

General Conditions for Finance Guarantees

6 December 2004

The Finance Guarantee entitles the Guarantee Holder to indemnification from Finnvera, in accordance with these General Conditions, for Loss incurred as a result of the materialisation of the Risk.

The Guarantee Agreement may include conditions that complement or deviate from these General Conditions.

1 Definitions

Capitalised terms used in these General Conditions shall have the following meanings:

Banking Day	a day on which banks are generally open for business in Helsinki.
Berne Union	the International Union of Credit and Investment Insurers.
Borrower	the borrower specified in the Guarantee Agreement.
Claim	the claim for indemnification made by the Guarantee Holder.
Credit	the credit specified in the Guarantee Agreement.
Credit Agreement	the loan agreement and/or the debt instrument, specified in the Guarantee Agreement, evidencing the Credit.
Credit Documents	the Credit Agreement, documents relating to the Security and other finance documentation relating to the Credit.
Delivery Contract	the delivery contract specified in the Guarantee Agreement.
ECB Exchange Rate	the euro foreign exchange reference rate published by the European Central Bank. Should no such rate be available, the exchange rate will be the average exchange rate quoted by three major international banks for the purchase of such currency.
Euro	the single currency of any Member State that has adopted euro as its lawful currency.
Exporter	the exporter specified in the Guarantee Agreement.
Finance Guarantee	the finance guarantee determined by the Guarantee Agreement to which both the terms of the Guarantee Agreement and these General Conditions apply.
Finnvera	Finnvera plc, a Finnish limited liability company established by law and operating as the official export credit agency in Finland.

General Conditions	these General Conditions for Finance Guarantees.
Guarantee Agreement	the guarantee agreement, together with any amendments agreed thereto, entered into between the Guarantee Holder and Finnvera.
Guarantee Holder	the party, other than Finnvera, to the Guarantee Agreement.
Guarantee Premium	the guarantee premium specified in the Guarantee Agreement.
Guaranteed Receivables	the guaranteed receivables specified in the Guarantee Agreement.
Guarantor	any person or legal entity specified in the Guarantee Agreement who has issued a guarantee, or has agreed to similar liability, as Security.
Handling Fee	any handling fee charged by Finnvera for decisions made or documents issued in respect of the Finance Guarantee.
Lender	any lender under the Credit Agreement.
Loss	the loss calculated in accordance with Clause 9.
Member State	a country that is a member of the European Union.
OECD	the Organisation for Economic Co-operation and Development.
Percentage of Cover	the share of the Guaranteed Receivables that is covered by the Finance Guarantee, expressed as a percentage in the Guarantee Agreement.
Residual Risk	the share of the Guaranteed Receivables that is not covered by the Finance Guarantee.
Risk	the risk that the Guarantee Holder does not receive payment on or before the due date of payment of an amount due under the Credit Agreement.
Security	the security for the Credit specified in the Guarantee Agreement.

Unless otherwise stated, all references to Clauses made herein are to Clauses of these General Conditions.

Headings are inserted for convenience of reference only, and shall not be taken into account in the application or interpretation of these General Conditions.

In these General Conditions, the words expressed in singular shall include the plural and vice versa.

2 Risks Covered

The Finance Guarantee covers the Risk.

3 Entry into force of the Finance Guarantee

Unless otherwise agreed in the Guarantee Agreement, the Finance Guarantee enters into force when the Guarantee Agreement has been duly signed by Finnvera and the Guarantee Holder and all conditions precedent of the Guarantee Agreement have been met.

4 Guarantee Holder's General Obligations

- 4.1 The Guarantee Holder shall pay the Handling Fee and the Guarantee Premium to Finnvera in accordance with the terms of the Guarantee Agreement.
- 4.2 The Guarantee Holder shall ensure that when the Credit is disbursed and at any time thereafter, the Credit Documents conform with the requirements of the Finance Guarantee and shall not contain anything that might restrict the Guarantee Holder's ability to honour its obligations under the Finance Guarantee. To prevent uncertainty, the fact that Finnvera has reviewed or commented on the Credit Documents, or any other documentation relating to the Credit, shall not reduce the Guarantee Holder's obligations.
- 4.3 The Guarantee Holder shall ensure that when the Credit is disbursed and at any time thereafter, all permits, registrations and other similar arrangements required in respect of the Credit Documents are obtained and valid.
- 4.4 The Guarantee Holder shall ensure that when the Credit is disbursed and at any time thereafter, the payment obligations under the Credit Documents are unconditional and irrevocable, and that they constitute legal, valid and binding obligations of and are enforceable, in accordance with relevant laws, against the party which, under the Credit Documents, is expressed to have assumed such payment obligations. The payment obligations under the Credit Documents shall be independent from and shall not be affected by any interpretation, disputes, claims or counterclaims arising from the Delivery Contract. The Credit Documents shall be transferable to Finnvera.
- 4.5 The Guarantee Holder shall ensure that the Guarantor or any third party providing the Security does not have any right of subrogation against the Borrower prior to or in competition with Finnvera, nor any right to reinsurance or to any other security arrangement in place to cover Finnvera's risks under the Finance Guarantee. Under no circumstances shall Finnvera, in its capacity as guarantor under the Finance Guarantee, be considered to be a co-guarantor to the Guarantor.
- 4.6 The Guarantee Holder shall take all necessary and reasonable actions to safeguard its rights under the Credit Documents, and to avoid and limit the Loss in accordance with Clause 6.1 and 13.
- 4.7 The Guarantee Holder shall not accept any material amendments to, or waive any material rights under, the Credit Documents after the issuance of the Finance Guarantee without Finnvera's prior written consent.
- 4.8 The Guarantee Holder shall not cover the Residual Risk by insurance or security, or otherwise transfer it to a third party, without Finnvera's prior written consent. Finnvera shall have a material reason for denying such consent.
- 4.9 The Guarantee Holder shall not transfer the Finance Guarantee or any rights thereunder to a third party without Finnvera's prior written consent. Finnvera shall have a material reason for denying such consent. To prevent uncertainty, the assignee shall not obtain any better rights towards Finnvera than the Guarantee Holder would have had.

5 Guarantee Holder's Reporting Obligations

- 5.1 The Guarantee Holder shall inform Finnvera in writing of the date and amount of each disbursement under the Credit, and the rate of interest, within five (5) days after the disbursement. The Guarantee Holder shall inform Finnvera of the final repayment schedule within ten (10) days after such final repayment schedule has been determined.
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- 5.2 The Guarantee Holder shall inform Finnvera if the Borrower or the Guarantor is in breach of any payment obligation under the Credit Documents, or if there is any other material event of default under the Credit Documents. Such information shall be provided to Finnvera in writing without delay, however not later than within ten (10) days after the Guarantee Holder has become aware of this.
- 5.3 The Guarantee Holder, to the extent permitted by law, shall inform Finnvera in writing without delay at any time when the Guarantee Holder becomes aware of any change in the financial condition of the Borrower or the Guarantor or in the value of the Security which may (according to what the Guarantee Holder can reasonably be expected to understand at the time) materially increase the risk of Loss.

6 Measures at Material Increase of Risk

- 6.1 If the risk of Loss, in the reasonable opinion of Finnvera, has materially increased as compared against the circumstances prevailing at the time of issuing the Guarantee Agreement, Finnvera and the Guarantee Holder shall consult as to the measures to be taken in order to avoid or limit the Loss. Such measures may include, *inter alia*, cessation of disbursements under the Credit and/or acceleration of the Credit pursuant to the terms of the Credit Documents. If Finnvera and the Guarantee Holder cannot agree, Finnvera may decide on such measures.
- 6.2 If any event occurs that, in the reasonable opinion of Finnvera, is likely to lead to Loss, Finnvera is entitled to pay indemnification including also the Guaranteed Receivables that have not fallen due. In such case, the Guarantee Holder shall provide Finnvera, on request, with the Claim as instructed in the request. The provisions of the Finance Guarantee shall apply *mutatis mutandis*.

7 Claim for Indemnification

- 7.1 The Claim shall be made by the Guarantee Holder in writing, and shall have been received by Finnvera within the following time limits:
- a) The Claim shall have been received within sixty (60) days from the date on which the claimed amount has fallen due in accordance with the Credit Agreement.
 - b) The Claim in respect of default interest shall have been received within sixty (60) days from the date on which the Guarantee Holder has received payment or indemnification in respect of the Guaranteed Receivables.
 - c) The Claim in respect of expenses to be indemnified in accordance with Clause 11.1 shall have been received by Finnvera within sixty (60) days of such expenses being paid.
- 7.2 If the last day of the time limit defined in Clause 7.1 is not a Banking Day, the time limit shall be extended to the next Banking Day.

8 Indemnification Procedure

- 8.1 The Guarantee Holder shall provide Finnvera with the Claim together with all reasonably available documents and information necessary in order for Finnvera to make a decision on indemnification.
- 8.2 In the event that the Claim does not contain sufficient information, Finnvera will instruct the Guarantee Holder to provide the necessary additional information within a time limit determined by Finnvera.
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- 8.3 In the event that the Borrower or the Guarantor, or any other party liable for payment, has commenced a dispute in relation to the Guaranteed Receivables or the Security, the payment obligation of the disputing party shall be confirmed before a decision on indemnification is made. Such payment obligation shall be confirmed through legal proceedings or arbitration unless, in the reasonable opinion of Finnvera, the dispute is evidently groundless or otherwise invalid.

9 Calculation of Loss and Amount of Indemnification

- 9.1 The Loss shall be calculated by deducting from the Guaranteed Receivables, or if the submission of Claim only refers to a part of the Guaranteed Receivables, from such part, the following amounts:
- a) any payments that can be allocated to the Guaranteed Receivables in accordance with Clause 14;
 - b) any proceeds received as a result of realisation of the Security that can be allocated to the Guaranteed Receivables in accordance with Clause 14; and
 - c) any counterclaim eligible for set-off, that the Borrower or the Guarantor or any other person or legal entity liable for payment or providing the Security could make against the Lender, provided that such set-off does not jeopardise the recovery of any other receivables due to the Lender.
- 9.2 The amount of indemnification shall be calculated by multiplying the Loss by the Percentage of Cover. To prevent uncertainty, the release of Finnvera from liability in accordance with Clause 16 shall be taken into account when calculating the amount of indemnification.
- 9.3 If the amounts to be deducted in accordance with Clause 9.1 are denominated in a currency other than that of the Guaranteed Receivables, the amounts to be deducted shall be converted into the currency of the Guaranteed Receivables at the ECB Exchange Rate published on the date on which the amounts were received or set-off in respect of the counterclaim referred to in Clause 9.1 c) is made.

10 Indemnification of Interest and Default Interest

- 10.1 If the Guaranteed Receivables include interest, Finnvera shall indemnify the interest on the amount outstanding up to the due date as specified in the Credit Agreement. However, if Finnvera pays indemnification before the due date, interest shall be indemnified only up to the date on which indemnification is paid.
- 10.2 If the Guaranteed Receivables include default interest, Finnvera shall indemnify the default interest on the amount outstanding for the period from the due date as specified in the Credit Agreement up to the date of the actual payment of the Guaranteed Receivables by the Borrower or the Guarantor or actual payment of realisation proceeds of the Security or the payment of indemnification by Finnvera. However, Finnvera does not pay indemnification for default interest for a period longer than six (6) months. Default interest may be indemnified up to a maximum of 2% per annum above the annual contractual interest rate of the Credit.
- 10.3 Unless otherwise agreed in the Credit Agreement, interest and default interest shall be calculated on the basis of the actual number of days elapsed in a year of 360 days.

11 Indemnification of Collection and Enforcement Expenses

- 11.1 Finnvera shall pay indemnification for the expenses incurred by the Guarantee Holder regarding actions taken in order to safeguard the rights under the Credit Documents, to avoid and limit the Loss and/or to collect the Guaranteed Receivables and enforce the rights under the Credit Documents. If there are any other receivables to which the expenses relate, the expenses shall be divided between such receivables and the Guaranteed Receivables proportionally. Finnvera shall indemnify such expenses in the same proportion as it has paid, or is liable to pay, indemnification for the Guaranteed Receivables.
- 11.2 The expenses specified in Clause 11.1 shall be indemnified in the currency in which such costs were paid. Should this not be possible, such costs shall be converted to the currency of the Credit at the ECB Exchange Rate published on the day such costs were paid.
- 11.3 The Guarantee Holder is not entitled to indemnification for any default interest on the expenses specified in Clause 11.1.

12 Decision on and Payment of Indemnification

- 12.1 Finnvera shall make the decision on indemnification within thirty (30) days of the date when Finnvera has received the Claim and all necessary information. Should the Guarantee Holder not have provided Finnvera with the information as instructed in accordance with Clause 8.2 within the time limit set by Finnvera, Finnvera has the right to make the decision on the basis of the information available.
- 12.2 Payment of indemnification is not subject to any prior realisation of the Security.
- 12.3 Finnvera shall pay the indemnification promptly after the decision to pay has been made. However, if the indemnification refers to the whole amount of any outstanding Guaranteed Receivables, Finnvera shall have the right to pay the indemnification either in a lump sum promptly after the decision on indemnification has been made or in arrears following the repayment schedule agreed in the Credit Documents. The lump sum indemnification shall include the accrued interest to the date of payment by Finnvera and shall not include any interest not yet accrued.
- 12.4 Upon the Guarantee Holder's written request, Finnvera may decide to pay an advance indemnification although the exact amount of the Loss has not been finally established. Should the amount of the advance indemnification exceed the final amount of indemnification, the Guarantee Holder shall repay the excess together with interest thereon, set out in the decision on the advance indemnification. Finnvera may require security from the Guarantee Holder to secure the repayment liability of the Guarantee Holder.
- 12.5 Finnvera shall pay the indemnification in the same currency as the currency in which the Credit is denominated.

13 Collection and Enforcement

- 13.1 In the event that the Borrower, the Guarantor or any other party liable for payment fails to pay any amount payable by it under the Credit Documents, the Guarantee Holder shall, on its own initiative and without delay, initiate measures to collect the Guaranteed Receivables from the party liable for payment. Finnvera shall give the Guarantee Holder all necessary assistance and support, by all reasonable means available, to collect the Guaranteed Receivables.
- 13.2 The Guarantee Holder shall consult with Finnvera regarding measures of collecting the Guaranteed Receivables in cases where the Security is to be realised or precautionary measures are to be taken, or in cases where the collection or enforcement could lead to exceptionally high costs. However, the Guarantee Holder, without prior consulting with
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Finnvera, may initiate such collection and enforcement measures that need to be initiated urgently. Should the Guarantee Holder and Finnvera not be in agreement as to the collection and enforcement measures, Finnvera will make the decision, with reasonable consideration of the Guarantee Holder's interests.

- 13.3 At the time of payment of indemnification, or thereafter, the Guarantee Holder shall transfer, or arrange the transfer, of the Guaranteed Receivables and the Security to Finnvera upon Finnvera's request. In such case Finnvera shall collect the Guaranteed Receivables, and the Guarantee Holder shall give all necessary assistance and support, by all reasonable means available, to collect the Guaranteed Receivables and pay its proportional share of the expenses incurred. To prevent uncertainty, if there are any other receivables to which the expenses relate, the expenses shall be divided proportionally between such receivables, the Guaranteed Receivables covered by Finnvera and the Residual Risk.
- 13.4 In the event that the Guaranteed Receivables have been transferred to Finnvera in accordance with Clause 13.3, the Guarantee Holder may instruct Finnvera to discontinue the collection and enforcement measures in respect of the Residual Risk. In such case, Finnvera may continue collection and enforcement measures on its own account only, and Finnvera will be responsible for the collection and enforcement expenses incurred thereafter.

14 Order of Allocation

Any payments or proceeds received relating to the Credit shall be allocated in accordance with the applicable provisions of the Credit Documents. If there are no such provisions, the payments and/or proceeds shall be allocated to overdue instalments under the Credit in the following order, unless otherwise required by law or regulation:

- 1) Any expenses incurred regarding actions taken in order to safeguard the rights under the Credit Documents, or in order to avoid or limit the Loss or to collect the Guaranteed Receivables or in order to enforce the rights under any Credit Document.
- 2) Default interest in the order of maturity of the receivables to which such default interest relates.
- 3) Interest in the order of maturity.
- 4) Principal in the order of maturity.
- 5) Other outstanding amounts.

15 Distribution of Proceeds after Payment of Indemnification

- 15.1 After the payment of indemnification, any payment or proceeds received relating to the Credit shall be divided between the Guarantee Holder and Finnvera *pro rata*, taking into account the amount of indemnification Finnvera has paid.
- 15.2 After the payment of indemnification the Guarantee Holder shall, within ten (10) days of the date the Guarantee Holder or its representative has received any amounts from the Borrower, the Guarantor or any other party liable for payment or from realisation of the Security, pay to Finnvera the respective share of the amounts received.
- 15.3 After the payment of indemnification, Finnvera shall, within ten (10) days of the date it has received any amounts from the Borrower, the Guarantor or any other party liable for payment or from realisation of the Security, pay to the Guarantee Holder the respective share of the amounts received.
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15.4 Finnvera will pay the amount corresponding to the Residual Risk to the Guarantee Holder even if the Guarantee Holder has transferred the Residual Risk to a third party in accordance with Clause 4.8.

16 Release of Finnvera from Liability

16.1 Finnvera shall be released from liability to pay indemnification if Finnvera has not received the Claim within the time limits set out in Clause 7.

16.2 Finnvera shall be released from liability to pay indemnification in the following circumstances:

- a) The Guarantee Holder has failed to comply with any of the obligations under Clause 4.
- b) The Guarantee Holder has failed to comply with any other conditions of these General Conditions and/or the terms and conditions of the Guarantee Agreement and such non-compliance cannot be considered to have only insignificant consequences in relation to the cause or amount of the Loss.
- c) The Guarantee Holder has given Finnvera false or misleading information or has not disclosed information that the Guarantee Holder knew or should have known to be significant when processing the application for the Finance Guarantee.

16.3 However, notwithstanding the provisions of Clause 16.2 Finnvera may decide to pay indemnification or not to reclaim any indemnification already paid, partly or in full, if the Guarantee Holder's negligence is to be regarded as irrelevant or if releasing Finnvera from liability would be unreasonable.

16.4 In the event that Finnvera is released from liability to pay indemnification partly or in full, the Guarantee Holder shall repay, on demand of Finnvera, to the extent Finnvera is released from liability to pay indemnification, any indemnification paid and on demand of Finnvera pay all costs and expenses incurred by Finnvera together with annual interest, determined in accordance with the Act on Interest (633/1982) from the date of payment of indemnification (or the date Finnvera incurred costs and expenses, as the case may be) up to the actual repayment date. The Guarantee Holder shall indemnify Finnvera for expenses and damages that may have been caused by the Guarantee Holder's fraudulent or negligent behaviour.

17 Default Interest

In the event that any amount which the Guarantee Holder or Finnvera is obliged to pay under the Guarantee Agreement is delayed, the relevant party shall pay annual default interest determined in accordance with the Act on Interest (633/1982). The default interest shall be calculated on the basis of the actual number of days elapsed in a year of 360 days.

18 Recovery of the Payments to Finnvera

Pursuant to the Act on the State-Owned Specialist Financing Company (443/1998) payments owing to Finnvera in connection with credits, guarantees or other contingent liabilities provided by Finnvera and any default interest on such payments may be recovered by way of distraint without judgement or decision, as provided in the Act on Recovery of Taxes and Fees by Distraint (367/1961).

19 Finnvera's Right to Set Off

In the event that Finnvera has a payment obligation as against the Guarantee Holder, Finnvera is entitled to set off such payment obligation against any amounts due and owing to Finnvera or the State of Finland from the Guarantee Holder, if such amounts owing from the Guarantee Holder arise in connection with any credit, guarantee or other commitment granted either by Finnvera or its predecessors, the Finnish Guarantee Board, the Export Guarantee Board or the State Guarantee Board.

20 Confidentiality

- 20.1 Finnvera shall keep confidential all information disclosed by the Guarantee Holder to Finnvera, unless otherwise required by law or regulation, or by the rules, regulations and recommendations of the OECD, or as otherwise required to enable Finnvera to cooperate with any member of the Berne Union. However, Finnvera has right to disclose information to its external advisers to the extent necessary to carry out the respective assignment.
- 20.2 In the event that Finnvera reinsures any risk covered by the Finance Guarantee or enters into any other security arrangement to cover such risk, Finnvera may disclose information to the extent necessary for the conclusion and management of such arrangements. Finnvera shall require a confidentiality undertaking from the recipient of such information other than export credit agencies.

21 Applicable Law and Dispute Settlement

- 21.1 The laws of Finland shall govern the Finance Guarantee. The Act on Guarantees and Third-Party Pledges (361/1999) shall not apply to the Finance Guarantee.
- 21.2 Disputes arising from the Finance Guarantee shall be decided by the District Court of Helsinki.
- 21.3 In the event that the Guarantee Holder is not satisfied with Finnvera's decision on indemnification, it shall institute legal proceedings regarding the decision on indemnification in a court referred to in Clause 21.2 within six (6) months after having received the decision. If the Guarantee Holder fails to do so, it shall forfeit its right to contest the decision.