

General Conditions for Equity Investment Guarantee

1 January 2002

1 Definitions

Book Value of Tangible Assets	The value of the Project Enterprise's assets affected by the Guarantee Event, calculated in accordance with Appendix 1 to these Conditions.
Book Value of the Project Enterprise	Equity of the Project Enterprise calculated in accordance with Appendix 1 to these Conditions.
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 title to the Equity Investment that forms the object of the Guarantee passes to the Project Enterprise.
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 Earnings	Dividends yielded by the Guaranteed Investment as specified in the Guarantee Agreement are defined as being the funds, the distribution of which as dividends has been bindingly decided by the Project Enterprise each Guarantee Year in accordance with the laws and regulations of the Host Country, and which Finnvera has, on application by the Guarantee Holder, accepted to be included in the Guarantee for that particular Guarantee Year.
Guaranteed Investment	The Equity Investment so designated in the Guarantee Agreement.
Host Country	The Host Country specified in the Guarantee Agreement.
Host Country Authorities	The present or any succeeding authority exercising centralized 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"> 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') 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"> (a) the most representative rate legally used by commercial banks or any other private market in the Host Country; or (b) the rate used outside the Host Country in the most active market for conversion of Local Currency into Guarantee Currency. 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.

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 Guaranteed Earnings or proceeds from the disposal of the Guaranteed Investment from Local Currency into Guarantee Currency;
- b) converting the earnings or proceeds referred to above in Subsection 4.1 a) into Guarantee Currency at an exchange rate at least as favourable as the Reference Rate of Exchange on the Date of Guarantee Event; or
- c) transferring the earnings or proceeds referred to above in Subsection 4.1 a) in Guarantee Currency outside the Host Country.

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

- (i) the Guarantee Holder or the Project Enterprise can in the Host Country freely dispose of the Local Currency or the Guarantee Currency in its possession; 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 title to the Guaranteed Investment;
- b) deprives the Guarantee Holder of his right to Guaranteed Earnings;
- c) deprives the Guarantee Holder of his rights with respect to funds or other assets obtained as earnings on account of the Guaranteed Investment or its disposal;

- d) deprives the Project Enterprise of its title or its right of possession to the tangible assets of the Project Enterprise or prevents free disposition by the Project Enterprise of its tangible assets;
- e) prevents the Guarantee Holder from freely disposing of the Guaranteed Investment;
- f) 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; or
- g) 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;

provided that, in cases falling under Subsections a) to g) above, such deprivation, prevention or other aforementioned action continues in effect for a minimum of 365 consecutive days; and

in cases falling under Subsection f) above, the prevention forces the Project Enterprise to discontinue its operations or material parts thereof for a minimum of 365 consecutive days.

When several consecutive actions taken by the Host Country 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 arising from 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.

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.

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;
- b) 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
- c) 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 Guaranteed Investment and Guaranteed Earnings

The Guarantee Agreement shall determine the starting value of the Guaranteed Investment. The amount of Guaranteed Investment may be reduced per Guarantee Year as agreed in the Guarantee Agreement. Indemnification paid reduces the amount of Guaranteed Investment by a sum that equals the corresponding Guarantee-Covered Loss.

Per Guarantee Year, earnings are eligible for cover up to a limit of 20% of the amount of the Guaranteed Investment at the beginning of the Guarantee Year in question. During the Guarantee Period, the overall maximum of Guaranteed Earnings eligible for cover is limited to 100% of the starting value of the Guaranteed Investment. For earnings, indemnification paid reduces the Guaranteed amount of earnings 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 as from the commencement of the execution of the Guaranteed Investment all documents regarding the Guaranteed Investment are binding and valid and do not contain anything which would diminish or weaken the Guarantee Holder's right to ownership of the Project Enterprise or his right to receive Guaranteed Earnings.
- 7.2 The Guarantee Holder shall be responsible for ensuring, that the Host Country Authorities have given their consent for the Guaranteed Investment, the Guaranteed Earnings 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 Investment, Guaranteed Earnings 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 both the date of execution and the amount of the Guaranteed 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 Investment, the Guaranteed Earnings and the Investment Project;
- d) promptly submit to Finnvera, on request, documents and information relating to the Guaranteed Investment, Guaranteed Earnings and the Investment Project; and
- 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 Investment, the Guaranteed Earnings 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 Investment, Guaranteed Earnings or the Investment Project, once the Guarantee has become valid and effective; or
- b) to give up, partly or totally, the Guaranteed Investment, the Guaranteed Earnings, 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;

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.

7.11 The Guarantee Holder shall, for the indemnification procedure acquire and deliver to Finnvera a calculation, as specified in Appendix 1 to these Conditions, by an accountant authorised by the Central Chamber of Commerce, in such cases where the determination of the Book Value of the Project Enterprise or of the Book Value of Tangible Assets is, according to these Conditions, a prerequisite for the calculation of the indemnifiable loss.

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 Premium an amount corresponding to those Premiums which would have been charged during three Guarantee Years for the starting value of the Guaranteed Investment.

10 Indemnifiable Loss

- 10.1 Calculation of a Guarantee-Covered Loss is based on the lower of the following:
- a) as determined by the Guarantee Agreement, the amount of the Guaranteed Investment and/or the amount of the Guaranteed Earnings on the Date of Guarantee Event; or
 - 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,
- a) 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.
- 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.
- b) the residual market value to the Guarantee Holder of tangible assets included in the calculation of indemnification
 - c) in cases falling under Subsections 4.2 a)-g) and 4.3 b) the amount of the decrease in the Book Value of the Project Enterprise, which corresponds to the Guarantee Holder's proportion of the ownership of shares in the Project Enterprise and occurs during the 365-day period, which starts on the date of the Guarantee Event referred to under Subsections 4.2 a)-g) and 4.3 b), and is unrelated to the realisation of the risks described in such Subsections.
- 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 covered by the Guarantee not transferred and/or exchanged;
 - b) expropriation: in cases falling under Subsection 4.2, the loss is:
 - (i) such percentage of the Book Value of the Project Enterprise, which represents the Guarantee Holder's proportion of the shares of the Project Enterprise, to the extent that the Guarantee Holder is deprived of his title to the Guaranteed Investment in accordance with Subsection 4.2 a);
 - (ii) the amount of the Guaranteed Earnings of which the Guarantee Holder is deprived in accordance with Subsection 4.2 b);
 - (iii) the amount of funds or the monetary value of other assets obtained as earnings on account of the Guaranteed Investment or due to its disposal, of which the Guarantee Holder is deprived in accordance with Subsection 4.2 c), such monetary value of assets being determined on the basis of the Guarantee Holder's bookkeeping;
 - (iv) such percentage of the Book Value of Tangible Assets, which represents the Guarantee Holder's proportion of the shares of the Project Enterprise, and of which the Project Enterprise is deprived in accordance with Subsection 4.2 d);
 - (v) such percentage of the Book Value of the Project Enterprise, which represents the Guarantee Holder's proportion of the shares of the Project Enterprise, under Subsections 4.2 e)-g);
 - c) war: in cases falling under Subsection 4.3, the loss is:
 - (i) in cases falling under Subsection 4.3 a), the lowest of the following:
 - (a) such percentage of the Book Value of the Tangible Assets destroyed, disappeared or physically damaged, which represents the Guarantee Holder's proportion of the shares of the Project Enterprise
 - (b) the reasonable costs of replacing such assets with corresponding assets,
 - (c) with respect to physically damaged assets, the reasonable repair costs; or
 - (ii) in cases falling under Subsection 4.3 b), such percentage of the Book Value of the Project Enterprise, which represents the Guarantee Holder's proportion of the shares of the Project Enterprise.
- 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 In addition to Subsections 10.5 and 10.6, the indemnification of Guaranteed Earnings is limited in such a way, that on the basis of the Guarantee only such loss is indemnified, where the Date of Guarantee Event connected with the Guaranteed Earnings in question falls not more than one year after the termination of the Guarantee Year, during which the decision on the distribution of dividend of the Guaranteed Earnings in question has been made.
- 10.8 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 4, 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 Finnvera shall give its indemnity decision within 120 days of the date when the claim for indemnity was filed and all the requested clarifications were submitted. For the indemnification procedure the Guarantee Holder shall also deliver to Finnvera a calculation as specified in Subsection 7.11, which, however, is not binding on Finnvera when making an indemnity decision. When considering the indemnity decision, Finnvera shall take into account this calculation as well as other clarifications.

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.

- 12.3 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 related to the Guaranteed Investment, the Guaranteed Earnings 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 Investment and the Guaranteed Earnings have been transferred to Finnvera, to take all necessary measures to secure the rights and collateral related to the Guaranteed Investment, Guaranteed Earnings 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 risks referred to in Subsection 4.1 , 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 Investment, the Guaranteed Earnings, the property of the Project Enterprise and the Guarantee Event; and
- 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 Investment or indemnified earnings, 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 Investment and/or the Guaranteed Earnings in accordance with the Conditions 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 Investment or the Guaranteed Earnings.

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.

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 Conditions 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.

Appendix 1

Determination of the Book Value

Book Value of the Project Enterprise

The book value of the Project Enterprise shall be determined on the basis of the equity shown by the financial statements of the Project Enterprise and adjusted, if necessary, as provided below.

Book Value of Tangible Assets

The book value of tangible assets shall be determined on the basis of the assets shown by the financial statements and adjusted, if necessary, as provided below.

1. The accounts of the Project Enterprise shall be drawn up in accordance with Finnish accounting principles, unless otherwise specified in the Guarantee Agreement.
2. The book value of the Project Enterprise shall be calculated in the Guarantee Currency.
3. If the financial statements of the Project Enterprise have been prepared in the Local Currency, all assets and liabilities shall be converted into the Guarantee Currency by applying the Exchange Rate Published by the European Central Bank, or if such rate is not available, the Reference Rate of Exchange on the Date of Guarantee Event. In such a case, non-monetary assets, the acquisition cost of which has been entered in the books in Local Currency, may be appreciated in accordance with accounting principles generally accepted in the Host Country, provided that:
 - a) the Host Country has experienced a cumulative inflation of 100% or more over a period of three years immediately preceding the Date of Guarantee Event; and
 - b) after the conversion into the Guarantee Currency, the non-monetary assets concerned are not stated at a higher value than they would have been stated if the financial statements of the Project Enterprise had been prepared in the Guarantee Currency throughout the Guarantee Period and, unless otherwise agreed in the Guarantee Agreement, in accordance with Finnish accounting principles.
4. Any economic impairment of the non-monetary assets shall be reflected in the financial statements fairly and without delay.
5. The provisions of Standard No. 9 of the International Accounting Standards Committee (IASC) shall be adhered to in entering research and development costs incurred by the Project Enterprise.
6. Any deferred tax assets and liabilities shall be eliminated from the financial statements.
7. The direct taxes of the Project Enterprise shall be calculated and entered assuming that the Project Enterprise files its tax returns as a separate and independent juristic person.
8. All transactions carried out by the Project Enterprise with any affiliated company shall be entered as if such transactions had been made with a non-affiliated company at arm's length.
9. Financial statements shall be prepared as of the Date of Guarantee Event as if the Guarantee Holder's and/or Project Enterprise's financial year ended on such date.

10. The Guarantee Holder shall record its proportionate share of the Project Enterprise's profit or loss in accordance with the equity method of accounting provided in Standard No. 3 of the IASC.

Definitions:

"Affiliated Company"	<p>The Guarantee Holder and any other natural or juristic person that directly or indirectly, through one or more intermediaries, controls the Guarantee Holder and the juristic persons controlled by the Guarantee Holder or the Project Enterprise. Such control means:</p> <p>(i) possession of the power of decision in the management of an enterprise through ownership, by contract or otherwise; and</p> <p>(ii) in the absence of evidence to the contrary, control is presumed to be possessed by any person that directly or indirectly owns or holds with the power to vote, 5% or more of another person's voting right.</p>
"Non-monetary Assets"	<p>Assets on the balance sheet other than cash, marketable securities and accounts receivable.</p>