
SUPPLEMENTARY CONDITIONS

**to the General Conditions for Export Credit Guarantees
(in respect of Loss of Production and Loss on Claim – October 1996)**

In relation to extended risk cover for an Assignee

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1. INTERPRETATION

- 1.1** Terms defined in the guarantee instrument and in the applicable general terms and conditions (including in clause 1 (*Definitions of certain expressions*)) 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 instrument (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 (iii) 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 instrument and the general conditions (to the extent the general conditions not only refer to loss on production, combined guarantee or a guarantee to lender) 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 and provisions in the guarantee instrument shall be applied unaltered 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 instrument that these supplementary conditions are applicable;
 - (ii) the receivable has not become due for payment before being transferred;
 - (iii) 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;
 - (iv) 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.

- 2.2** The Transferee shall be entitled to claim compensation for a loss only if the Transferee, at the point of transfer of the receivable, has received;
- (i) a written confirmation from the guarantee holder that the guarantee holder has received the relevant down payment payable under the contract, and;
 - (ii) a written confirmation from the guarantee holder that the goods has been delivered in accordance with the contract and a copy of the transport documents, or a written confirmation from the debtor that the goods has been delivered in accordance with the contract.

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 2.2.2 (*Loss on claim*) in relation to the Transferee, a performance shall be deemed effected and a claim for such performance be deemed justified, if the Transferee has received documents which meets the requirements in clause 2.2 of these supplementary conditions.
- 3.3** Clause 2.3.1 (b) shall not constitute a prerequisite for the Transferee to demand payment from the debtor before the Transferee makes a request for compensation under the guarantee.
- 3.4** Clause 2.3.2, second paragraph from the end (*Political events*), clause 2.6 (*Assertion of surety and other security*), clause 2.7 (*Demand for payment and protest of bills of exchange*), and clause 3.1 (*Lack of permits etc*) are not applicable in relation to the Transferee.
- 3.5** Clause 3.2 (*The wording of the contract etc*) is not applicable in relation to the Transferee. If the guarantee holder has not complied with the requirement in clause 3.2 and the Transferee subsequently cannot assign a legally binding claim on the debtor to EKN in accordance with clause 5.1.2 upon indemnification, it shall not affect the Transferee's right to compensation.
- 3.6** With the exception of the first sentence, Clause 3.3 (*Changes in the contract*) is applicable in relation to the Transferee.
- 3.7** A declaration by EKN that the guarantee is void pursuant to clause 3.8 (*Omission to pay the premium*) 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 3.8.
- 3.8** Amending clause 4.1, first paragraph (*Obligation to notify EKN*), the following shall apply in relation to the Transferee, in any case provided that the guarantee holder has not already, in accordance with clause 4.1, 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 debtor or guarantor), which the Transferee is permitted by applicable law and regulation to disclose to EKN.

3.9 Amending relevant parts of clause 4.2 (*Measures at increased risk*), clause 5.5.1 (*Measures to be taken after indemnification, basic provisions*), clause 5.5.3 (*Recovery of loss on claim etc*) and clause 6.1 (*Measures for limiting loss*) 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 of certain expressions*)) 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 5.1.1 (*Objections from the debtor etc*) is not applicable in relation to the Transferee and the Transferred Receivables.

3.11 Amending clause 5.1.5 (*Application of amounts received*) the following shall apply in relation to the Transferee. Only amounts received by the Transferee that relates to the relevant Transferred Receivables shall, in case the amount is received before the loss is compensated, be considered in the application of clause 5.2.2 (*Loss on claim*) and, in case the amount is received after compensation is paid be allocated between EKN and the Transferee in accordance with clause 5.5.3 (*Recovery of loss on claim etc*).

3.12 Clause 6.3 (*Inspection*) is not applicable in relation to the Transferee.

3.13 Clause 6.5, fourth paragraph (*The guarantee-holder’s liability for certain damages*), is not applicable in relation to the Transferee.

3.14 Nothing in the clauses 3.1 to 3.13 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. EKN’S RIGHT TO RECOURSE AGAINST THE GUARANTEE HOLDER ETC

4.1 For the avoidance of doubt, the guarantee holder shall, following EKN’s request provide documentation in accordance with clause 5.1.1 when the Transferee has made a request for compensation. Clause 3.1 of these supplementary conditions is, however, applicable to the Transferee’s right to compensation.

4.2 The guarantee holder shall, within 20 Business Days of a demand, reimburse EKN for any indemnification paid by EKN to the Transferee, which the Transferee had no right to receive but for the application of these supplementary conditions.