

10 December 2001

**GENERAL CONDITIONS FOR
BOND GUARANTEES
EXPORTER**

These General Conditions for Bond Guarantees shall apply unless otherwise agreed in writing in the Guarantee Policy or otherwise.

1. DEFINITIONS

The following definitions shall apply to these General Conditions:

Beneficiary: The foreign buyer or other foreign beneficiary for whom the Bond is issued.

Contract: The Contract pertaining to export trade between the Exporter and the foreign buyer.

Exchange Rate Published by the European Central Bank

The Exchange Rate Published by the European Central Bank means 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.

Finnvera: Finnvera plc

Guarantee: The Export Guarantee granted by Finnvera to the Insured and to which the General Conditions listed below and the Special Conditions specified in the Guarantee Policy apply.

Guarantee Policy:

The Guarantee Offer given by Finnvera to the Insured with any additional documents pertaining to it.

Premium: The Premium specified in the Guarantee Policy.

Insured: The Insured specified in the Guarantee Policy.

Offer: The Offer pertaining to export trade between the Exporter and a foreign buyer.

Bond Issuer: The bank or other bond issuer, which issues the Bond on behalf of the Exporter or other Insured.

Bond: The Bond which is to be limited as to both the amount and period of validity, issued by the Bond Issuer in favour of a foreign Beneficiary.

Exporter: The Exporter specified in the Guarantee Policy.

2. GUARANTEE EVENTS

2.1. Call of the Bond

The Insured shall, in cases other than those falling under Section 9, be entitled to indemnity under the Guarantee when the Beneficiary has called the Bond and the Bond Issuer has effected payment due to reasons specified below in Subsection 2.1.1 or Subsection 2.1.2. A further prerequisite for the payment of the indemnity shall be that the Insured has presented Finnvera with a receipt of the payment remitted to the Bond Issuer on the basis of the call of the Bond.

2.1.1 Unfair Call

The reason for the call of the Bond is not any action of the Insured contrary to the Offer or the Contract.

In case of an unfair call, the Insured shall without any delay present a demand in writing to the Beneficiary for the repayment of the amount received on the basis of the called Bond.

2.1.2 Call of the Bond due to Political Reasons

The reason for the call of the Bond is the occurrence in the Beneficiary's country of revolution, insurrection, war, civil war, or other such event or measure independent of the Insured and the Beneficiary, which prevents the Insured from complying with the Offer or the Contract.

2.2. Verification of Loss

In an unclear or disputed case, the cause and the amount of the loss must be verified by the Insured, at its own expense, through arbitration or legal proceedings, unless otherwise decided by Finnvera.

2.3. Restriction to the Right to Indemnity

The Insured shall not, however, be entitled to indemnity based on the Guarantee events specified in Section 2 in the event that the reason for the call of the Bond is an action contrary to the Offer or the Contract by a third party acting by order of or in co-operation with the Exporter or the Insured.

3. CALCULATION OF LOSS AND INDEMNIFIABLE LOSS

3.1. Calculation of Loss

The loss shall consist of the amount of the Bond called.

3.2. Indemnifiable Loss

The indemnifiable loss shall be calculated by deducting from the loss any counter-receivables eligible for set-off related to the Offer or the Contract and any advance or other payments received by the Insured, which need not be returned.

3.3. Percentage of Cover

The Guarantee shall cover the percentage of the indemnifiable loss as specified in the Guarantee Policy.

3.4. Secondary Role of the Guarantee

If the Insured is entitled to indemnity under any other guarantee, security or insurance, no indemnity shall be payable for that part.

4. OBLIGATIONS OF THE INSURED

4.1. General Obligations

The Insured is under the obligation to pay the Premium.

The Insured shall obtain written consent from Finnvera to any amendments to the Offer, Contract and Bond conditions, to any acts that deviate from the Offer or the Contract, and to the assignment of any rights and obligations based on the Contract.

4.2. Obligation of Due Diligence

In order to avoid and limit losses, the Insured shall exercise care and caution and, when necessary, negotiate on appropriate measures with Finnvera.

4.3. Obligation to Give Notification

The Insured shall promptly notify Finnvera in writing both of any matter that has come to its knowledge that may lead to a call of the Bond and of the actual call of the Bond or of any matter that may prevent the Exporter from complying with the Offer or Contract or that may otherwise cause an indemnifiable loss.

The Insured shall promptly notify Finnvera in writing of any material changes in the ownership, business and Trade Register information of the Insured.

4.4 Recovery Obligation

The Insured shall take measures to recover the Bond called both before and after the payment of the indemnity. The method of recovery shall be discussed with Finnvera, which shall determine the matter unless agreement can be reached.

In the event that Finnvera is in charge of the recovery, the Insured shall, on demand, by all reasonably available means render Finnvera any assistance and support needed in the recovery of the claim.

5. CLAIM FOR AND PAYMENT OF INDEMNITY

5.1 Claim for Indemnity

In order to retain its right to indemnity, the Insured shall submit any claim for indemnity in writing within (2) two months from the date on which the Insured paid to the Bond Issuer the amount of the Bond called.

5.2 Obligation to Provide Information

When submitting a claim for indemnity, the Insured shall provide Finnvera or its authorised representative with all reasonably available information, documents and other necessary clarification related to the Guarantee event.

In the event that the claim submitted to Finnvera by the Insured shall not include sufficient information to clarify the matter, Finnvera shall request the Insured to provide any necessary and reasonably available additional information.

5.3 Decision on Indemnity

Finnvera shall give its decision on indemnity within (2) two months after the claim for indemnification has arrived, with all the information requested, to Finnvera.

In the event that the Insured has not provided Finnvera or its authorised representative with the information requested, Finnvera may give its decision on indemnity on the basis of the information at hand.

5.4 Advance Indemnity

Finnvera may, in spite of the fact that the amount of loss has not yet been finally determined, give a decision on advance indemnity and pay advance indemnity against a repayment commitment. When making its decision on indemnity, Finnvera may amend any part of its decision on advance indemnity, if the additional information so warrants. In the event that the advance indemnity exceeds the final indemnity confirmed later, the Insured must, within the period of time specified in the decision on indemnity, return the exceeding amount received together with any interest and costs agreed upon in the repayment commitment as well as the penalty interest and recovery costs specified in Section 10. Finnvera may demand a security for repayment of the advance indemnity.

5.5 Right of Set-Off

Finnvera shall be entitled to set off any indemnity to be paid against sums due from the Insured.

5.6 Payment of Indemnity

The indemnity shall be paid in euros.

5.7 Exchange Rate to be Applied

If the currency of payment of the Bond is other than the euro, the Exchange Rate Published by the European Central Bank for such currency on the date of payment of the Bond shall be applied to the calculation of the indemnity. However, the amount of the indemnity paid shall not exceed the amount paid by the Insured.

If the currency of counter-receivables eligible for set-off, or that of advance payments or other payments received by the Insured, which need not be returned is other than the currency of payment of the Bond or the euro, the Exchange Rate Published by the European Central Bank for this currency on the date of issue of the decision on shall be applied to the calculation of the indemnity.

5.8 Assignment of Rights

On or after the payment of indemnity, the Insured shall, on demand, assign the Bond as well as the Offer or the Contract, with all related rights and documents, to Finnvera or its authorised representative.

6. REIMBURSEMENT OF RECOVERY COSTS

Finnvera shall indemnify a percentage corresponding to the percentage of cover of the expenses originating from recovery paid to a third party by the Insured. A receipt of payment of the recovery costs, together with any other information required, must be submitted.

Finnvera shall only reimburse the recovery costs on that amount of the loss which is indisputable.

Finnvera shall reimburse the recovery costs in the currency in which they were paid.

7. APPLICATION OF PAYMENTS

Any payment in respect of the Bond received from the Beneficiary or other party liable for payment, shall be applied in the following order:

1. Costs incurred in recovering the receivables paid to a third party.
2. Receivables of penalty interest.
3. Receivables of interest.
4. Receivables of principal.
5. Other monies due.

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

8. RENDERING ACCOUNT AND DISTRIBUTION OF RECOVERED FUNDS

8.1 Obligation to Render Account

The Insured undertakes that after the payment of indemnity, it shall without any delay transfer any recovered or received funds related to the Guarantee, without any deductions, to Finnvera.

8.2 Distribution of Funds

Recovered funds, including penalty interest after the date of indemnity payment, shall be distributed so that the share paid to Finnvera is equal to the percentage of cover.

9. DISCHARGE OF FINNVERA FROM LIABILITY

9.1 Forfeit of the Right to Indemnity

Finnvera shall be discharged from all obligations and all liability to make indemnity payments in respect of the Guarantee, and the Insured shall be obliged to repay any indemnity paid under of the Guarantee, at an annual interest rate of 16% as from the date of the payment of the indemnity, and to pay compensation to Finnvera for all loss or damage caused by reason of Finnvera's release from liability, in the event that

- 9.1.1 the Premium has not been paid;
- 9.1.2 Finnvera has not received the claim for indemnity within the period of time specified in Section 5 above;
- 9.1.3 the Insured has failed to comply with the General Conditions for Bond Guarantees or with the conditions of the Guarantee Policy;
- 9.1.4 the Insured has falsely reported or concealed a matter that the Insured knew or should have known to be significant for the handling of the Guarantee Application, or for the occurrence or amount of any loss or damage;
- 9.1.5 the Insured, or its authorised representative, has, in some respect that is significant to Finnvera, acted with wilful intent to cause damage, or acted fraudulently or acted with gross negligence.

9.2 Minor Breach

Finnvera may, however, in the case that the Insured's breach can be regarded as minor in view 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 in part.

10. LATE PAYMENTS

Finnvera shall charge penalty interest at 16% per annum on the amounts overdue to Finnvera, as well as any recovery costs arising therefrom.

11. INTEREST AND PENALTY INTEREST

The interest and the penalty interest shall be determined on the basis of a 30-day, month and a 360-day year.

12. ASSIGNMENT OF RIGHTS UNDER THE GUARANTEE

The Guarantee shall be valid exclusively in favour of the Insured specified in the Guarantee Policy, unless Finnvera has agreed in writing to the assignment of the Guarantee.

The assignment of rights under the Guarantee shall not relieve the assignor from its obligations under the conditions of the Guarantee and the assignee shall receive no better right against Finnvera than the assignor would have had.

13. THE RIGHT TO APPEAL OF THE INSURED

Should the Insured not be satisfied with Finnvera's decision on the indemnity, the Insured must institute legal proceedings regarding the decision on the indemnity in a court of competent jurisdiction within (6) six months of having verifiably been informed of the decision on the indemnity. In the event that the Insured shall not institute proceedings within the above mentioned time or should the thus initiated proceedings not be brought to a final decision, the case shall rest on Finnvera's decision on the indemnity.

No appeal lies from Finnvera's decision on advance indemnity.

14. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

14.1 Applicable Law

The Guarantee shall be governed by Finnish law, unless otherwise agreed in the Guarantee Policy.

14.2 Settlement of Disputes

Disputes arising from the Guarantee shall be settled by the Helsinki District Court, unless otherwise agreed in the Guarantee Policy.