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## **SUPPLEMENTARY CONDITIONS**

**to the General Conditions for Guarantee for trade receivables,  
credit period not exceeding 12 months, (March 14, 2014)**

**In relation to extended risk cover for an Assignee**

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**TABLE OF CONTENTS**

1. INTERPRETATION.....1

2. CONDITIONS TO THE APPLICATION OF THIS SUPPLEMENT .....1

3. WAIVERS APPLICABLE TO THE TRANSFEREE .....2

4. SUPPLEMENTARY CONDITIONS IN RELATION  
TO THE GUARANTEE HOLDER .....3

## 1. INTERPRETATION

- 1.1** Terms defined in the guarantee and in the applicable general terms and conditions (including in clause 1 (*Definitions*) shall have the same meaning when used in these supplementary conditions unless otherwise set out herein. A reference to a certain clause shall be a reference to a clause in the general conditions unless otherwise set out herein.
- 1.2** Receivables transferred by the guarantee holder to a transferee which has been approved in writing by EKN in the guarantee (a “**Transferee**” or an “**Assignee**”) are referred to as “**Transferred Receivables**” in these supplementary conditions. In relation to the Transferee a receivable is considered transferred to the Transferee when the transfer is completed according to the agreement between the guarantee holder and the Transferee. Whether the transfer is perfected or not in relation to the debtor, or to a guarantor for the debtor’s obligations, will not affect the Transferee’s rights under the guarantee. What is stated in relation to transfer of receivables shall, save for clause 2.1 (i) of these supplementary conditions, apply also in relation to security over receivables.
- 1.3** Unless otherwise set out in these supplementary conditions, provisions in the guarantee and the general conditions are applicable in relation to the Transferee and to Transferred Receivables. A reference to the guarantee holder shall, when relevant, include a reference to the Transferee. By purchasing Transferred Receivables the Transferee undertakes to comply with the conditions.
- 1.4** Save for clause 4 in these supplementary conditions, the general conditions shall be applied unchanged in relation to the guarantee holder.

## 2. CONDITIONS TO THE APPLICATION OF THIS SUPPLEMENT

- 2.1** These supplementary conditions are applicable provided that;
- (i) it is stated in the guarantee that these supplementary conditions are applicable;
  - (ii) the Transferee does not have a right of recourse against the guarantee holder or against any of the guarantee holder’s group related companies for any part of the Transferred Receivables covered by the guarantee, but only right to payment from the debtor and when relevant from a guarantor for the debtor’s obligations, and;
  - (iii) at the point of transfer of the receivable, the Transferee has ensured its compliance in the relevant transaction with any sanctions from the United Nations, the European Union and Sweden, and thereto related guidance from competent authorities, to the extent the guidance is applicable to the Transferee.

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### **3. WAIVERS APPLICABLE TO THE TRANSFEREE**

- 3.1** The Transferee's right to compensation for Transferred Receivables under the guarantee shall not be affected or limited by the actions or omissions by the guarantee holder (including a consortium partner to him or a person acting on his behalf).
- 3.2** In application of clause 2.1 in relation to the Transferee, a performance shall be deemed effected and a claim for such performance be deemed justified when the receivable is transferred from the guarantee holder to the Transferee.
- 3.3** In application of clause 2.6, third paragraph, the Transferee's right to compensation in accordance with the payment plan originally agreed shall not be affected by an adjustment of the guarantee to cover a new payment plan unless the Transferee has given its written approval to such adjustment of the guarantee.
- 3.4** Clause 2.7, second and third paragraphs, are not applicable in relation to the Transferee.
- 3.5** Clause 3.1 and clause 3.3 are not applicable in relation to the Transferee. If the guarantee holder has not complied with the requirement in clause 3.1 and the Transferee subsequently cannot assign a legally binding claim on the debtor to EKN in accordance with clause 6.1.2 upon indemnification, it shall not affect the Transferee's right to compensation.
- 3.6** With the exception of the first sentence, clause 3.2 is applicable in relation to the Transferee.
- 3.7** Clause 5.2 is not applicable in relation to the Transferee.
- 3.8** Amending clause 5.4, the following shall apply in relation to the Transferee, in any case provided that the guarantee holder has not already, in accordance with clause 5.4, reported such circumstances to EKN. The Transferee shall without undue delay notify EKN in writing;
- (i) if the Transferee has not received payment of a Transferred Receivable within one month from the due date,
  - (ii) upon becoming aware of any event or circumstance that is reasonably likely to cause, or materially increase the risk of, a loss (including the insolvency of a buyer or guarantor), which the Transferee is permitted by applicable law and regulation to disclose to EKN.
- 3.9** Amending relevant parts of clause 5.1, 5.7 and 6.5, the following shall apply in relation to the Transferee:
- (i) When directly or indirectly performing its rights under the contract (see definition of "the contract" in clause 1 (*Definitions*)) and when monitoring the Transferred Receivables, and otherwise trying to prevent or minimise a loss, the Transferee shall exercise the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a prudent Transferee under the same or similar circumstances, but disregarding the guarantee.
  - (ii) When performing its rights under the contract and the Transferred Receivables, the Transferee shall act in accordance with EKN's reasonable instructions.
- 3.10** Clause 5.5 and clause 5.6 are not applicable in relation to the Transferee.

- 3.11** Clause 6.2 (*Disputed claims*) is not applicable in relation to the Transferee. 3.12 Amending clause 6.3.4, the following shall apply in relation to the Transferee. Only amounts received by the Transferee that relates to the relevant Transferred Receivable shall, in case the amount is received before the loss is compensated, be considered in the application of clause 6.4.1 and, in case the amount is received after compensation is paid be allocated between EKN and the Transferee in accordance with clause 6.5.2 second paragraph.
- 3.13** Clause 6.4.3 is not applicable in relation to the Transferee.
- 3.14** In relation to the Transferee, Transferred Receivables shall be considered being within the limit stated in the guarantee without limitations from clause 6.3.5 second paragraph.
- 3.15** The following amendments of clause 7 (*Reduction of indemnification and invalidity*) shall apply in relation to the Transferee:
- (a) Clause 7.1, indents three, six and seven, are not applicable in relation to the Transferee.
  - (b) Clause 7.4, last indent, is not applicable in relation to the Transferee.
  - (c) A declaration by EKN that the guarantee is void pursuant to clause 7.4 due to non-payment of premium (clause 3.4) as against the Transferee and in relation to the Transferred Receivables, may not be made unless EKN has given the Transferee 20 Stockholm banking days' ("**Business Days**") prior notice, with a right for the Transferee to make the payment during that period, before EKN is entitled to take any action described in Clause 7.4.
  - (d) Clause 7.7, third paragraph, is not applicable in relation to the Transferee.
- 3.16** Nothing in the clauses 3.1 to 3.15 of these supplementary conditions shall limit EKN's right according to the general conditions (to the extent applicable) to (i) declare the guarantee void, (ii) adjust the indemnification payable under the guarantee or, (iii) reclaim indemnification which the Transferee was not entitled to due to a breach by the Transferee of any of the obligations assumed by it pursuant to these supplementary conditions. For the avoidance of doubt, EKN cannot take any action against the Transferee for any actions or omissions by the guarantee holder (including a consortium partner to him or a person acting on his behalf).

#### **4. SUPPLEMENTARY CONDITIONS IN RELATION TO THE GUARANTEE HOLDER**

- 4.1** Before guarantee is issued EKN may request copies of transport documents from the guarantee holder which shows that the goods have been delivered in accordance with the contract.
- 4.2** For the avoidance of doubt, the guarantee holder shall, following EKN's request provide documentation in accordance with clause 6.2 when the Transferee has filed a request for compensation. Clause 3.1 of these supplementary conditions is however applicable to the Transferee's right to compensation.
- 4.3** The guarantee holder shall, within 20 Business Days of demand, reimburse EKN for any indemnification paid by EKN to the Transferee, which would not have been paid but for the application of these supplementary conditions.