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# **TAMPERE TRAMWAY**

## **Finance Contract**

*between the*

**European Investment Bank**

*and*

**Tampereen Raitiotie Oy**

**Tampere, 29 September 2017**

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**THIS CONTRACT IS MADE BETWEEN:**

The European Investment Bank having its seat at 100 blvd Konrad Adenauer, Luxembourg, L-2950 Luxembourg, represented by Mr Alexander Stubb, Vice-President,

(the "Bank")

of the first part, and

Tampereen Raitiotie Oy, a company incorporated in Finland (business identity code 2802791-8), having its registered office at Aleksis Kiven katu 14-16 C, 33210 Tampere, Finland, represented by Mr Janne Salonen, Chief Executive Officer

(the "Borrower")

of the second part.

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**WHEREAS:**

- (a) The Borrower has stated that it is undertaking a project of constructing the first phase of a tramway line in the City of Tampere in Finland as more particularly described in the technical description (the "**Technical Description**") set out in Schedule A (the "**Project**").
- (b) The total cost of the Project, as estimated by the Bank, is EUR 315,000,000 (three hundred and fifteen million euros) and the Borrower has stated that it intends to finance the Project as follows:

<b>Source</b>	<b>Amount (EUR m)</b>
Own funds and other borrowed funding	94
Credit from the Bank	150
State of Finland	71
<b>TOTAL</b>	<b>315</b>

- (c) In order to fulfil the financing plan set out in Recital (b), the Borrower has requested from the Bank a credit of EUR 150,000,000 (one hundred and fifty million euros).
- (d) The Bank considering that the financing of the Project falls within the scope of its functions, and having regard to the statements and facts cited in these Recitals, has decided to give effect to the Borrower's request providing to it a credit in an amount of EUR 150,000,000 (one hundred and fifty million euros) under this Finance Contract (the "**Contract**"); provided that the amount of the Bank loan shall not, in any case, exceed (i) 50% (fifty per cent) of the total cost of the Project set out in Recital (b) nor (ii) when aggregated with any EU grants available for the Project, 90% (ninety per cent) of the total cost of the Project set out in Recital (b).
- (e) The board of directors of the Borrower has authorised the borrowing of the sum of EUR 150,000,000 (one hundred and fifty million euros) represented by this credit on the terms and conditions set out in this Contract in the form set out in Annex I and it has been duly certified in the form set out in Annex II that such borrowing is within the corporate powers of the Borrower.
- (f) The financial obligations of the Borrower under this Contract are to be guaranteed by the City of Tampere (the "**Guarantor**") under a guarantee (the "**Guarantee**") by execution of a guarantee agreement in form and substance satisfactory to the Bank (the "**Guarantee Agreement**").
- (g) The Statute of the Bank provides that the Bank shall ensure that its funds are used as rationally as possible in the interests of the European Union; and, accordingly, the terms and conditions of the Bank's loan operations must be consistent with relevant policies of the European Union.
- (h) The financing of the Project may include certain state subsidies or grants and the provision of such funds has been duly authorised and will be provided in compliance with all relevant legislation of the European Union.
- (i) The Bank considers that access to information plays an essential role in the reduction of environmental and social risks, including human rights violations, linked to the projects it finances and has therefore established its transparency policy, the purpose of which is to enhance the accountability of the Bank's group companies towards its stakeholders and the citizens of the European Union in general.
- (j) The processing of personal data shall be carried out by the Bank in accordance with applicable European Union legislation on the protection of individuals with regard to the processing of personal data by the EC institutions and bodies and on the free movement of such data.

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**NOW THEREFORE** it is hereby agreed as follows:

## **INTERPRETATION AND DEFINITIONS**

### **Interpretation**

In this Contract references to:

- (a) Articles, Recitals, Schedules and Annexes are, save if explicitly stipulated otherwise, references respectively to articles of, and recitals, schedules and annexes to this Contract;
- (b) a provision of law are references to that provision as amended or re-enacted; and
- (c) any other agreement or instrument are references to that other agreement or instrument as amended, novated, supplemented, extended or restated.

### **Definitions**

In this Contract:

**"Acceptance Deadline"** for a notice means:

- (a) 16h00 Luxembourg time on the day of delivery, if the notice is delivered by 14h00 Luxembourg time on a Business Day; or
- (b) 11h00 Luxembourg time on the next following day which is a Business Day, if the notice is delivered after 14h00 Luxembourg time on any such day or is delivered on a day which is not a Business Day.

**"Accepted Tranche"** means a Tranche in respect of which a Disbursement Offer has been duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline.

**"Authorisation"** means an authorisation, permit, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Business Day"** means a day (other than a Saturday or Sunday) on which the Bank and commercial banks are open for general business in Luxembourg.

**"Change-of-Control Event"** has the meaning given to it in Article 4.3.A(3).

**"Change-of-Law Event"** has the meaning given to it in Article 4.3.A(4).

**"Consolidated Fixed Assets"** means the total consolidated fixed assets of the Borrower and its Subsidiaries.

**"Contract"** has the meaning given to it in Recital (d).

**"Credit"** has the meaning given to it in Article 1.1.

**"Criminal Offence"** means any of the following criminal offences as applicable: fraud, corruption, coercion, collusion, obstruction, money laundering, financing of terrorism.

**"Deferment Indemnity"** means an indemnity calculated on the amount of disbursement deferred or suspended at the percentage rate (if higher than zero) by which:

- (a) the interest rate net of the Margin that would have been applicable to such amount had it been disbursed to the Borrower on the Scheduled Disbursement Date, exceeds
- (b) the Relevant Interbank Rate (one month rate) less 0.125% (12.5 basis points), unless this value is less than zero, in which case it will be set at zero.

Such indemnity shall accrue from the Scheduled Disbursement Date to the Disbursement Date or, as the case may be, until the date of cancellation of the Accepted Tranche in accordance with this Contract.

**"Disbursement Acceptance"** means a copy of the Disbursement Offer duly countersigned by the Borrower.

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**"Disbursement Acceptance Deadline"** means the date and time of expiry of a Disbursement Offer as specified therein.

**"Disbursement Date"** means the date on which actual disbursement of a Tranche is made by the Bank.

**"Disbursement Offer"** means a letter substantially in the form set out in Schedule C.

**"Disruption Event"** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with this Contract; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of either the Bank or the Borrower, preventing that party:
  - (i) from performing its payment obligations under this Contract; or
  - (ii) from communicating with other parties,

and which disruption (in either such case as per (a) or (b) above) is not caused by, and is beyond the control of, the party whose operations are disrupted.

**"Environment"** means the following, in so far as they affect human health and social well-being:

- (a) fauna and flora;
- (b) soil, water, air, climate and the landscape; and
- (c) cultural heritage and the built environment;

and includes, without limitation, occupational and community health and safety.

**"Environmental Approval"** means any Authorisation required by Environmental Law.

**"Environmental Claim"** means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

**"Environmental Law"** means:

- (a) EU law, including principles and standards;
- (b) national laws and regulations; and
- (c) applicable international treaties,

of which a principal objective is the preservation, protection or improvement of the Environment.

**"EURIBOR"** has the meaning given to it in Schedule B.

**"EUR"** or **"euro"** means the lawful currency of the Member States of the European Union which adopt or have adopted it as their currency in accordance with the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union or their succeeding treaties.

**"Event of Default"** means any of the circumstances, events or occurrences specified in Article 10.1.

**"Final Availability Date"** means the date occurring 36 months after the date of this Contract.

**"Fixed Rate"** means an annual interest rate determined by the Bank in accordance with the applicable principles from time to time laid down by the governing bodies of the Bank for loans made at a fixed rate of interest, denominated in the currency of the Tranche and bearing equivalent terms for the repayment of capital and the payment of interest. Fixed Rate shall include the Margin.

**"Fixed Rate Tranche"** means a Tranche on which Fixed Rate is applied.



"**Floating Rate**" means a fixed-spread floating interest rate, that is to say an annual interest rate determined by the Bank for each successive Floating Rate Reference Period equal to the Relevant Interbank Rate plus the Spread.

"**Floating Rate Reference Period**" means each period from one Payment Date to the next relevant Payment Date; the first Floating Rate Reference Period shall commence on the date of disbursement of the Tranche.

"**Floating Rate Tranche**" means a Tranche on which Floating Rate is applied.

"**GAAP**" means generally accepted accounting principles in country of incorporation of Borrower, including IFRS.

"**Group**" means the Borrower and its Subsidiaries.

"**Guarantee**" has the meaning given to it in Recital (f).

"**Guarantee Agreement**" has the meaning given to it in Recital (f).

"**Guarantor**" has the meaning given to it in Recital (f).

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Indemnifiable Prepayment Event**" means a Prepayment Event other than those specified in paragraphs 4.3.A(2) or 4.3.A(6).

"**Interest Revision/Conversion**" means the determination of new financial conditions relative to the interest rate, specifically the same interest rate basis ("**revision**") or a different interest rate basis ("**conversion**") which can be offered for the remaining term of a Tranche or until a next Interest Revision/Conversion Date, if any, for an amount which, at the proposed Interest Revision/Conversion Date, is not less than EUR 10,000,000 (ten million euros) or the equivalent thereof.

"**Interest Revision/Conversion Date**" means the date, which shall be a Payment Date, specified by the Bank pursuant to Article 1.2.B in the Disbursement Offer or pursuant to Article 3 and Schedule D.

"**Interest Revision/Conversion Proposal**" means a proposal made by the Bank under Schedule D.

"**Interest Revision/Conversion Request**" means a written notice from the Borrower, delivered at least 75 (seventy-five) days before an Interest Revision/Conversion Date, requesting the Bank to submit to it an Interest Revision/Conversion Proposal. The Interest Revision/Conversion Request shall also specify:

- (a) Payment Dates chosen in accordance with the provisions of Article 3.1;
- (b) the preferred repayment schedule chosen in accordance with Article 4.1; and
- (c) any further Interest Revision/Conversion Date chosen in accordance with Article 3.1.

"**Loan**" means the aggregate amount of Tranches disbursed from time to time by the Bank under this Contract.

"**Local Government Act**" means the Finnish local government act (*in Finnish: Kuntalaki*) 10.4.2015/410, as amended.

"**Margin**" means the component of the rate of interest quantified in Article 3.1.

"**Market Disruption Event**" means any of the following circumstances:

- (a) there are, in the reasonable opinion of the Bank, events or circumstances adversely affecting the Bank's access to its sources of funding;
- (b) in the opinion of the Bank, funds are not available from its ordinary sources of funding in order to adequately fund a Tranche in the relevant currency and/or for the relevant maturity and/or in relation to the reimbursement profile of such Tranche; or
- (c) in relation to a Tranche in respect of which interest is or would be payable at Floating Rate:

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- (i) the cost to the Bank of obtaining funds from its sources of funding, as determined by the Bank, for a period equal to the Floating Rate Reference Period of such Tranche (i.e. in the money market) would be in excess of the applicable Relevant Interbank Rate; or
- (ii) the Bank determines that adequate and fair means do not exist for ascertaining the applicable Relevant Interbank Rate for the relevant currency of such Tranche or it is not possible to determine the Relevant Interbank Rate in accordance with the definition contained in Schedule B.

**"Material Adverse Change"** means, any event or change of condition, which, in the opinion of the Bank has a material adverse effect on:

- (a) the ability of the Borrower or respectively the Guarantor to perform its obligations under this Contract or the Guarantee;
- (b) the business, operations, property, condition (financial or otherwise) or prospects of the Borrower, the Guarantor or the Group as a whole; or
- (c) the legality, validity or enforceability of, or the effectiveness or ranking of, or the value of any Security granted to the Bank, or the rights or remedies of the Bank under this Contract or the Guarantee.

**"Maturity Date"** means the last repayment date of a Tranche specified pursuant to Article 4.1.A(b)(iv).

**"Payment Date"** means: the annual, semi-annual or quarterly dates specified in the Disbursement Offer until the Interest Revision/Conversion Date, if any, or the Maturity Date, save that, in case any such date is not a Relevant Business Day, it means:

- (a) for a Fixed Rate Tranche, the following Relevant Business Day, without adjustment to the interest due under Article 3.1; and
- (b) for a Floating Rate Tranche, the next day, if any, of that calendar month that is a Relevant Business Day or, failing that, the nearest preceding day that is a Relevant Business Day, in all cases with corresponding adjustment to the interest due under Article 3.1.

**"Prepayment Amount"** means the amount of a Tranche to be prepaid by the Borrower in accordance with Article 4.2.A.

**"Prepayment Date"** means the date, which shall be a Payment Date, on which the Borrower proposes to effect prepayment of a Prepayment Amount.

**"Prepayment Event"** means any of the events described in Article 4.3.A.

**"Prepayment Indemnity"** means in respect of any principal amount to be prepaid or cancelled, the amount communicated by the Bank to the Borrower as the present value (as of the Prepayment Date) of the excess, if any, of:

- (a) the interest net of the Margin that would accrue thereafter on the Prepayment Amount over the period from the Prepayment Date to the Interest Revision/Conversion Date, if any, or the Maturity Date, if it were not prepaid; over
- (b) the interest that would so accrue over that period, if it were calculated at the Redeployment Rate, less 0.15% (fifteen basis points).

The said present value shall be calculated at a discount rate equal to the Redeployment Rate, applied as of each relevant Payment Date.

**"Prepayment Notice"** means a written notice from the Bank to the Borrower in accordance with Article 4.2.C.

**"Prepayment Request"** means a written request from the Borrower to the Bank to prepay all or part of the Loan, in accordance with Article 4.2.A.

**"Project"** has the meaning given to it in Recital (a).

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**"Redeployment Rate"** means the Fixed Rate excluding the Margin in effect on the day of the indemnity calculation for fixed-rate loans denominated in the same currency and which shall have the same terms for the payment of interest and the same repayment profile to the Interest Revision/Conversion Date, if any, or the Maturity Date as the Tranche in respect of which a prepayment is proposed or requested to be made. For those cases where the period is shorter than 48 (forty-eight) months (or 36 (thirty-six) months in the absence of a repayment of principal during that period) the most closely corresponding money market rate equivalent will be used, that is the Relevant Interbank Rate minus 0.125% (12.5 basis points) for periods of up to 12 (twelve) months. For periods falling between 12 (twelve) and 36/48 (thirty-six/forty-eight) months as the case may be, the bid point on the swap rates as published by Reuters for the related currency and observed by the Bank at the time of calculation will apply.

**"Relevant Business Day"** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (TARGET2) is open for the settlement of payments in EUR.

**"Relevant Interbank Rate"** means EURIBOR.

**"Scheduled Disbursement Date"** means the date on which a Tranche is scheduled to be disbursed in accordance with Article 1.2.B.

**"Security"** means any mortgage, pledge, lien, charge, assignment, hypothecation, or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Spread"** means the fixed spread to the Relevant Interbank Rate (being either plus or minus) determined by the Bank including the Margin and notified to the Borrower in the relevant Disbursement Offer or Interest Revision/Conversion Proposal.

**"Subsidiary"** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50% (fifty per cent) of the voting capital or similar right of ownership, and **control** for this purpose means the power to direct the affairs and/or to control the composition of the board of directors or equivalent body and/or the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**"Tax"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

**"Technical Description"** has the meaning given to it in Recital (a).

**"Tranche"** means each disbursement made or to be made under this Contract. In case no Disbursement Acceptance has been received, Tranche shall mean a Tranche as offered under Article 1.2.B.

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## ARTICLE 1

### Credit and Disbursements

#### **1.1 Amount of Credit**

By this Contract the Bank establishes in favour of the Borrower, and the Borrower accepts, a credit in an amount of EUR 150,000,000 (one hundred and fifty million euros) for the financing of the Project (the "Credit").

#### **1.2 Disbursement procedure**

##### **1.2.A Tranches**

The Bank shall disburse the Credit in up to 5 (five) Tranches. The amount of each Tranche, if not being the undrawn balance of the Credit, shall be in a minimum amount of EUR 20,000,000 (twenty million euros).

##### **1.2.B Disbursement Offer**

Upon request by the Borrower, provided that no event mentioned in Article 1.6.B has occurred and is continuing, the Bank shall send to the Borrower a Disbursement Offer for the disbursement of a Tranche. The latest time for receipt by the Borrower of a Disbursement Offer is 10 (ten) days before the Final Availability Date. The Disbursement Offer shall specify:

- (a) the EUR amount of the Tranche;
- (b) the Scheduled Disbursement Date, which shall be a Relevant Business Day, falling at least 10 (ten) days after the date of the Disbursement Offer and on or before the Final Availability Date;
- (c) the interest rate basis of the Tranche, being: (i) a Fixed Rate Tranche; or (ii) a Floating Rate Tranche, in each case, pursuant to the relevant provisions of Article 3.1;
- (d) the interest payment periodicity for the Tranche, in accordance with the provisions of Article 3.1;
- (e) the first Payment Date for the Tranche;
- (f) the terms for repayment of principal for the Tranche, in accordance with the provisions of Article 4.1;
- (g) the first and last repayment dates of principal for the Tranche;
- (h) the Interest Revision/Conversion Date, if requested by the Borrower, for the Tranche;
- (i) for a Fixed Rate Tranche, the Fixed Rate and for a Floating Rate Tranche the Spread, applicable until the Interest Revision/Conversion Date, if any or until the Maturity Date; and
- (j) the Disbursement Acceptance Deadline.

##### **1.2.C Disbursement Acceptance**

The Borrower may accept a Disbursement Offer by delivering a Disbursement Acceptance to the Bank no later than the Disbursement Acceptance Deadline. The Disbursement Acceptance shall be accompanied:

- (a) by the IBAN code (or appropriate format in line with local banking practice) and SWIFT BIC of the bank account to which disbursement of the Tranche should be made in accordance with Article 1.2.B; and
- (b) by evidence of the authority of the person or persons authorised to sign the Disbursement Acceptance and the specimen signature of such person or persons or a declaration by the Borrower that no change has occurred in relation to the authority of the person or persons authorised to sign Disbursement Acceptances under this Contract.

If a Disbursement Offer is duly accepted by the Borrower in accordance with its terms on or before the Disbursement Acceptance Deadline, the Bank shall make the Accepted Tranche available to the Borrower in accordance with the relevant Disbursement Offer and subject to the terms and conditions of this Contract.

The Borrower shall be deemed to have refused any Disbursement Offer which has not been duly accepted in accordance with its terms on or before the Disbursement Acceptance Deadline.

**1.2.D Disbursement Account**

Disbursement shall be made to such account of the Borrower as the Borrower shall notify in writing to the Bank not later than 10 (ten) days before the Scheduled Disbursement Date (with IBAN code or with the appropriate format in line with local banking practice).

Only one account may be specified for each Tranche.

**1.3 Currency of disbursement**

The Bank shall disburse each Tranche in EUR.

**1.4 Conditions of disbursement**

**1.4.A First Tranche**

The disbursement of the first Tranche under Article 1.2 is conditional upon receipt by the Bank, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date, of the following documents or evidence:

- (a) evidence that the execution of this Contract by the Borrower has been duly authorised by necessary corporate and all other applicable actions and that the person or persons signing this Contract on behalf of the Borrower is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (b) evidence that the Borrower has obtained all necessary Authorisations, required in connection with the Project;
- (c) a legal opinion on the due execution of this Contract by the Borrower substantially in the form set out in Schedule F;
- (d) the duly executed Guarantee Agreement;
- (e) a confirmation that the issuance of the Guarantee does not constitute state aid in accordance with the applicable state aid regulations;
- (f) evidence that the execution of the Guarantee Agreement by the Guarantor has been duly authorised by necessary municipal and all other applicable actions and that the person or persons signing the Guarantee Agreement on behalf of the Guarantor is/are duly authorised to do so together with the specimen signature of each such person or persons;
- (g) a legal opinion on the due execution of the Guarantee Agreement by the Guarantor;
- (h) a written confirmation from the competent authority that the Project will have no impact on Natura 2000; and
- (i) evidence of compliance by the Guarantor with the financial covenants pursuant to the Guarantee Agreement.

#### 1.4.B All Tranches

The disbursement of each Tranche under Article 1.2, including the first, is subject to the following conditions:

- (a) that the Bank has received, in form and substance satisfactory to it, on or before the date falling 5 (five) Business Days before the Scheduled Disbursement Date for the proposed Tranche, of the following documents or evidence:
  - (i) a certificate from the Borrower in the form of Schedule E signed by an authorised representative of the Borrower and dated no earlier than the date falling 30 (thirty) days before the Scheduled Disbursement Date;
  - (ii) evidence that the Borrower has obtained all necessary corporate and other authorisations required in connection with the relevant disbursement (including, but not limited to a resolution of the board of directors of the Borrower approving and authorising the relevant disbursement and evidence that no borrowing limit of the Borrower will be exceeded); and
  - (iii) a copy of any other authorisation or other document, opinion or assurance which the Bank has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Contract or the Security provided in respect of this Contract or the validity and enforceability of the same.
- (b) that on the Disbursement Date for the proposed Tranche:
  - (i) the representations and warranties which are repeated pursuant to Article 6.11 are correct in all respects; and
  - (ii) no event or circumstance which constitutes or would with the passage of time or giving of notice under this Contract constitute:
    - (1) an Event of Default; or
    - (2) a Prepayment Event;
 has occurred and is continuing unremedied or unwaived or would result from the disbursement of the proposed Tranche.

#### 1.5 Deferment of disbursement

##### 1.5.A Grounds for deferment

Upon the written request of the Borrower, the Bank shall defer the disbursement of any Accepted Tranche in whole or in part to a date specified by the Borrower being a date falling not later than 6 (six) months from its Scheduled Disbursement Date and not later than 60 (sixty) days prior to the first repayment date of the Tranche indicated in the Disbursement Offer. In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

Any request for deferment shall have effect in respect of a Tranche only if it is made at least 5 (five) Business Days before its Scheduled Disbursement Date.

If for a Accepted Tranche any of the conditions referred to in Article 1.4 is not fulfilled as at the specified date and at the Scheduled Disbursement Date (or the date expected for disbursement in case of a previous deferment), disbursement will be deferred to a date agreed between the Bank and the Borrower falling not earlier than 5 (five) Business Days following the fulfilment of all conditions of disbursement (without prejudice to the right of the Bank to suspend and/or cancel the undisbursed portion of the Credit in whole or in part pursuant to Article 1.6.B). In such case, the Borrower shall pay the Deferment Indemnity calculated on the amount of disbursement deferred.

##### 1.5.B Cancellation of a disbursement deferred by 6 (six) months

The Bank may, by notice in writing to the Borrower, cancel a disbursement which has been deferred under Article 1.5.A by more than 6 (six) months in aggregate. The cancelled amount shall remain available for disbursement under Article 1.2.

**1.6 Cancellation and suspension**

**1.6.A Borrower's right to cancel**

The Borrower may at any time by notice in writing to the Bank cancel, in whole or in part and with immediate effect, the undisbursed portion of the Credit. However, the notice shall have no effect in respect of an Accepted Tranche which has a Scheduled Disbursement Date falling within 5 (five) Business Days of the date of the notice.

**1.6.B Bank's right to suspend and cancel**

- (a) The Bank may, by notice in writing to the Borrower, suspend and/or cancel the undisbursed portion of the Credit in whole or in part at any time and with immediate effect upon the occurrence of a Prepayment Event or an Event of Default or an event or circumstance which would with the passage of time or giving of notice under this Contract constitute a Prepayment Event or an Event of Default.
- (b) The Bank may also suspend the portion of the Credit it has not received a Disbursement Acceptance with immediate effect in the case that a Market Disruption Event occurs.
- (c) Any suspension shall continue until the Bank ends the suspension or cancels the suspended amount.

**1.6.C Indemnity for suspension and cancellation of a Tranche**

**1.6.C(1) SUSPENSION**

If the Bank suspends an Accepted Tranche, whether upon an Indemnifiable Prepayment Event or an Event of Default, the Borrower shall pay to the Bank the Deferment Indemnity calculated on the amount of disbursement suspended.

**1.6.C(2) CANCELLATION**

- (a) If pursuant to Article 1.6.A, the Borrower cancels:
  - (i) a Fixed Rate Tranche which is an Accepted Tranche, it shall indemnify the Bank under Article 4.2.B; or
  - (ii) a Floating Rate Tranche which is an Accepted Tranche or any part of the Credit other than an Accepted Tranche, no indemnity is payable.
- (b) If the Bank cancels:
  - (i) a Fixed Rate Tranche which is an Accepted Tranche upon an Indemnifiable Prepayment Event or pursuant to Article 1.5.B, the Borrower shall pay to the Bank the Prepayment Indemnity; or
  - (ii) an Accepted Tranche upon an Event of Default, the Borrower shall indemnify the Bank under Article 10.3.

Save in the cases referred to in (a) and (b), above, no indemnity is payable upon cancellation of a Tranche by the Bank.

The indemnity shall be calculated as if the cancelled amount had been disbursed and repaid on the Scheduled Disbursement Date or, to the extent that the disbursement of the Tranche is currently deferred or suspended, on the date of the cancellation notice.

**1.7 Cancellation after expiry of the Credit**

On the day following the Final Availability Date, and unless otherwise specifically agreed to in writing by the Bank, the part of the Credit in respect of which no Disbursement Acceptance has been received in accordance with Article 1.2.C shall be automatically cancelled, without any notice being served by the Bank to the Borrower and without liability arising on the part of either party.

**1.8 Sums due under Article 1**

Sums due under Articles 1.5 and 1.6 shall be payable in EUR. They shall be payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand or within any longer period specified in the Bank's demand.

**ARTICLE 2**

**The Loan**

**2.1 Amount of Loan**

The Loan shall comprise the aggregate amount of Tranches disbursed by the Bank under the Credit, as confirmed by the Bank pursuant to Article 2.3.

**2.2 Currency of repayment, interest and other charges**

Interest, repayments and other charges payable in respect of each Tranche shall be made by the Borrower in the currency in which the Tranche is disbursed.

Any other payment shall be made in the currency specified by the Bank having regard to the currency of the expenditure to be reimbursed by means of that payment.

**2.3 Confirmation by the Bank**

Within 10 (ten) days after disbursement of each Tranche, the Bank shall deliver to the Borrower the amortisation table referred to in Article 4.1, if appropriate, showing the Disbursement Date, currency, the amount disbursed, the repayment terms and the interest rate of and for that Tranche.

**ARTICLE 3**

**Interest**

**3.1 Rate of interest**

For the purposes of this Contract "**Margin**" means one (1) basis point (0.01 %).

Fixed Rates and Spreads are available for periods of not less than 4 (four) years or, in the absence of a repayment of principal during that period, not less than 3 (three) years.

**3.1.A Fixed Rate Tranches**

The Borrower shall pay interest on the outstanding balance of each Fixed Rate Tranche at the Fixed Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates as specified in the Disbursement Offer, commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

Interest shall be calculated on the basis of Article 5.1(a).

**3.1.B Floating Rate Tranches**

The Borrower shall pay interest on the outstanding balance of each Floating Rate Tranche at the Floating Rate quarterly, semi-annually or annually in arrears on the relevant Payment Dates, as specified in the Disbursement Offer commencing on the first such Payment Date following the Disbursement Date of the Tranche. If the period from the Disbursement Date to the first Payment Date is 15 (fifteen) days or less then the payment of interest accrued during such period shall be postponed to the following Payment Date.

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The Bank shall notify the Floating Rate to the Borrower within 10 (ten) days following the commencement of each Floating Rate Reference Period.

If pursuant to Articles 1.5 and 1.6 disbursement of any Floating Rate Tranche takes place after the Scheduled Disbursement Date the Relevant Interbank Rate applicable to the first Floating Rate Reference Period shall apply as though the disbursement had been made on the Scheduled Disbursement Date.

Interest shall be calculated in respect of each Floating Rate Reference Period on the basis of Article 5.1(b). If the Floating Rate for any Floating Rate Reference Period is below zero, it will be set at zero.

### 3.1.C **Revision or Conversion of Tranches**

Where the Borrower exercises an option to revise or convert the interest rate basis of a Tranche, it shall, from the effective Interest Revision/Conversion Date (in accordance with the procedure set out in Schedule D) pay interest at a rate determined in accordance with the provisions of Schedule D.

### 3.2 **Interest on overdue sums**

Without prejudice to Article 10 and by way of exception to Article 3.1, if the Borrower fails to pay any amount payable by it under this Contract on its due date, interest shall accrue on any overdue amount payable under the terms of this Contract from the due date to the date of payment at an annual rate equal to:

- (a) for overdue sums related to Floating Rate Tranches, the applicable Floating Rate plus 2% (200 basis points);
- (b) for overdue sums related to Fixed Rate Tranches, the higher of (a) the applicable Fixed Rate plus 2% (200 basis points) or (b) the Relevant Interbank Rate plus 2% (200 basis points); and
- (c) for overdue sums other than under (a) or (b) above, the Relevant Interbank Rate plus 2% (200 basis points),

and shall be payable in accordance with the demand of the Bank. For the purpose of determining the Relevant Interbank Rate in relation to this Article 3.2, the relevant periods within the meaning of Schedule B shall be successive periods of one month commencing on the due date.

If the overdue sum is in a currency other than the currency of the Loan, the following rate per annum shall apply, namely the relevant interbank rate that is generally retained by the Bank for transactions in that currency plus 2% (200 basis points), calculated in accordance with the market practice for such rate.

### 3.3 **Market Disruption Event**

If at any time (i) from the receipt by the Bank of the Disbursement Acceptance in respect of a Tranche, and (ii) until the date falling 30 (thirty) calendar days prior to the Scheduled Disbursement Date, a Market Disruption Event occurs, the Bank may notify to the Borrower that this clause has come into effect. In such case the rate of interest applicable to such Accepted Tranche until the Maturity Date or the Interest Revision/Conversion Date if any, shall be the percentage rate per annum which is the sum of:

- (a) the Margin; and
- (b) the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

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The Borrower shall have the right to refuse in writing such disbursement within the deadline specified in the notification and shall bear charges incurred as a result, if any, in which case the Bank shall not effect the disbursement and the corresponding Credit shall remain available for disbursement under Article 1.2.B. If the Borrower does not refuse the disbursement in time, the parties agree that the disbursement and the conditions thereof shall be fully binding for both parties.

In the above case, the Spread or Fixed Rate previously notified by the Bank in the Disbursement Offer shall no longer be applicable.

## **ARTICLE 4**

### **Repayment**

#### **4.1 Normal repayment**

##### **4.1.A Repayment by instalments**

- (a) The Borrower shall repay each Tranche by instalments on the Payment Dates specified in the relevant Disbursement Offer in accordance with the terms of the amortisation table delivered pursuant to Article 2.3.
- (b) Each amortisation table shall be drawn up on the basis that:
  - (i) in the case of a Fixed Rate Tranche without an Interest Revision/Conversion Date, repayment shall be made annually, semi-annually or quarterly by equal instalments of principal or constant instalments of principal and interest;
  - (ii) in the case of a Fixed Rate Tranche with an Interest Revision/Conversion Date or a Floating Rate Tranche, repayment shall be made by equal annual, semi-annual or quarterly instalments of principal;
  - (iii) the first repayment date of each Tranche shall be a Payment Date falling not earlier than 60 (sixty) days from the Scheduled Disbursement Date and not later than the first Payment Date immediately following the fifth (5<sup>th</sup>) anniversary of the Scheduled Disbursement Date of the Tranche; and
  - (iv) the last repayment date of each Tranche shall be a Payment Date falling not earlier than 4 (four) years and not later than 30 (thirty) years from the Scheduled Disbursement Date.

#### **4.2 Voluntary prepayment**

##### **4.2.A Prepayment option**

Subject to Articles 4.2.B, 4.2.C and 4.4, the Borrower may prepay all or part of any Tranche, together with accrued interest and indemnities if any, upon giving a Prepayment Request with at least 1 (one) month's prior notice specifying (i) the Prepayment Amount; (ii) the Prepayment Date; (iii) if applicable, the choice of application method of the Prepayment Amount in line with Article 5.5.C(a); and (iv) the contract number ("FI nr") mentioned on the cover page of this Contract.

Subject to Article 4.2.C the Prepayment Request shall be binding and irrevocable.

##### **4.2.B Prepayment indemnity**

###### **4.2.B(1) FIXED RATE TRANCHE**

Subject to Article 4.2.B(3) below, if the Borrower prepays a Fixed Rate Tranche, the Borrower shall pay to the Bank on the Prepayment Date the Prepayment Indemnity in respect of the Fixed Rate Tranche which is being prepaid.

#### 4.2.B(2) FLOATING RATE TRANCHE

Subject to Article 4.2.B(3) below, the Borrower may prepay a Floating Rate Tranche without indemnity on any relevant Payment Date.

#### 4.2.B(3) NO INDEMNITY

Unless the Borrower has accepted in writing a Fixed Rate in respect of an Interest Revision/Conversion Proposal pursuant to Schedule D, prepayment of a Tranche on its Interest Revision/Conversion Date as accepted under Article 1.02C, or in accordance with Schedule C or D, as the case may be, may be effected without indemnity.

#### 4.2.C Prepayment mechanics

Upon presentation by the Borrower to the Bank of a Prepayment Request, the Bank shall issue a Prepayment Notice to the Borrower, not later than 15 (fifteen) days prior to the Prepayment Date. The Prepayment Notice shall specify the Prepayment Amount, the accrued interest due thereon, the Prepayment Indemnity payable under Article 4.2.B or, as the case may be, that no indemnity is due, the method of application of the Prepayment Amount and the Acceptance Deadline.

If the Borrower accepts the Prepayment Notice no later than by the Acceptance Deadline, it shall effect the prepayment. In any other case, the Borrower may not effect the prepayment.

The Borrower shall accompany the prepayment by the payment of accrued interest and indemnity, if any, due on the Prepayment Amount, as specified in the Prepayment Notice.

#### 4.3 Compulsory prepayment

##### 4.3.A Prepayment Events

##### 4.3.A(1) PROJECT COST REDUCTION

If the total cost of the Project falls below the figure stated in Recital (b) so that the amount of the Credit exceeds:

- (a) 50% (fifty per cent); and/or
- (b) when aggregated with the amount of any other funds from the European Union made available for the Project, 90% (ninety per cent),

of such total cost of the Project, the Bank may forthwith, by notice to the Borrower, cancel the undisbursed portion of the Credit and/or demand prepayment of the Loan up to the amount by which the Credit exceeds the limits referred to in (a) or (b) above. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

##### 4.3.A(2) PARI PASSU TO NON-EIB FINANCING

If the Borrower (or any other member of the Group) voluntarily prepays (for the avoidance of doubt, prepayment shall include a repurchase or cancellation where applicable) a part or the whole of any Non-EIB Financing and:

- (a) such prepayment is not made within a revolving credit facility (save for the cancellation of the revolving credit facility); or
- (b) such prepayment is not made out of the proceeds of a loan or other indebtedness having a term at least equal to the unexpired term of the Non-EIB Financing prepaid;

the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan. The proportion of the Loan that the Bank may require to be prepaid shall be the same as the proportion that the prepaid amount of the Non-EIB Financing bears to the aggregate outstanding amount of all Non-EIB Financing.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

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For the purposes of this Article, "Non-EIB Financing" includes any loan, (save for the Loan and any other direct loans from the Bank to the Borrower (or any other member of the Group)), credit bond or other form of financial indebtedness or any obligation for the payment or repayment of money originally granted to the Borrower (or any other member of the Group) for a term of more than 3 (three) years.

#### 4.3.A(3) CHANGE OF CONTROL

The Borrower shall promptly inform the Bank if a Change-of-Control Event has occurred or is likely to occur. At any time after the occurrence of a Change-of-Control Event, the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

In addition, if the Borrower has informed the Bank that a Change-of-Control Event is about to occur, or if the Bank has reasonable cause to believe that a Change-of-Control Event is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. After the earlier of (a) the lapse of 30 (thirty) days from the date of such request for consultation, or (b) at any time thereafter, upon the occurrence of the anticipated Change-of-Control Event the Bank may, by notice to the Borrower, cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article:

- (a) a "Change-of-Control Event" occurs if the Guarantor ceases to control the Borrower or to be the owner of 100% (one hundred per cent) of the issued share capital and voting rights of the Borrower; and
- (b) "control" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

#### 4.3.A(4) CHANGE OF LAW

The Borrower shall promptly inform the Bank if a Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may by notice to the Borrower, at its discretion, (i) request the Borrower to provide additional security to the satisfaction of the Bank or (ii) cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article "Change-of-Law Event" means the enactment, promulgation, execution or ratification of or any change in or amendment to any law, rule or regulation (or in the application or official interpretation of any law, rule or regulation) which, in the opinion of the Bank, would materially impair the Borrower's ability to perform its obligations under this Contract.

#### 4.3.A(5) CHANGE OF LAW IN RELATION TO THE GUARANTOR

The Borrower shall promptly inform the Bank if a Guarantor Change-of-Law Event has occurred or is likely to occur. In such case, or if the Bank has reasonable cause to believe that a Guarantor Change-of-Law Event has occurred or is about to occur, the Bank may request that the Borrower and the Guarantor consult with it. Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. If, after the lapse of 30 (thirty) days from the date of such request for consultation the Bank is of the opinion that the effects of the Change-of-Law Event cannot be mitigated to its satisfaction, the Bank may by notice to the Borrower, at its discretion, (i) request the Borrower to provide additional security to the satisfaction of the Bank, or (ii) cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract.

The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

For the purposes of this Article "**Guarantor Change-of-Law Event**" means:

- (a) the enactment, promulgation, execution or ratification of or any change in or amendment to any law, decree, rule or regulation (or in the application or official interpretation of any law, decree, rule or regulation) which would materially impair the Guarantor's ability to perform any of its obligations under the Guarantee Agreement;
- (b) any alteration or alteration likely to be made to the provisions of the Local Government Act, any other act or any decree, regulation, policy, contract or the like negatively affecting (a) the Guarantor's ability to levy tax on individuals within its territory, (b) the subsidies or transfers provided to the Guarantor by the Republic of Finland or (c) the constitutional position, territory, responsibilities, budget or financing of the Guarantor; or
- (c) the enactment by Finland of any act, decree, regulation, policy or the like concerning a municipal reorganisation adversely affecting the Guarantor or resulting in a transfer of any material asset or liability of the Guarantor to any other local authority or legal person (whether or not merging with the Guarantor).

#### 4.3.A(6) ILLEGALITY

If it becomes unlawful in any applicable jurisdiction for the Bank to perform any of its obligations as contemplated in this Contract or to fund or maintain the Loan, the Bank shall promptly notify the Borrower and may immediately (i) suspend or cancel the undisbursed portion of the Credit and/or (ii) demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract on the date indicated by the Bank in its notice to the Borrower.

#### 4.3.A(7) GUARANTEE AGREEMENT

If the Guarantor fails to comply with any obligation under the Guarantee Agreement (not being an obligation referred to in Article 4.3.A(8) below) or the obligations of the Guarantor under the Guarantee Agreement cease to be valid, legal and enforceable, the Bank may cancel the undisbursed portion of the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued or outstanding under this Contract. The Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

#### 4.3.A(8) RIGHT TO DEMAND SECURITY

If at any time while any part of the Loan is outstanding, the Guarantor is not in compliance with its financial covenants as set out in the Guarantee Agreement, the Bank may demand the Borrower to consult with it with regard to the implications thereof and on the possible provision of additional security in support thereof.





Such consultation shall take place within 30 (thirty) days from the date of the Bank's request. The Bank may, after the elapse of 30 (thirty) days from the date of such request for consultation, at its discretion, by notice to the Borrower, request the Borrower to provide additional security for the Loan in the form of a guarantee in terms and from a bank acceptable to the Bank, cash collateral or other security acceptable to the Bank.

If within a further period of 30 (thirty) days the sufficient security has not been executed in manner, form and substance satisfactory to the Bank, the Bank may by notice to the Borrower, forthwith cancel the Credit and demand prepayment of the Loan, together with accrued interest and all other amounts accrued and/or outstanding under this Contract. In such case the Borrower shall effect payment of the amount demanded on the date specified by the Bank, such date being a date falling not less than 30 (thirty) days from the date of the demand.

**4.3.B Prepayment mechanics**

Any sum demanded by the Bank pursuant to Article 4.3.A, together with any interest or other amounts accrued or outstanding under this Contract including, without limitation, any indemnity due under Article 4.3.C and Article 4.4, shall be paid on the date indicated by the Bank in its notice of demand.

**4.3.C Prepayment indemnity**

In the case of an Indemnifiable Prepayment Event, the indemnity, if any, shall be determined in accordance with Article 4.2.B.

**4.4 General**

A repaid or prepaid amount may not be reborrowed. This Article 4 shall not prejudice Article 10.

If the Borrower prepays a Tranche on a date other than a relevant Payment Date, the Borrower shall indemnify the Bank in such amount as the Bank shall certify is required to compensate it for receipt of funds otherwise than on a relevant Payment Date.

**ARTICLE 5**

**Payments**

**5.1 Day count convention**

Any amount due by way of interest, indemnity or fee from the Borrower under this Contract, and calculated in respect of a fraction of a year, shall be determined on the following respective conventions:

- (a) in respect of interest and indemnities due under a Fixed Rate Tranche, a year of 360 (three hundred and sixty) days and a month of 30 (thirty) days;
- (b) in respect of interest and indemnities due under a Floating Rate Tranche, a year of 360 (three hundred and sixty) days and the number of days elapsed;
- (c) in respect of fees, a year of 360 (three hundred and sixty) days and the number of days elapsed.

**5.2 Time and place of payment**

Unless otherwise specified in this Contract or in the Bank's demand, all sums other than sums of interest, indemnity and principal are payable within 15 (fifteen) days of the Borrower's receipt of the Bank's demand.

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*Handwritten signature*

Each sum payable by the Borrower under this Contract shall be paid to the relevant account notified by the Bank to the Borrower. The Bank shall notify the account not less than 15 (fifteen) days before the due date for the first payment by the Borrower and shall notify any change of account not less than 15 (fifteen) days before the date of the first payment to which the change applies. This period of notice does not apply in the case of payment under Article 10.

The Borrower shall indicate in each payment made hereunder the contract number ("*FI nr*") found on the cover page of this Contract.

A sum due from the Borrower shall be deemed paid when the Bank receives it.

Any disbursements by and payments to the Bank under this Contract shall be made using account(s) acceptable to the Bank. For the avoidance of doubt, any account in the name of the Borrower held with a duly authorized financial institution in the jurisdiction where the Borrower is incorporated or where the Project is undertaken is deemed acceptable to the Bank.

### **5.3 No set-off by the Borrower**

All payments to be made by the Borrower under this Contract shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

### **5.4 Disruption to Payment Systems**

If either the Bank determines (in its discretion) that a Disruption Event has occurred or the Bank is notified by the Borrower that a Disruption Event has occurred:

- (a) the Bank may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of this Contract as the Bank may deem necessary in the circumstances;
- (b) the Bank shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes; and
- (c) the Bank shall not be liable for any damages, costs or losses whatsoever arising as a result of a Disruption Event or for taking or not taking any action pursuant to or in connection with this Article 5.4.

### **5.5 Application of sums received**

#### **5.5.A General**

Sums received from the Borrower shall only discharge its payment obligations if received in accordance with the terms of this Contract.

#### **5.5.B Partial payments**

If the Bank receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Contract, the Bank shall apply that payment:

- (a) first, in or towards payment pro rata of any unpaid fees, costs, indemnities and expenses due under this Contract;
- (b) secondly, in or towards payment of any accrued interest due but unpaid under this Contract;
- (c) thirdly, in or towards payment of any principal due but unpaid under this Contract; and
- (d) fourthly, in or towards payment of any other sum due but unpaid under this Contract.

### 5.5.C Allocation of sums related to Tranches

- (a) In case of:
  - (i) a partial voluntary prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied pro rata to each outstanding instalment, or, at the request of the Borrower, in inverse order of maturity; or
  - (ii) a partial compulsory prepayment of a Tranche that is subject to a repayment in several instalments, the Prepayment Amount shall be applied in reduction of the outstanding instalments in inverse order of maturity.
- (b) Sums received by the Bank following a demand under Article 10.1 and applied to a Tranche, shall reduce the outstanding instalments in inverse order of maturity. The Bank may apply sums received between Tranches at its discretion.
- (c) In case of receipt of sums which cannot be identified as applicable to a specific Tranche, and on which there is no agreement between the Bank and the Borrower on their application, the Bank may apply these between Tranches at its discretion.

## **ARTICLE 6**

### **Borrower undertakings and representations**

The undertakings in this Article 6 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

#### **A. PROJECT UNDERTAKINGS**

##### **6.1 Use of Loan and availability of other funds**

The Borrower shall use all amounts borrowed by it under the Loan for the execution of the Project.

The Borrower shall ensure that it has available to it the other funds listed in Recital (b) and that such funds are expended, to the extent required, on the financing of the Project.

##### **6.2 Completion of Project**

The Borrower shall carry out the Project in accordance with the Technical Description as may be modified from time to time with the approval of the Bank, and complete it by the final date specified therein.

##### **6.3 Increased cost of Project**

If the total cost of the Project exceeds the estimated figure set out in Recital (b), the Borrower shall obtain the finance to fund the excess cost without recourse to the Bank, so as to enable the Project to be completed in accordance with the Technical Description. The plans for funding the excess cost shall be communicated to the Bank without delay.

##### **6.4 Procurement procedure**

The Borrower shall purchase equipment, secure services and order works for the Project (a) in so far as they apply to it or to the Project, in accordance with European Union law in general and in particular with the relevant European Union Directives and (b) in so far as European Union Directives do not apply, by procurement procedures which, to the satisfaction of the Bank, respect the criteria of economy and efficiency and, in case of public contracts, the principles of transparency, equal treatment and non-discrimination on the basis of nationality.





## 6.5 Continuing Project undertakings

The Borrower shall:

- (a) **Maintenance:** maintain, repair, overhaul and renew all property forming part of the Project as required to keep it in good working order;
- (b) **Project assets:** unless the Bank shall have given its prior consent in writing retain title to and possession of all or substantially all the assets comprising the Project or, as appropriate, replace and renew such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under article 309 of the Treaty on the Functioning of the European Union;
- (c) **Insurance:** insure all works and property forming part of the Project with first class insurance companies in accordance with the most comprehensive relevant industry practice;
- (d) **Rights and Permits:** maintain in force all rights of way or use and all Authorisations necessary for the execution and operation of the Project; and
- (e) **Environment:**
  - (i) implement and operate the Project in compliance with Environmental Law;
  - (ii) obtain and maintain requisite Environmental Approvals for the Project; and
  - (iii) comply with any such Environmental Approvals.
- (f) **Integrity:** take, within a reasonable timeframe, appropriate measures in respect of any member of its management bodies who has been convicted by a final and irrevocable court ruling of a Criminal Offence perpetrated in the course of the exercise of his/her professional duties, in order to ensure that such member is excluded from any Borrower's activity in relation to the Loan or the Project;
- (g) **Integrity Audit Rights:** ensure that all contracts under the Project to be procured after the date of signature of this Contract in accordance with EU Directives on procurement provide for:
  - (i) the requirement that the relevant contractor promptly informs the Borrower who promptly informs the Bank of a genuine allegation, complaint or information with regard to Criminal Offences related to the Project;
  - (ii) the requirement that the relevant contractor keeps books and records of all financial transactions and expenditures in connection with the Project; and
  - (iii) the Bank's right, in relation to an alleged Criminal Offence, to review the books and records of the relevant contractor in relation to the Project and to take copies of documents to the extent permitted by law.

## B. GENERAL UNDERTAKINGS

### 6.6 Disposal of assets

- (a) Except as provided below, the Borrower shall not, and shall procure that no other member of the Group will, either in a single transaction or in a series of transactions whether related or not and whether voluntarily or involuntarily dispose of any part of its assets.
- (b) Paragraph (a) above does not apply to any disposal of assets for fair market value and at arm's length:

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- (i) where the higher of the market value or consideration (when aggregated with the higher of the market value or consideration for any other sale, lease, transfer or other disposal, other than any permitted disposal under paragraphs (i) to (iii) below) does not exceed in aggregate during the life of the Loan the equivalent to 10% (ten per cent) of the Consolidated Fixed Assets as disclosed in the latest audited consolidated financial statements of the Borrower prior to the date of this Contract (for the sake of certainty, no double-counting with basket in Article 7.2(c)(ii)); or
- (ii) made in exchange for other assets comparable or superior as to type, value and quality; or
- (iii) made with the prior written consent of the Bank,

in each case other than assets forming part of the Project pursuant to Article 6.5(b) and all shares in subsidiaries holding assets forming part of the Project which may not be disposed of.

For the purposes of this Article, "dispose" and "disposal" includes any act effecting sale, transfer, lease or other disposal.

**6.7 Compliance with laws**

The Borrower shall comply in all respects with all laws and regulations to which it or the Project is subject.

**6.8 Change in business**

The Borrower shall procure that no substantial change is made to the core business of the Borrower or the Group as a whole from that carried on at the date of this Contract.

**6.9 Merger**

The Borrower shall not and shall ensure that no other member of the Group will enter into any amalgamation, demerger, merger or corporate reconstruction.

**6.10 Books and records**

The Borrower shall ensure that it has kept and will continue to keep proper books and records of account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower, including expenditures in connection with the Project, in accordance with GAAP as in effect from time to time.

**6.11 General Representations and Warranties**

The Borrower represents and warrants to the Bank that:

- (a) it is duly incorporated and validly existing as a company with limited liability under the laws of Finland and it has power to carry on its business as it is now being conducted and to own its property and other assets;
- (b) it has the power to execute, deliver and perform its obligations under this Contract and all necessary corporate, shareholder and other action has been taken to authorise the execution, delivery and performance of the same by it;
- (c) this Contract constitutes its legally valid, binding and enforceable obligations;
- (d) the execution and delivery of, the performance of its obligations under and compliance with the provisions of this Contract do not and will not contravene or conflict with:
  - (i) any applicable law, statute, rule or regulation, or any judgement, decree or permit to which it is subject;

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- (ii) any agreement or other instrument binding upon it which might reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Contract;
- (iii) any provision of its articles of association;
- (e) the latest available consolidated audited accounts of the Borrower have been prepared on a basis consistent with previous years and have been approved by its auditors as representing a true and fair view of the results of its operations for that year and accurately disclose or reserve against all the liabilities (actual or contingent) of the Borrower;
- (f) there has been no Material Adverse Change since 31.12.2016;
- (g) no event or circumstance which constitutes a Prepayment Event or an Event of Default has occurred and is continuing unremedied or unwaived;
- (h) no litigation, arbitration, administrative proceedings or investigation is current or to its knowledge is threatened or pending before any court, arbitral body or agency which has resulted or if adversely determined is reasonably likely to result in a Material Adverse Change, nor is there subsisting against it or any of its subsidiaries any unsatisfied judgement or award;
- (i) it has obtained all necessary Authorisations in connection with this Contract and in order to lawfully comply with its obligations hereunder, and the Project and all such Authorisations are in full force and effect and admissible in evidence;
- (j) at the date of this Contract, no Security exists over its assets or over those of the Group;
- (k) its payment obligations under this Contract rank not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally;
- (l) it is in compliance with Article 6.5(e) and to the best of its knowledge and belief (having made due and careful enquiry) no Environmental Claim has been commenced or is threatened against it; and
- (m) it is in compliance with all undertakings under this Article 6;
- (n) no loss of rating clause or financial covenant concluded with any other creditor of the Borrower are more restrictive than the ones contained in this Contract; and
- (o) to the best of its knowledge, no funds invested in the Project by the Borrower or by another member of the Group are of illicit origin, including products of money laundering or linked to the financing of terrorism. The Borrower shall promptly inform the Bank if at any time it becomes aware of the illicit origin of any such funds.

The representations and warranties set out above shall survive the execution of this Contract and are, with the exception of the representation set out in paragraph (f) above, deemed repeated on the date of each Disbursement Acceptance, each Disbursement Date and on each Payment Date.

## **ARTICLE 7**

### **Security**

The undertakings in this Article 7 remain in force from the date of this Contract for so long as any amount is outstanding under this Contract or the Credit is in force.

#### **7.1 Guarantee**

The obligations of the Bank under this Contract are conditional upon the prior execution and delivery to the Bank of the Guarantee in form and substance satisfactory to it. The Borrower acknowledges and consents to the terms of the Guarantee.



## 7.2 Negative pledge

- (a) The Borrower shall not (and the Borrower shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
- (b) For the purposes of this Article 7.2, the term Security shall also include any arrangement or transaction on assets or receivables or money (such as the sale, transfer or other disposal of assets on terms whereby they are or may be leased to or re-acquired by the Borrower or any other member of the Group, the sale, transfer or otherwise dispose of any receivables on recourse terms or any arrangement under which money or the benefit of a bank account or other account may be applied or set-off or any preferential arrangement having a similar effect) in circumstances where the arrangement or transaction is entered into primarily as a method of raising credit or of financing the acquisition of an asset.
- (c) Paragraph (a) above does not apply to any Security, listed below:
  - (i) any lien arising by operation of law and in the ordinary course of trading; or
  - (ii) any Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (i) to (ii) (above) does not exceed five percent (5%) of the Consolidated Fixed Assets as disclosed in the latest audited consolidated financial statements of the Borrower delivered to the Bank under Article 8.2 (for the sake of certainty, no double-counting with basket in Article 6.6(b)(i)).

## 7.3 Pari passu ranking

The Borrower shall ensure that its payment obligations under this Contract rank, and will rank, not less than *pari passu* in right of payment with all other present and future unsecured and unsubordinated obligations under any of its debt instruments except for obligations mandatorily preferred by law applying to companies generally.

## 7.4 Clauses by inclusion

If the Borrower or any other member of the Group concludes with any other financial creditor a financing agreement that includes a loss-of-rating clause or a covenant or other provision regarding its financial ratios or any undertakings, mandatory prepayment events, events of default and/or other restrictive terms and conditions, that is/are not provided for in this Contract or is more favourable to the relevant financial creditor than any equivalent provision of this Contract is to the Bank, the Borrower shall promptly inform the Bank and shall provide a copy of the more favourable provision to the Bank.

Upon receipt by the Bank of a notice of more favourable provisions, the Bank shall, within a reasonable period of time, notify the Borrower if it wishes to incorporate the relevant more favourable provision(s) into this Contract or, in case of urgency, the Borrower shall upon written request from the Bank grant the same rights to the Bank as are available to the other financial creditors.

If the Bank wishes to incorporate the more favourable provision(s) into this Contract, then such provision(s) shall be deemed incorporated by reference in to this Contract as if set forth fully herein, *mutatis mutandis*. Upon the Bank's request, the Borrower shall execute an agreement to amend this Contract to further evidence the incorporation of such incorporated provision(s).



## ARTICLE 8

### Information and Visits

#### **8.1** Information concerning the Project

The Borrower shall:

- (a) deliver to the Bank:
  - (i) the information in content and in form, and at the times, specified in Schedule A.2 or otherwise as agreed from time to time by the parties to this Contract; and
  - (ii) any such information or further document concerning the financing, procurement, implementation, operation and environmental matters of or for the Project as the Bank may reasonably require within a reasonable time;

provided always that if such information or document is not delivered to the Bank on time, and the Borrower does not rectify the omission within a reasonable time set by the Bank in writing, the Bank may remedy the deficiency, to the extent feasible, by employing its own staff or a consultant or any other third party, at the Borrower's expense and the Borrower shall provide such persons with all assistance necessary for the purpose;

- (b) submit for the approval of the Bank without delay any material change to the Project, also taking into account the disclosures made to the Bank in connection with the Project prior to the signing of this Contract, in respect of, inter alia, the price, design, plans, timetable or to the expenditure programme or financing plan for the Project;
- (c) promptly inform the Bank of:
  - (i) any action or protest initiated or any objection raised by any third party or any genuine complaint received by the Borrower or any Environmental Claim that is to its knowledge commenced, pending or threatened against it with regard to environmental or other matters affecting the Project; and
  - (ii) any fact or event known to the Borrower, which may substantially prejudice or affect the conditions of execution or operation of the Project;
  - (iii) a genuine allegation, complaint or information with regard to Criminal Offences related to the Project;
  - (iv) the outcome and conditions of the tender processes to procure services for the operation of the tramline (in line with EU regulation 1370/2007) promptly when available and the latest on 1 December 2020 (such date being 12 months before the completion of the Project);
  - (v) any non-compliance by it with any applicable Environmental Law; and
  - (vi) any suspension, revocation or modification of any Environmental Approval, and set out the action to be taken with respect to such matters.

#### **8.2** Information concerning the Borrower

The Borrower shall:

- (a) deliver to the Bank:
  - (i) as soon as they become available but in any event within 180 (one hundred and eighty) days after the end of each of its financial years its audited consolidated and unconsolidated annual report, balance sheet, profit and loss account and auditors report for that financial year; and

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- (ii) as soon as they become publicly available but in any event within 120 (one hundred and twenty) days after the end of each of the relevant accounting periods its interim consolidated and unconsolidated semi-annual report, balance sheet and profit and loss account for the first half-year of each of its financial years; and
  - (iii) from time to time, such further information on its general financial situation as the Bank may reasonably require or such certificates of compliance with the undertakings of Article 6 as the Bank may deem necessary; and
- (b) inform the Bank immediately of:
- (i) any material alteration to its articles of association or shareholding structure and of any change of ownership of its shares after the date of this Contract;
  - (ii) any fact which obliges it to prepay any financial indebtedness or any European Union funding;
  - (iii) any event or decision that constitutes or may result in a Prepayment Event;
  - (iv) any intention on its part to grant any Security over any of its assets in favour of a third party;
  - (v) any intention on its part to sell, transfer, lease or otherwise dispose of its assets and which could trigger a breach of Article 6.6;
  - (vi) any intention on its part to relinquish ownership of any material component of the Project;
  - (vii) any fact or event that is reasonably likely to prevent the substantial fulfilment of any obligation of the Borrower under this Contract;
  - (viii) any Event of Default having occurred or being threatened or anticipated;
  - (ix) any investigations concerning the integrity of the members of the Borrower's Board of Directors or managers;
  - (x) to the extent permitted by law, any material litigation, arbitration, administrative proceedings or investigation carried out by a court, administration or similar public authority, which, to the best of its knowledge and belief, is current, imminent or pending against the Borrower or its controlling entities or members of the Borrower's management bodies in connection with Criminal Offences related to the Loan or the Project;
  - (xi) any measure taken by the Borrower pursuant to Article 6.5(f) of this Contract; and
  - (xii) any litigation, arbitration or administrative proceedings or investigation which is current, threatened or pending and which might if adversely determined result in a Material Adverse Change.

### **8.3 Visits by the Bank**

The Borrower shall allow persons designated by the Bank, as well as persons designated by other institutions or bodies of the European Union when so required by the relevant mandatory provisions of European Union law,

- (a) to visit the sites, installations and works comprising the Project,
- (b) to interview representatives of the Borrower and/or Guarantor, and not obstruct contacts with any other person involved in or affected by the Project; and
- (c) to review the Borrower's and/or Guarantor's books and records in relation to the execution of the Project and to be able to take copies of related documents to the extent permitted by the law.

The Borrower shall provide the Bank, or ensure that the Bank is provided, with all necessary assistance for the purposes described in this Article.

The Borrower acknowledges that the Bank may be obliged to communicate information relating to the Borrower and the Project to any competent institution or body of the European Union in accordance with the relevant mandatory provisions of European Union law.

## **ARTICLE 9**

### **Charges and expenses**

#### **9.1 Taxes, duties and fees**

The Borrower shall pay all Taxes, duties, fees and other impositions of whatsoever nature, including stamp duty and registration fees, arising out of the execution or implementation of this Contract or any related document and in the creation, perfection, registration or enforcement of any Security for the Loan to the extent applicable.

The Borrower shall pay all principal, interest, indemnities and other amounts due under this Contract gross without deduction of any national or local impositions whatsoever; provided that, if the Borrower is obliged to make any such deduction, it will gross up the payment to the Bank so that after deduction, the net amount received by the Bank is equivalent to the sum due.

#### **9.2 Other charges**

The Borrower shall bear all charges and expenses, including professional, banking or exchange charges incurred in connection with the preparation, execution, implementation, enforcement and termination of this Contract and/or the Guarantee or any related document, any amendment, supplement or waiver in respect of this Contract and/or the Guarantee or any related document, and in the amendment, creation, management, enforcement and realisation of the Guarantee and/or any security for the Loan.

#### **9.3 Increased costs, indemnity and set-off**

- (a) The Borrower shall pay to the Bank any sums or expenses incurred or suffered by the Bank as a consequence of the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or compliance with any law or regulation made after the date of signature of this Contract, in accordance with or as a result of which (i) the Bank is obliged to incur additional costs in order to fund or perform its obligations under this Contract, or (ii) any amount owed to the Bank under this Contract or the financial income resulting from the granting of the Credit or the Loan by the Bank to the Borrower is reduced or eliminated.
- (b) Without prejudice to any other rights of the Bank under this Contract or under any applicable law, the Borrower shall indemnify and hold the Bank harmless from and against any loss incurred as a result of any payment or partial discharge that takes place in a manner other than as expressly set out in this Contract.
- (c) The Bank may set off any matured obligation due from the Borrower under this Contract (to the extent beneficially owned by the Bank) against any obligation (whether or not matured) owed by the Bank to the Borrower regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by it in good faith to be the amount of that obligation.

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**ARTICLE 10**  
**Events of Default**

**10.1 Right to demand repayment**

The Borrower shall repay all or part of the Loan (as requested by the Bank) forthwith, together with accrued interest and all other accrued or outstanding amounts under this Contract, upon written demand being made by the Bank in accordance with the following provisions.

**10.1.A Immediate demand**

The Bank may make such demand immediately:

- (a) if the Borrower does not pay on the due date any amount payable pursuant to this Contract at the place and in the currency in which it is expressed to be payable, unless (i) its failure to pay is caused by an administrative or technical error or a Disruption Event and (ii) payment is made within 3 (three) Business Days of its due date;
- (b) if any information or document given to the Bank by or on behalf of the Borrower or the Guarantor or any representation, warranty or statement made or deemed to be made by the Borrower or the Guarantor in or pursuant to this Contract or the Guarantee Agreement is or proves to have been incorrect, incomplete or misleading in any material respect;
- (c) if, following any default of the Borrower or the Guarantor or any other member of the Group in relation to any loan, or any obligation arising out of any financial transaction, other than the Loan,
  - (i) the Borrower or the Guarantor or any other member of the Group is required or is capable of being required or will, following expiry of any applicable contractual grace period, be required or be capable of being required to prepay, discharge, close out or terminate ahead of maturity such other loan or obligation; or
  - (ii) any financial commitment for such other loan or obligation is cancelled or suspended;
- (d) if the Borrower or the Guarantor or any member of the Group is unable to pay its debts as they fall due, or suspends its debts, or makes or seeks to make a composition with its creditors;
- (e) if any corporate action, legal proceedings or other procedure or step is taken in relation to or an order is made or an effective resolution is passed for the winding up of the Borrower, the Guarantor or any member of the Group, or if the Borrower, the Guarantor or any member of the Group takes steps towards a substantial reduction in its capital, is declared insolvent or ceases or resolves to cease to carry on the whole or any substantial part of its business or activities;
- (f) if an encumbrancer takes possession of, or a receiver, liquidator, administrator, administrative receiver or similar officer is appointed, whether by a court of competent jurisdiction or by any competent administrative authority, of or over, any part of the business or assets of the Borrower, the Guarantor or any member of the Group or any property forming part of the Project;
- (g) if the Borrower or Guarantor or any member of the Group defaults in the performance of any obligation in respect of any other loan granted by the Bank or financial instrument entered into with the Bank;
- (h) if the Borrower or Guarantor or any member of the Group defaults in the performance of any obligation in respect of any other loan made to it from the resources of the Bank or the European Union;



- (i) if any distress, execution, sequestration or other process is levied or enforced upon the property of the Borrower or any property forming part of the Project and is not discharged or stayed within 14 (fourteen) days;
- (j) if a Material Adverse Change occurs, as compared with the Borrower's or the Guarantor's condition at the date of this Contract; or
- (k) if it is or becomes unlawful for the Borrower or the Guarantor to perform any of its obligations under this Contract or the Guarantee or this Contract or the Guarantee is not effective or enforceable in accordance with its terms or is alleged by the Borrower or the Guarantor to be ineffective or unenforceable in accordance with its terms.

**10.1.B Demand after notice to remedy**

The Bank may also make such demand:

- (a) if the Borrower fails to comply with any obligation or undertaking under this Contract not being an obligation or undertaking mentioned in Article 10.1.A or the Guarantor fails to comply with any obligation or undertaking under the Guarantee not being an obligation or undertaking mentioned in Article 10.1.A; or
- (b) if any fact related to the Borrower or the Project stated in the Recitals materially alters and is not materially restored and if the alteration either prejudices the interests of the Bank as lender to the Borrower or adversely affects the implementation or operation of the Project,

unless the non-compliance or circumstance giving rise to the non-compliance is capable of remedy and is remedied within a reasonable period of time specified in a notice served by the Bank on the Borrower or the Guarantor.

**10.2 Other rights at law**

Article 10.1 shall not restrict any other right of the Bank at law to require prepayment of the Loan.

**10.3 Indemnity**

**10.3.A Fixed Rate Tranches**

In case of demand under Article 10.1 in respect of any Fixed Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with the Prepayment Indemnity on any amount of principal due to be prepaid. Such Prepayment Indemnity shall accrue from the due date for payment specified in the Bank's notice of demand and be calculated on the basis that prepayment is effected on the date so specified.

**10.3.B Floating Rate Tranches**

In case of demand under Article 10.1 in respect of any Floating Rate Tranche, the Borrower shall pay to the Bank the amount demanded together with a sum equal to the present value of 0.15% (fifteen basis points) per annum calculated and accruing on the amount of principal due to be prepaid in the same manner as interest would have been calculated and would have accrued, if that amount had remained outstanding according to the original amortisation schedule of the Tranche, until the Interest Revision/Conversion Date, if any, or the Maturity Date.

The value shall be calculated at a discount rate equal to the Redeployment Rate applied as of each relevant Payment Date.

**10.3.C General**

Amounts due by the Borrower pursuant to this Article 10.3 shall be payable on the date of prepayment specified in the Bank's demand.

**10.4 Non-Waiver**

No failure or delay or single or partial exercise by the Bank in exercising any of its rights or remedies under this Contract shall be construed as a waiver of such right or remedy. The rights and remedies provided in this Contract are cumulative and not exclusive of any rights or remedies provided by law.

**ARTICLE 11**

**Law and jurisdiction, miscellaneous.**

**11.1 Governing Law**

This Contract shall be governed by the laws of Finland.

**11.2 Jurisdiction**

- (a) The courts of Finland, with the District Court of Helsinki as the court of first instance, have exclusive jurisdiction to settle any dispute arising out of or in connection with this Contract (including a dispute relating to the existence, validity or termination of this Contract).
- (b) This Article 11.2 is for the benefit of the Bank only. As a result and notwithstanding Article 11.2(a), it does not prevent the Bank from taking proceedings relating to a dispute (including a dispute relating to the existence, validity or termination hereof) in any other courts with jurisdiction. To the extent allowed by law, the Bank may take concurrent proceedings in any number of jurisdictions.

**11.3 Place of performance**

Unless otherwise specifically agreed by the Bank in writing, the place of performance under this Contract, shall be the seat of the Bank.

**11.4 Evidence of sums due**

In any legal action arising out of this Contract the certificate of the Bank as to any amount or rate due to the Bank under this Contract shall, in the absence of manifest error, be prima facie evidence of such amount or rate.

**11.5 Entire Agreement**

This Contract constitutes the entire agreement between the Bank and the Borrower in relation to the provision of the Credit hereunder, and supersedes any previous agreement, whether express or implied, on the same matter.

**11.6 Invalidity**

If at any time any term of this Contract is or becomes illegal, invalid or unenforceable in any respect, or this Contract is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Contract or the effectiveness in any other respect of this Contract in that jurisdiction; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Contract or the effectiveness of this Contract under the laws of such other jurisdictions.

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**11.7 Amendments**

Any amendment to this Contract shall be made in writing and shall be signed by the parties hereto. Any amendment hereto shall not be effective between the parties hereto if Guarantor has not consented to such amendment in writing unless otherwise agreed in the Guarantee Agreement.

**11.8 Counterparts**

This Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument.

**ARTICLE 12**

**Final clauses**

**12.1 Notices to either party**

Notices and other communications given under this Contract addressed to either party to this Contract shall be made to the address or email address as set out below, or to such other address or email address as a party previously notifies to the other in writing:

For the Bank

Attention: Operations  
100 boulevard Konrad Adenauer  
L-2950 Luxembourg  
Email: contractline-86136@eib.org

For the Borrower

Attention: Pekka Sirviö  
Tampereen Raitiotie Oy  
Itsenäisyydenkatu 2  
33100 Tampere, Finland  
Email: kirjanpito@tampere.fi

Copies to the Guarantor

Attention: Janne Salonen  
Tampereen kaupunki, Finance Manager  
PL 487  
33101 Tampere, Finland  
Email: kirjanpito@tampere.fi

**12.2 Form of notice**

Any notice or other communication given under this Contract must be in writing.

Notices and other communications, for which fixed periods are laid down in this Contract or which themselves fix periods binding on the addressee, may be made by hand delivery, registered letter or by email. Such notices and communications shall be deemed to have been received by the other party on the date of delivery in relation to a hand-delivered or registered letter or on the date when the email is sent in relation to an email message from the Bank to the Borrower or when confirmed by return email by an authorised officer of the Bank to have been received in readable form, in the case of an email sent by the Borrower to the Bank.

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Other notices and communications may be made by hand delivery, registered letter or, to the extent agreed by the parties by written agreement, by email or other electronic communication.

Any notice or communication issued by the Borrower and addressed to the Bank shall refer to the EIB generated number identifying this Contract and indicated on the cover page of this Contract after letters "FI N°".

Without affecting the validity of any notice delivered by email according to the paragraphs above, a copy of each notice delivered by email shall also be sent by letter to the relevant party on the next following Business Day at the latest.

Notices issued by the Borrower pursuant to any provision of this Contract shall, where required by the Bank, be delivered to the Bank together with satisfactory evidence of the authority of the person or persons authorised to sign such notice on behalf of the Borrower and the authenticated specimen signature of such person or persons.

### 12.3 Recitals, Schedules and Annexes

The Recitals and following Schedules form part of this Contract:

Schedule A	Project Specification and Reporting
Schedule B	Definition of EURIBOR
Schedule C	Form of Disbursement Offer from the Bank/Acceptance by the Borrower
Schedule D	Interest Rate Revision and Conversion
Schedule E	Form of Certificate from Borrower (Article 1.4.B)
Schedule F	Form of Legal Opinion

The following Annexes are attached hereto:

Annex I	Resolution of Board of Directors of Borrower and authorisation of signatory
Annex II	Certificate of Borrowing Powers

**IN WITNESS WHEREOF** the parties hereto have caused this Contract to be executed in three (3) originals in the English language.

At Tampere, this 29<sup>th</sup> day of September 2017

Signed for and on behalf of  
**EUROPEAN INVESTMENT BANK**

Signed for and on behalf of  
**TAMPEREEN RAITIOTIE OY**

  
Alexander Stubb

  
Janne Salonen

**Project Specification and Reporting****A.1 TECHNICAL DESCRIPTION****Purpose, Location**

The Project consists of the first phase of the first tramway line in the city of Tampere, the third largest city in Finland with more than 200,000 inhabitants.

The aim of the Project is to create an efficient transport system to be the backbone of the integrated land-use transport policy of the city. It will thus foster the densification and the implementation of new urban development projects in its corridor. It will also meet current and expected increased future travel demand and will thus reduce congestion in the city centre caused by buses. It will substantially improve the current offer of public transport services in terms of speed, comfort and reliability, thus contributing to reducing reliance on private cars and the negative impact of transport on the environment.

**Description**

The first phase of the first tramline in the city of Tampere to be financed will have the following characteristics:

Total length of the line tracks <sup>1</sup>	15 km
Total length of depot tracks (one track)	2.80 km
Width of tracks	1 435 mm
Number of power supply stations	10 pcs
Nominal voltage of drive power	750 Vdc
Number of stops (+stop reserves)	23 (+3) pcs
Number of transfer stops	9 pcs
Length of a stop platform	47 m
Number of new bridges to be constructed	7 pcs
Number of bridges to be renovated	9 pcs
Length of the Hervanta line	11,53 km
Length of the TAYS line	4,74 km
Length of the depot branch in Hermiankatu	0,99 km

**Rolling stock**

The rolling stock characteristics are as follows:

Width of the car	2,65 m
Length of the car (optional increased length)	37 m (47) m
Passenger capacity of the tramway unit	264 passengers
Number of units	16 (for 1st phase)

**Calendar**

The Project will be completed by the 1<sup>st</sup> of December 2021.

<sup>1</sup> Excluding access to the depot (see below)

## A.2 PROJECT INFORMATION TO BE SENT TO THE BANK AND METHOD OF TRANSMISSION

### 1. Dispatch of information: designation of the person responsible

The information below has to be sent to the Bank under the responsibility of:

	<b>Financial Contact</b>	<b>Technical Contact</b>
Company	Tampereen Raitiotie Oy	Tampereen Raitiotie Oy
Contact person	Pekka Sirviö	Pekka Sirviö
Title	CEO (as of October 2017)	CEO (as of October 2017)
Function / Department financial and technical	Tampereen Raitiotie Oy	Tampereen Raitiotie Oy
Address	Itsenäisyydenkatu 2 33100 Tampere Finland	Itsenäisyydenkatu 2 33100 Tampere Finland
Phone	+358403345798	+358403345798
Fax	-	-
Email	pekka.sirvio@tampereenraitiotie.fi	pekka.sirvio@tampereenraitiotie.fi

The above-mentioned contact person(s) is (are) the responsible contact(s) for the time being. The Borrower shall inform the Bank immediately in case of any change.

### 2. Information on specific subjects

The Borrower shall deliver to the Bank the following information at the latest by the deadline indicated below.

<b>Document / information</b>	<b>Deadline</b>
<ul style="list-style-type: none"><li>A document signed by the competent authority confirming that the project will have no significant impact on Natura 2000 areas.</li></ul>	<i>Before first disbursement</i>
<ul style="list-style-type: none"><li>Information on the outcomes and conditions of the tender process to procure services for the operation of the tramline (in line with EU regulation 1370/2007).</li></ul>	<i>When available, or the latest 12 months before the completion of the Project</i>

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3. Information on the project's implementation

The Borrower shall deliver to the Bank the following information on Project progress during implementation at the latest by the deadline indicated below.

Document / information	Deadline	Frequency of reporting
<b>Project Progress Report</b> <ul style="list-style-type: none"> <li>- <i>A brief update on the Technical Description, explaining the reasons for significant changes vs. initial scope;</i></li> <li>- <i>Update on the date of completion of each of the main project's components, explaining reasons for any possible delay;</i></li> <li>- <i>Update on the cost of the Project, explaining reasons for any possible cost variations vs. initial budgeted cost;</i></li> <li>- <i>A description of any major issue with impact on the environment;</i></li> <li>- <i>Any significant issue that has occurred and any significant risk that may affect the Project's operation;</i></li> <li>- <i>Any legal action concerning the Project that may be on-going;</i></li> <li>- <i>Non-confidential Project-related pictures, if available.</i></li> </ul>	November 2018	Mid-term review

4. Information on the end of works and first year of operation

The Borrower shall deliver to the Bank the following information on Project completion and initial operation at the latest by the deadline indicated below.

Document / information	Date of delivery to the Bank
<b>Project Completion Report, including:</b> <ul style="list-style-type: none"> <li>- <i>A final Technical Description of the Project as completed, explaining the reasons for any significant change compared to the Technical Description in A.1.;</i></li> <li>- <i>The date of completion of each of the main Project's components, explaining reasons for any possible delay;</i></li> <li>- <i>The final cost of the Project, explaining reasons for any possible cost variations vs. initial budgeted cost;</i></li> <li>- <i>Employment effects of the Project: person-days required during implementation as well as permanent new jobs created;</i></li> <li>- <i>A description of the measures put in place in order to mitigate the environmental and social impacts;</i></li> <li>- <i>Update on the Project's demand or usage and comments;</i></li> <li>- <i>Any significant issue that has occurred and any significant risk that may affect the Project's operation;</i></li> <li>- <i>Any legal action concerning the Project that may be on-going;</i></li> <li>- <i>Non-confidential Project-related pictures, if available.</i></li> </ul>	October 2022
<b>Language of reports</b>	English

Definition of EURIBOR**A. EURIBOR**

"EURIBOR" means:

- (a) in respect of a relevant period of less than one month, the Screen Rate (as defined below) for a term of one month;
- (b) in respect of a relevant period of one or more months for which a Screen Rate is available, the applicable Screen Rate for a term for the corresponding number of months; and
- (c) in respect of a relevant period of more than one month for which a Screen Rate is not available, the rate resulting from a linear interpolation by reference to two Screen Rates, one of which is applicable for a period next shorter and the other for a period next longer than the length of the relevant period,

(the period for which the rate is taken or from which the rates are interpolated being the "Representative Period").

For the purposes of paragraphs (b) and (c) above:

"available" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank; and

"Screen Rate" means the rate of interest for deposits in EUR for the relevant period as published at 11h00, Brussels time, or at a later time acceptable to the Bank on the day (the "Reset Date") which falls 2 (two) Relevant Business Days prior to the first day of the relevant period, on Reuters page EURIBOR 01 or its successor page or, failing which, by any other means of publication chosen for this purpose by the Bank.

If such Screen Rate is not so published, the Bank shall request the principal euro-zone offices of four major banks in the euro-zone, selected by the Bank, to quote the rate at which EUR deposits in a comparable amount are offered by each of them as at approximately 11h00, Brussels time, on the Reset Date to prime banks in the euro-zone interbank market for a period equal to the Representative Period. If at least 2 (two) quotations are provided, the rate for that Reset Date will be the arithmetic mean of the quotations.

If fewer than 2 (two) quotations are provided as requested, the rate for that Reset Date will be the arithmetic mean of the rates quoted by major banks in the euro-zone, selected by the Bank, at approximately 11h00, Brussels time, on the day which falls 2 (two) Relevant Business Days after the Reset Date, for loans in EUR in a comparable amount to leading European banks for a period equal to the Representative Period.

If no rate is available as provided above, EURIBOR shall be the rate (expressed as a percentage rate per annum) which is determined by the Bank to be the all-inclusive cost to the Bank for the funding of the relevant Tranche based upon the then applicable internally generated Bank reference rate or an alternative rate determination method reasonably determined by the Bank.

**B. GENERAL**

For the purposes of the foregoing definitions:

- (a) All percentages resulting from any calculations referred to in this Schedule will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with halves being rounded up.
- (b) The Bank shall inform the Borrower without delay of the quotations received by the Bank.





- (c) If any of the foregoing provisions becomes inconsistent with provisions adopted under the aegis of EMMI and EURIBOR ACI (or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank) the Bank may by notice to the Borrower amend the provision to bring it into line with such other provisions.

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**Form of Disbursement Offer from the Bank/Acceptance by the Borrower**  
**(Articles 1.2.B and 1.2.C)**

To: Tampereen Raitiotie Oy

From: European Investment Bank

Date:

Subject: Disbursement Offer/Acceptance for the Finance Contract between European Investment Bank and Tampereen Raitiotie Oy dated 29 September 2017 (the "Finance Contract")

FI number 86136

Serapis number 20160227

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Dear Sirs,

We refer to the Finance Contract. Terms defined in the Finance Contract have the same meaning when used in this letter.

Following your request for a Disbursement Offer from the Bank, in accordance with Article 1.2.B of the Finance Contract, we hereby offer to make available to you the following Tranche:

- (a) The EUR amount to be disbursed:
- (b) Scheduled Disbursement Date:
- (c) Interest rate basis:
- (d) Interest payment periodicity:
- (e) Payment Dates:
- (f) Terms for repayment of principal:
- (g) The first and last principal repayment dates:
- (h) The Interest Revision/Conversion Date<sup>2</sup>:
- (l) The Fixed Rate or Spread, applicable until the Interest Revision/Conversion Date, if any, or until the Maturity Date.

To make the Tranche available subject to the terms and conditions of the Finance Contract, the Bank must receive a Disbursement Acceptance in the form of a copy of this Disbursement Offer duly signed on your behalf, to the following fax number [ ] no later than the Disbursement Acceptance Deadline of [time] Luxembourg time on [date].

The Disbursement Acceptance must be accompanied (if it has not been previously supplied) by:

- (i) the indication of the bank account (with IBAN code in case of disbursements in EUR or the appropriate format for the relevant currency) where disbursement of the Tranche should be made; and
- (ii) evidence of the authority of the person or persons authorised to sign it on behalf of the Borrower and the specimen signature of such person or persons.

If not accepted by the above stated time, the offer contained in this document shall be deemed to have been refused and shall automatically lapse.

If you do accept the Tranche as described in this Disbursement Offer, all the related terms and conditions of the Finance Contract shall apply, in particular, the provisions of Article 1.4.

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<sup>2</sup> If there is any, for an amount which is not less than EUR 10 million or the equivalent thereof.

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