Reference Rate of Exchange	<ol style="list-style-type: none"> <li>1. The Reference Rate of Exchange is applied when converting Local Currency into Guarantee Currency. Such rate shall be the mean of the buying and selling rates quoted by the Central Bank, or some other foreign exchange regulatory authority, of the Host Country (hereinafter referred to as the 'Central Bank')</li> <li>2. If on the date concerned the Central Bank has not freely executed conversions into the Guarantee Currency, or has applied multiple exchange rate categories with respect to such conversions, the Reference Rate of Exchange shall be computed on the basis of one of the following exchange rate categories, presented in order of priority: <ol style="list-style-type: none"> <li>(a) the most representative rate legally used by commercial banks or any other private market in the Host Country; or</li> <li>(b) the rate used outside the Host Country in the most active market for conversion of Local Currency into Guarantee Currency.</li> </ol> </li> <li>3. In case the Reference Rate of Exchange cannot be determined as described above, Finnvera shall determine a reasonable Reference Rate of Exchange, to be applied after having consulted the Guarantee Holder.</li> </ol>

## 2 Validity of the Guarantee

The Guarantee shall be binding on Finnvera as of the date when the Guarantee Agreement is signed, unless otherwise agreed in the Guarantee Agreement. The Guarantee comes into force as and when the Investment is executed.

## 3 Premium

The Guarantee Holder shall pay to Finnvera the Premium specified in the Guarantee Agreement.

#### **4 Risks Covered by the Guarantee and Occurrence of Guarantee-Covered Loss**

##### **4.1 Transfer Risk**

The Guarantee shall cover a loss caused by any action taken by the Host Country Authorities which prevents or restricts, whether directly or indirectly, the Guarantee Holder or the Project Enterprise from

- a) converting Local Currency into Guarantee Currency for the purpose of paying the Guaranteed Loan Investment and the Guaranteed Interest specified in the agreement on the Loan Investment ;
- b) converting Local Currency into Guarantee Currency at an exchange rate at least as favourable as the Reference Rate of Exchange on the date of the Guarantee Event, for the purpose of paying the Guaranteed Loan Investment and the Guaranteed Interest, specified in the agreement on the Loan Investment; or
- c) transferring outside the Host Country funds in Guarantee Currency, which constitute a payment for the Guaranteed Loan Investment and the Guaranteed Interest, specified in the agreement on the Loan Investment.

A further prerequisite for the occurrence of a Guarantee-Covered Loss is that:

- i) the Guarantee Holder or the Project Enterprise can within the Host Country, freely dispose of the payment funds of the Guaranteed Loan Investment and the Guaranteed Interest, which are in their possession in Local Currency or Guarantee Currency ; and
- ii) the Guarantee Holder or the Project Enterprise, in accordance with the laws, regulations and procedures of the Host Country, has applied for conversion and/or transfer for at least 120 days, but without result.

##### **4.2 Expropriation**

In cases specified below, the Guarantee shall cover losses caused by nationalisation, confiscation, expropriation, or any other comparable action taken by the Host Country Authorities.

A Guarantee-Covered Loss is considered to have occurred when an action taken by the Host Country Authorities:

- a) deprives the Guarantee Holder of his right to receive payment for the Guaranteed Loan Investment and/or the Guaranteed Interest;
- b) in case of a default in payment deprives the Guarantee Holder of the creditor's right to the security given for the payment of the Guaranteed Loan Investment and the Guaranteed Interest and specified in the Guarantee Agreement, or the right to the realisation of such security in the case when the Guarantee Holder would have had the right to realise the security in question;
- c) prevents the Project Enterprise from paying the Guaranteed Loan Investment and/or the Guaranteed Interest;
- d) deprives the Project Enterprise of its right of possession to the tangible assets of the Project

Enterprise or its right to use the tangible assets of the enterprise, or prevents the operations of the Project Enterprise or material parts thereof;

- e) prevents the Project Enterprise from being able to carry out physically the entire Investment Project, or material parts thereof, as described in the Guarantee Agreement;
- f) imposes on the Project Enterprise fiscal or other financial obligations to the extent that it becomes impossible for the Project Enterprise to continue a business that would otherwise be viable; or
- g) deprives the Guarantee Holder of his right to control or use funds deposited by the Project Enterprise for the account of the Guarantee Holder in a financial institution in the Host Country as payment of the Guaranteed Loan Investment and/or the Guaranteed Interest, or funds otherwise received from the Project Enterprise as such payment, which the Guarantee Holder has deposited in a financial institution in the Host Country, provided that

in cases a), c), d), e) and f), such action taken by the authorities causes a default in payment that continues for at least 365 consecutive days where the first payment default is concerned, or (30) thirty days where a payment default of the immediately following instalment is concerned; however, Guarantee-Covered Loss is not deemed to have occurred regarding the second instalment until it has occurred regarding the first instalment;

in case b), the deprivation of rights continues for a period of at least 365 consecutive days;

in case g), the deprivation of rights continues for a period of at least 120 consecutive days.

When several consecutive actions taken by the authorities are closely related and designed together to be expropriatory as meant in Subsections 4.2 a)-g) above, they are regarded as one action when evaluating the occurrence of a Guarantee-Covered Loss.

The Guarantee does not, however, cover a loss caused by actions taken by the Host Country Authorities if the action is of a general nature, is non-discriminatory with respect to juristic persons, irrespective of their ownership and is carried out in the name of public interest for such purposes as ensuring public safety, raising revenues, protecting the environment or regulating economic activities, unless, however, the action is designed to have an expropriatory effect such as causing the Guarantee Holder for example to abandon the Guaranteed Investment or sell it at a distressed price.

### **4.3 War**

In cases specified below, the Guarantee shall cover the loss resulting from the prevention of payment of the Guaranteed Loan Investment and the Guaranteed Interest caused by the event of war, insurrection, revolution, civil war, terrorism or sabotage, when the loss results from:

- a) the destruction or disappearance of, or physical damage to, the Project Enterprise's tangible assets in the Host Country (excluding precious metals, gems, works of art, money or documents) provided that such assets have been used solely or mainly for the business activities of the Project Enterprise; or
- b) prevention of actions essential to the continued operations of the Project Enterprise, for a duration of at least 365 consecutive days.

In addition to the above, it is required that the default in payment continues for at least 120 days where the first payment default is concerned, and (30) thirty days where a payment default of the immediately following instalment is concerned; however, Guarantee-Covered Loss is not deemed to have occurred regarding the second instalment until it has occurred regarding the first instalment;

A further prerequisite for the occurrence of a Guarantee-Covered Loss is that the loss must be a direct and immediate result of war (whether declared or undeclared), insurrection, revolution, civil war, terrorism or sabotage, that causes a serious disturbance in the economy of the Host Country. Another prerequisite is that the above acts are undertaken with the primary intent of achieving a political objective.

## **5 Date of Guarantee Event**

Immediately after a Guarantee Event referred to in Section 4 has occurred, the Guarantee Holder shall notify Finnvera of his understanding regarding the date of the Guarantee Event.

The date of the Guarantee Event is:

- a) in cases falling under Subsection 4.1, the date on which the first attempt at transfer or conversion was made;
- c) in cases falling under Subsection 4.2, the date immediately preceding the date on which the actions taken by the Host Country Authorities began; and
- d) in cases falling under Subsection 4.3, the date immediately preceding the date on which the destruction, disappearance or physical damage referred to in Subsection 4.3 a) occurred; and the date immediately preceding the date on which the prevention of the Project Enterprise's operations, as referred to in Subsection 4.3 b) and specified in these Conditions, began.

## **6 The Amount of the Guaranteed Loan Investment and the Guaranteed Interest**

The Guarantee Agreement shall determine the amount of the Guaranteed Loan Investment and the interest rate according to which the Guaranteed Interest is determined. The amount of the Guaranteed Loan Investment and the Guaranteed Interest is reduced in accordance with the repayment schedule agreed upon in the agreement on the Guaranteed Loan Investment and confirmed in the Guarantee Agreement. Claims paid in respect of the Loan Investment and the Interest reduce respectively the amount of the Guaranteed Loan Investment and the Guaranteed Interest by a sum that equals the corresponding Guarantee-Covered Loss.

## **7 The Guarantee Holder's Obligations**

- 7.1 It is the responsibility and obligation of the Guarantee Holder to ensure that, at the moment of disbursement of the Guaranteed Loan Investment and thereafter, all the documents on the Guaranteed Loan Investment and all the documents on security related to the Loan Investment are binding on the issuers of those documents and do not contain anything that would diminish the Project Enterprise's or the guarantors' liability to pay, or the value of the security. The Guarantee Holder is also required to ensure, that the Project Enterprise's and the guarantors' liability to pay is unconditional and irrevocable.
- 7.2 The Guarantee Holder is responsible for ensuring, that the Host Country Authorities have given their consent for the Guaranteed Loan Investment, Guaranteed Interest and the Investment Project and, in addition, that all the permits necessary at the time of execution of the Investment required by the Host Country Authorities have been obtained prior to the execution, however, on the date of signing of the Guarantee Agreement, at the latest.
- 7.3 The Guarantee Holder shall ensure, that both the Guarantee Holder and the Project Enterprise

comply with all the laws and regulations of the Host Country relating to the Guaranteed Loan Investment, Guaranteed Interest and the Investment Project.

- 7.4 The Guarantee Holder shall comply with the Investment protection agreements entered into between Finland and the Host Country.
- 7.5 The Guarantee Holder shall, without unreasonable delay, inform Finnvera in writing of the date and the amount of any execution of the Loan Investment.
- 7.6 For the Guarantee Period and the succeeding (2) two years, or for as long as the Guarantee Holder has a claim pending, and for a period of (3) three years after the payment of any claim, the Guarantee Holder shall, to the extent possible:
- a) obtain from the Project Enterprise, within (6) six months after the close of the enterprise's each financial year, copies of its annual income statement and balance sheet and any other financial statements as may be required by Finnvera, certified by an independent authorised public accountant;
  - b) keep the documents referred to in a) above in the Guarantee Holder's head office or in any other such place as may be agreed with Finnvera;
  - c) promptly notify Finnvera of all essential changes with respect to the Guaranteed Loan Investment, the Guaranteed Interest and Investment Project;
  - d) promptly submit to Finnvera, on request, documents and information relating to the Guaranteed Loan Investment, the Guaranteed Interest and the Investment Project;
  - e) permit Finnvera's duly authorised representatives to inspect the Investment Project, to examine the books and records of the Guarantee Holder and the Project Enterprise, and the property of the Project Enterprise, and to interview the staff, auditors, consultants and attorneys of the Guarantee Holder and/or the Project Enterprise on matters essentially affecting the Guaranteed Loan Investment, Guaranteed Interest or the Investment Project.
- 7.7 The Guarantee Holder shall promptly notify Finnvera in writing of changes in circumstances, which have come to their attention, that are likely to increase the risk of loss. Furthermore, after the occurrence of a Guarantee Event, the Guarantee Holder is to make a notification as specified in Section 5.
- 7.8 The Guarantee Holder shall, to the extent possible, ensure that the Guarantee Holder and the Project Enterprise exercise due diligence and care to avert any losses and take all possible measures to prevent or restrict losses.
- 7.9 Without prior written notification to Finnvera, the Guarantee Holder is not entitled to take the following measures:
- a) to amend or revoke any integral agreement related to the Guaranteed Loan Investment, Guaranteed Interest or the Investment Project, once the Guarantee has become valid and effective;
  - b) to give up, partly or totally, the Guaranteed Loan Investment, the Guaranteed Interest, the Investment Project, or any claims or other rights related to them or to alter them, including alterations pertaining to the repayment schedule, or to release anyone from their obligations;

and

Immediately after having taken any above described measure, the Guarantee Holder shall notify Finnvera thereof and submit an application for the inclusion of the necessary changes to the Guarantee Agreement.

- 7.10 The Guarantee Holder is not entitled, without Finnvera's written consent, to cover or to transfer to a third party the self-risk portion specified in the Guarantee Agreement, by insuring that portion in another insurance or credit institution.

## **8 Termination of the Guarantee by Finnvera**

Finnvera may terminate the Guarantee Agreement to the extent that the Investment is not yet executed if Finnvera, once the Guarantee has become effective, becomes aware of a matter that is considered to substantially increase the likelihood of a loss.

## **9 Termination of the Guarantee by the Guarantee Holder**

- 9.1 The Guarantee Holder may terminate the Guarantee Agreement with a 30 day prior notice, provided, however, that the Premium must be paid to the end of the Guarantee Year in which the validity of the Guarantee ends.
- 9.2 If the Guarantee Holder terminates the Guarantee Agreement before the Guarantee has been effective for a minimum of (3) three years, the Guarantee Holder is obliged to pay as a Guarantee Premium an amount corresponding to those Guarantee Premiums which would have been charged during three Guarantee Years for the unamortized amount of the Guaranteed Investment as it is stated in the Guarantee Agreement.

## **10 Indemnifiable Loss**

- 10.1 Calculation of a Guarantee-Covered Loss is based on the lower of the following:
- a) as specified in the Guarantee Agreement, the amount of the Guaranteed Loan Investment and/or the amount of the Guaranteed Interest on the Date of Guarantee Event
  - b) the loss calculated as described in Subsection 10.4.
- 10.2 The Guarantee-Covered Loss is obtained by subtracting from the lower value mentioned in Subsection 10.1 above, the payments received by the Guarantee Holder, the Project Enterprise or their representatives from the Host Country Authorities as compensation or otherwise for the Guarantee-Covered Loss, including funds received by the Guarantee Holder from the realisation of any collateral.

The payments are not, however, subtracted if they have been effected in Local Currency and it has not been possible to convert them into Guarantee Currency and transfer them from the Host Country or if the Guarantee Holder or the Project Enterprise can not use them otherwise. If required by Finnvera, the Local Currency, or the right to the Local Currency, not converted, transferred or made use of, shall be assigned to Finnvera or to a party specified by Finnvera.

- 10.3 The Guarantee Holder shall be paid as indemnity a percentage of the Guarantee-Covered Loss in accordance with the Percentage of Cover in the Guarantee Currency.
- 10.4 Depending on the Guarantee Event, the loss is calculated as follows:

- a) transfer risk: in cases falling under Subsection 4.1, the funds intended for the payment of the Guaranteed Loan Investment and/or Guaranteed Interest not transferred and/or converted;
  - b) expropriation: in cases falling under Subsection 4.2, the loss is:
    - (i) the amount of Guaranteed Loan Investment and/or Guaranteed Interest fallen due, if the default in payment occurred in accordance with Subsections 4.2 a) and c-f);
    - (ii) in cases falling under Subsection 4.2 b) the amount in Guarantee Currency which, on the basis of information provided by the Guarantee Holder and acquired by Finnvera, would feasibly have been obtained from the security in a realisation carried out on the date of the Guarantee Event;
    - (iii) the Guarantee-Covered funds, the control or use of which the Guarantee Holder is deprived of in accordance with Subsection 4.2 g).
  - c) war: in cases falling under Subsection 4.3, the loss is the amount of due and unpaid Guaranteed Loan Investment and/or Guaranteed Interest.
- 10.5 The Guarantee shall only cover loss that was caused by a Guarantee Event, the Date of which is within the Guarantee Period.
- 10.6 The Guarantee shall not cover loss related to such funds, which the Guarantee Holder and/or the Project Enterprise have not attempted to transfer or convert as soon as practically possible.
- 10.7 The Guarantee shall not cover a loss that has been covered, or would have been covered with other insurance if the insurance cover of the Project Enterprise would have been in accordance with that normally used in the same line of business.

## **11 Exchange Rate Applied to Indemnification**

- 11.1 The Guaranteed Investment and the Guaranteed Earnings shall be converted into the Guarantee Currency by applying the Exchange Rate Published by the European Central Bank on the Date of the Guarantee Event, or in case such rate is not available, by applying the Reference Rate of Exchange.
- 11.2 The expenses paid in a foreign currency by the Guarantee Holder, or the payments referred to in Subsection 10.2, shall be converted into the Guarantee Currency by applying the Exchange Rate Published by the European Central Bank on the date when the expenses were paid or the payments made, or in case such rate is not available, by applying the Reference Rate of Exchange.

## **12 Claim for and Decision on Indemnity**

- 12.1 Finnvera shall become liable for indemnification and a claim for indemnity pursuant to the Guarantee Agreement may be submitted when the Guarantee-Covered Loss, as described in Section 3, has occurred. The claim shall be submitted to Finnvera in writing, within (1) one year of the date of the occurrence of Guarantee-Covered Loss. If the claim is not submitted within the specified period, the Guarantee Holder's right to indemnity shall lapse.
- 12.2 After becoming liable to pay indemnity, Finnvera has the right to pay the indemnity for the entire Guaranteed Loan Investment and Guaranteed Interest, including any receivables not yet due, or to pay the indemnity in accordance with the repayment schedule of the agreement on the



Guaranteed Loan Investment as it is confirmed in the Guarantee Agreement.

The Guaranteed Interest shall be indemnified up to the due date specified in the repayment schedule confirmed in the Guarantee Agreement. If, however, the indemnity is paid before the due date, indemnification for interest is paid only up to the date when the indemnity is paid.

- 12.3 Finnvera shall give its decision on indemnity within 120 days of the date when the claim for indemnity was filed and all the requested clarifications were submitted. In the event that the Guarantee Holder has not, notwithstanding written requests, provided Finnvera or its authorised representative with the additional information requested, Finnvera may set a reasonable deadline for delivering the additional information, after which time Finnvera may give its indemnity decision on the basis of the information at hand within 120 days of the expiration of the deadline that Finnvera has set.
- 12.4 Finnvera may give a decision on an advance indemnity, and may pay advance indemnity against a repayment commitment. Should the advance indemnity exceed the final indemnity that is confirmed at a later date, the Guarantee Holder shall repay the amount exceeding the final indemnity within the time mentioned in the indemnity decision, plus the interest and costs agreed in the repayment commitment. Finnvera may require security for the repayment of advance indemnity.

### **13 Measures to be taken in Anticipation of Loss**

When the Guarantee Holder becomes aware of a fact or matter which will probably lead to a Guarantee-Covered Loss, the Guarantee Holder is required to take all measures considered necessary, and all measures required by Finnvera, to secure the rights and collateral related to the Guaranteed Loan Investment, Guaranteed Interest and the Investment Project, and to avoid and restrict losses.

### **14 Measures to be taken in Connection with Payment of Indemnity**

- 14.1 In connection with the payment of indemnity, the Guarantee Holder is required:
- a) regardless of whether the rights based on the Guaranteed Loan Investment and the Guaranteed Interest have been transferred to Finnvera, to take all necessary measures to secure the rights and collateral related to the Guaranteed Loan Investment, Guaranteed Interest and the Investment Project, and to take all measures required by Finnvera, including legal measures, to secure and facilitate recovery;
  - b) in the event that the Guarantee-Covered Loss has been caused by a transfer risk referred to in Subsection 4.1 or a deprivation falling under Subsection 4.2 g), to maintain possession of the Local Currency or the Guarantee Currency, or the rights associated with them, on behalf of Finnvera, and to take all the necessary measures, if so required by Finnvera, to transfer the Local Currency or the Guarantee Currency or the rights associated with them to Finnvera;
  - c) in cases falling under Subsections 4.2 and 4.3, to keep in possession on behalf of Finnvera and to transfer to Finnvera, if so required by Finnvera, all rights and documents based on the Guaranteed Loan Investment, Guaranteed Interest, property of the Project Enterprise, the Guarantee Event and the collateral.
  - d) to control the payments received by the Project Enterprise or its representative from the Host Country Authorities, or the proceeds otherwise received for the indemnified loan Investment or

indemnified interest, to notify Finnvera thereof and to render them to Finnvera in accordance with Subsection 14.3.

- 14.2 After becoming liable for payment of indemnification, Finnvera shall have the right to demand the Guarantee Holder to transfer to Finnvera free of all encumbrances all the rights connected to the Guarantee Event mentioned in Subsections 4.1 b) and c), unless otherwise agreed between the Guarantee Holder and Finnvera.
- 14.3 The Guarantee Holder shall transfer to Finnvera in full the funds recovered or received after the payment of indemnity, dividing the funds in the same proportion as Finnvera has indemnified the Guaranteed Loan Investment and/or the Guaranteed Interest in accordance with the terms of the Guarantee. The transfer shall be made within (14) fourteen days of the day the Guarantee Holder has received the payment. If the payment has been made to a representative of the Guarantee Holder, the Guarantee Holder must prove, if so required, that the transfer of the funds to the account of the Guarantee Holder has taken place promptly.
- 14.4 Finnvera shall, within (14) fourteen days of the day on which Finnvera has received a payment, transfer to the Guarantee Holder the funds recovered or received after the payment of indemnity, after first deducting the recovery costs, dividing the funds in the same proportion as Finnvera has indemnified the Guaranteed Loan Investment or the Guaranteed Interest.
- 14.5 Finnvera shall indemnify the recovery costs and the costs resulting from safeguarding measures mentioned in Subsection 14.1 a) paid by the Guarantee Holder with respect to the Guaranteed Investment and/or Guaranteed Earnings in the same proportion as it has indemnified, or would have been obliged to indemnify, the Guaranteed Investment and/or Guaranteed Earnings under the Conditions of the Guarantee. Indemnity for recovery costs is paid in the Guarantee Currency, according to the Exchange Rate Published by the European Central Bank on the date of payment of the recovery costs, or in case such rate is not available, by using the Reference Rate of Exchange. Verification of payment of the costs to be indemnified must be submitted together with the other clarifications.
- 14.6 The funds received from the Project Enterprise or its representatives, and the payments received in accordance with Subsection 10.2, shall be applied as agreed in the agreement on the Loan Investment or, if no agreement has been made or provisions given on such application, the funds shall be applied to the Guaranteed Loan Investment and/or the Guaranteed Interest in the following order:
- a) costs incurred in the recovery of the Guaranteed Loan Investment and/or the Guaranteed Interest;
  - b) penalty interest, in the order in which the Guaranteed Loan Investment and/or the Guaranteed Interest to which they relate has fallen due;
    - (i) the Guaranteed Interest in the order it has fallen due;
    - (ii) the Guaranteed Loan Investment.

In the event that a payment could be applied to several instalments of principal of the Guaranteed Loan Investment, the payment shall be applied in the order determined by the payer, or if such determination does not exist, in the order determined by Finnvera.

An exception may be made to this order of application if appropriate and effective recovery is thereby rendered more likely.

## 15 Release of Finnvera from Liability

15.1 Finnvera shall be released from all liability to pay indemnity under the Guarantee Agreement, and the Guarantee Holder shall be required to repay the amount indemnified under the Guarantee Agreement, including an annual interest of 16% as from the date of the payment of indemnity, and to compensate for all damage suffered by Finnvera, if the Guarantee Holder:

- a) fails to comply with Subsections 7.1, 7.2 or 7.3 or defaults on the payment of the Premiums specified in the Guarantee Agreement;
- b) fails to comply with other terms of the Guarantee, and the consequences of such non-compliance cannot be considered insignificant with respect to the occurrence of a loss or the amount of a loss;
- c) has misrepresented or concealed a matter that the Guarantee Holder knew or should have known to be significant for the handling of the Guarantee application, or for the occurrence or amount of a loss; or
- d) has, in some respect that is significant to Finnvera, acted with wilful intent to cause damage, or fraudulently or with gross negligence.

15.2 Finnvera may, however, if the Guarantee Holder's breach can be regarded as minor in respect of the degree of culpability or the significance of the negligence, decide to pay indemnity or not to recover any indemnity already paid, either wholly or partly.

## 16 Penalty Interest and Recovery Costs

Finnvera shall charge penalty interest at 16 % per annum calculated as from the due date on any payments overdue from the Guarantee Holder to Finnvera, as well as any recovery costs incurred.

## 17 The Guarantee Holder's Right to Appeal

Should the Guarantee Holder not be satisfied with the indemnity decision given by Finnvera, the Guarantee Holder must within (6) six months of having been verifiably informed thereof, institute legal proceedings regarding the indemnity decision in a court of competent jurisdiction. Should the Guarantee Holder not institute proceedings within the above mentioned time or should the thus instituted proceedings not be brought to a final decision, the case shall rest on the indemnity decision of Finnvera.

No appeal lies from a decision by Finnvera on advance indemnity.

## 18 Applicable Law and Settlement of Disputes

18.1 The Guarantee Agreement shall be governed by Finnish law.

18.2 Disputes arising from the Guarantee Agreement shall be settled by the Helsinki District Court, or as separately agreed in the Guarantee Agreement.