

STANDARD TERMS

REGARDING A CONDITIONAL LOAN FOR A FEASIBILITY STUDY IN CONNECTION WITH INTERNATIONALISATION

GENERAL

§ 1 The Nordic Project Fund Nopef is a fund managed by the Nordic Environment Finance Corporation NEFCO according to the Agreement between the Nordic Council of Ministers and NEFCO.

These Standard Terms pertain to a conditional loan via the Nordic Project Fund Nopef for the conduct of a feasibility study based on an application by the applying company (the “Borrower”) to NEFCO (the “Lender”). A conditional loan is a loan that is converted to grant when the loan is remitted to the Borrower. The remission of a conditional loan can only take place if the conditions of these Standard Terms are fulfilled.

§ 2 A feasibility study refers to a time-limited study aiming to determine the pre-conditions for a long-term establishment of business activities in the project country as defined in the Loan Agreement. To this purpose, a feasibility study plan and a budget are made and an allocation of resources is done. Responsibility for the feasibility study is assigned to a project manager and the Borrower also appoints a contact person who is responsible for the communication between the Borrower and the Lender. The feasibility study shall result either in realisation or non-realisation in accordance with § 15, § 16 or § 17.

§ 3 The loan relationship is formally entered into when both Parties have signed the Loan Agreement. The Lender, however, approves costs that arise starting as of the date of the registration of the application. The loan relationship ceases when the conditional loan is terminated.

§ 4 A general pre-condition for the granting and disbursement of a conditional loan is that the Borrower complies with the laws of the country of domicile and in the country where the feasibility study and the project are initiated. The Borrower also commits to complying with the Guidelines concerning Nopef Borrowers’ Social and Environmental Responsibility provided as an annex to the Loan Agreement. The Borrower warrants that it is not sanctioned or blacklisted or subject to an investigation for corruption or other form of misconduct by any authority or international organisation.

§ 5 Any fiscal consequences that may be associated with a granted conditional loan shall be borne by the Borrower. The Borrower is aware that the conditional loan is paid out in accordance with a process which corresponds to the *de minimis* regulation of the EU¹. The Borrower warrants that the information in the Borrower’s declaration on *de minimis* aid provided as an annex to the Loan Agreement is correct in all respects.

CURRENCY OF THE LOAN AND INTEREST RATE

§ 6 The conditional loan is granted and disbursed in euros (€).

§ 7 The conditional loan is interest-free.

¹ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

TERM OF THE LOAN

- § 8 The term of the conditional loan is three (3) years from the signing of the Loan Agreement unless the loan has expired or been terminated before then.
- § 9 The original term of the loan may be extended through a separate agreement between the Lender and the Borrower. This means that the Borrower is able to apply for a time extension for the feasibility study or for remission of the loan amount disbursed and attested by an authorised auditor up to that point in accordance with § 25.

DISBURSEMENT OF THE LOAN DURING THE COURSE OF THE FEASIBILITY STUDY

- § 10 The Lender will disburse the loan to a bank account registered in the Borrower's name in the country of domicile in the Nordic countries.
- § 11 The loan is disbursed in instalments against accounting in accordance with the Lender's accounting requirements and documentation. On request for disbursement, the Borrower shall without any particular request therefor present an account of the study, attested by an authorised auditor. Copies of verifications for a period set by the Lender may be demanded as needed. A maximum of forty per cent (40 %) of the reported costs will be disbursed for each individual account.
- § 12 A maximum of fifty per cent (50 %) of the total granted loan amount may however be disbursed to the Borrower while the feasibility study is in progress.

THE BORROWER'S REPORTING OBLIGATIONS

- § 13 The Borrower is required, in accordance with the Lender's requirement of reporting, to report in writing to the Lender on the progress of the feasibility study every six (6) months from the day the loan was granted. Before the loan relationship is ended, a written final report shall be provided by the Borrower.
- § 14 The fulfilment of the obligation to report is a pre-requisite for the disbursement of the instalments of the conditional loan and for remission of the loan in accordance with § 25.

REALISED FEASIBILITY STUDY

- § 15 In order for the feasibility study to be considered to be realised, the Lender requires from the Borrower documentation of the fulfilment of one or several of the following (or other equivalent) pre-conditions:
- that a wholly or partially owned company has been established in the project country and that the share capital of the company has been paid in,
 - that a share in a registered company has been acquired in the project country,
 - that a representative office with employed staff has been opened,
 - that a binding agreement for an equivalent long-term business setup in the project country requiring an investment and risk taking on the part of the Borrower exists.

The Lender will make the decision on the interpretation of whether a feasibility study is considered realised or not. Non-Nordic documentation shall be translated at the expense of the Borrower if the Lender so requires.

- § 16 If the feasibility study results in realisation in accordance with § 15, the remaining amount of the granted loan (in such amount that corresponding acceptable costs have arisen for the

Borrower) may be disbursed and remitted in accordance with § 25 against accounting of costs attested by an authorised auditor and an approved final report. The Lender will decide upon the disbursement and remission of the conditional loan.

NON-REALISED FEASIBILITY STUDY

§ 17 If the feasibility study is discontinued or does not result in realisation in accordance with § 15, a maximum of fifty per cent (50 %) of the granted loan amount (in such amount that corresponding acceptable costs have arisen for the Borrower) may be disbursed and remitted in accordance with § 25 against accounting of costs attested by an authorised auditor and an approved final report. The Lender will decide upon the disbursement and remission of the conditional loan.

PUBLICATION OF INFORMATION

§ 18 The Lender reserves itself the right to publish the Borrower's name and the granted loan amount during the term of the conditional loan.

§ 19 The Lender reserves itself the right to publish the project's title and the project country after the conditional loan has been terminated.

§ 20 The Lender may, after the loan has been terminated, publish a summary of the content and results of the feasibility study. This will however always be carried out in mutual understanding with the Borrower.

§ 21 The Borrower is entitled to request that the publication of confidential information in accordance with § 19 and/or § 20 does not take place.

CHANGED CIRCUMSTANCES

§ 22 Material changes in the focus of the feasibility study or its purpose shall immediately be reported to the Lender no later than fourteen (14) days after the change has occurred.

Material changes are considered to include:

- changes in the scope and/or content of the feasibility study or project,
- changes in relation to the collaborating partners indicated in the application,
- lack of progress in the project for a period of over one (1) year as compared to the feasibility study plan,
- the Borrower discontinuing work with the feasibility study due to internal reprioritisations,
- the persons indicated in the application as responsible for the project changing jobs or resigning,
- ownership of the company changing hands or changes in the area of activity of the Borrower or in the current company name,
- the Borrower and/or the founded company risking insolvency, liquidation, debt rescheduling or similar circumstances within the next six (6) months.

§ 23 Unforeseen circumstances or events such as war, rebellion or natural disasters that occur in the country where the feasibility study or the project is conducted or that otherwise materially affect the execution of the feasibility study shall be reported without delay to the Lender where such report is possible.

§ 24 If such (or similar) changed circumstances as referred to in § 22 and § 23 occur, the Lender will determine whether the Borrower still fulfils the prerequisites for being granted a loan or disbursement of the loan. Should the Lender find that the prerequisites for the granting or disbursement of the loan no longer exist, the Lender may decide to terminate the loan with two

(2) months' notice in writing.

REMISSION OF THE LOAN

§ 25 Remission of the conditional loan means that the granted and disbursed loan amount is converted from a loan to a grant, whereupon the loan relationship between the Parties is dissolved and no obligation of repayment or obligation to report longer exists for the Borrower.

In connection with an application for remission of the conditional loan, a final report and a possible final accounting attested by an authorised auditor shall be provided. An approved final report and accounting attested by an authorised auditor is a pre-condition for release from the loan.

LIMITATION OF LIABILITY

§ 26 The Lender's liability is limited to normal contractual and tortious liability in accordance with applicable law. The Lender is not liable towards any third party with regard to the Borrower's feasibility study and the project conducted for which the Borrower has received the conditional loan.

TERMINATION AND BREACH OF CONTRACT

§ 27 The Lender is entitled to terminate a conditional loan in writing for immediate repayment in the case that:

- the Borrower is in breach of § 4,
- the Borrower has provided false or erroneous information in the declaration on *de minimis* aid forming part of the Loan Agreement,
- the Borrower does not fulfil his obligation to report according to § 13,
- the Borrower in any other regard is materially in breach of the provisions of or neglects his obligations according to these Standard Terms or the annexes.

If the Borrower is declared bankrupt or in liquidation or if the Borrower applies for debt rescheduling, the provision in § 24 applies.

The Lender is further entitled to terminate a conditional loan in writing effective immediately if the basic prerequisites for a contractual relationship between the Lender and the Borrower no longer exist, due among other things to the Lender ceasing his activities or due to the Lender no longer being granted the necessary financing by the Nordic Council of Ministers.

§ 28 Any additional costs incurred by the Lender due to a breach of contract according to § 27 that has been brought to the fore shall be reimbursed by the Borrower.

GOVERNING LAW AND RESOLUTION OF DISPUTES

§ 29 Finnish law shall govern these Standard Terms regardless of any other applicable provisions on the choice of law. Any disputes arising from these Standard Terms shall in the first instance be resolved by negotiations between the Lender and the Borrower. Should negotiations not give results, disputes arising from this agreement shall ultimately be settled through arbitration according to the arbitration rules of the Finland Chamber of Commerce. The arbitration board shall consist of one arbitrator. The seat of the arbitration proceedings shall be Helsinki. The language of the proceedings shall be Swedish or English.

GUIDELINES

CONCERNING THE COMPANIES' SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

1. Purpose of the Guidelines

These Guidelines are aimed at the companies applying for Nopef loans from NEFCO with the purpose of conveying the values and expectations placed on the activities of the borrowing companies.

2. Overarching Principles

The companies to which Nopef loans are granted shall within the framework of their influence embrace and implement a number of central values in the areas of human rights, workers' rights, corruption, environment, equality and animal welfare that are established in this document.

These values are primarily based on a number of international conventions and regulations that are found among other places in the OECD's Guidelines for multinational enterprises, the ILO's core conventions and the declaration *European Principles for the Environment*. These values shall be reflected and integrated in the feasibility study which NEFCO in part finances using Nopef funds. The objective is that the above mentioned values exist in the company's activities also after the feasibility study is completed and NEFCO no longer is able to monitor the borrowing companies' activities.

Special weight is attached to compliance with local laws and regulations. The activities of the companies that receive support shall not be in conflict with or have the purpose of circumventing the laws of the Nordic countries.

3. Social and Environmental Guidelines

3.1. Human Rights

Companies which are granted Nopef loans shall embrace and respect human rights as presented in the UN Universal Declaration of Human Rights. The company shall ensure that it does not take part in any breach of human rights.

3.2. Rights in Working Life

The companies granted Nopef loans shall at a minimum embrace the UN Convention on the Rights of Persons with Disabilities (2006) and the four fundamental rights presented in the ILO's Declaration on Fundamental Principles and Rights at Work (1998):

1. Freedom of association and the recognition of the right to collective bargaining (C87 & C98)
2. Elimination of all forms of forced labour (C29 & C105)
3. Abolition of child labour with elimination of worst forms of child labour as first priority (C138 & C182)
4. Elimination of discrimination in respect of employment and occupation (C111)

3.3. Corruption

NEFCO has zero tolerance with regard to corruption. Companies supported shall counteract all forms of corruption including blackmail and bribery. Breach of these Guidelines will result in the demand for repayment of funds.

Companies which are granted Nopef loans shall within the framework of their influence embrace and implement the rules presented in the Resolution of NEFCO's Board of Directors on fighting corruption that is available at www.nefco.org.

3.4. Environment

The companies that are supported via Nopef shall embrace the principles with regard to the environment in

accordance with the European Principles for the Environment, a declaration that was signed by NEFCO and four other European international financial institutions in 2006. The declaration is available at www.nefco.org. The declaration includes the precautionary principle, the prevention principle, the principle that environmental damage should as a priority be rectified at source and the polluter pays principle.

The companies that are granted Nopef loans commit themselves to complying with the local environmental laws and regulations in addition to complying with the environmental laws and regulations in the company's Nordic home country and EU's environmental laws. Relevant international environmental regulations shall also be complied with where they can be considered to raise the environmental standard of activities.

Companies that apply for Nopef loans from NEFCO shall account for all expected environmental impacts of the project in their applications.

The Borrower shall in the feasibility study identify positive and negative environmental impacts of the (main) project and then draft an action plan for how these are to be managed. The Borrower shall account in his reporting to NEFCO for environmental efforts in the feasibility study.

3.5. Equality

Companies that apply for Nopef loans from NEFCO shall as a minimum embrace and implement, in addition to the previously mentioned Convention on the Rights of Persons with Disabilities and ILO's Declaration on Fundamental Principles and Rights at Work (1998), C100 regarding equal compensation for men and women and C111 regarding the elimination of discrimination at work.

Companies that apply for Nopef loans for a project that has an expected effect on equality shall in their application and reporting report on all equality aspects of the project including actions to counteract discrimination against colleagues with disabilities.

3.6. Animal Welfare

The following Guidelines shall apply in projects involving animals.

These Guidelines for animal welfare are to contribute to increasing awareness of the importance of the proper treatment of animals used for commercial purposes.

The companies that are granted Nopef loans commit themselves to complying with the local laws and regulations in matters that affect animal welfare in addition to complying with the corresponding laws and regulations in the company's Nordic home country and EU's laws in the area.

Companies that apply for Nopef loans for projects that involve the use of animals for commercial purposes shall account in their application for how aspects that affect the welfare of animals will be treated in the project.

The Borrower shall in the feasibility study identify aspects that affect animal welfare then draft an action plan for how these are to be managed. The Borrower shall account in his reporting to NEFCO for efforts in the area of animal welfare.

This version of the Guidelines concerning the social and environmental responsibility of the Nopef Borrowers established by Nopef's Credit Committee, is in effect as of 7 June 2018.

DECLARATION ON *DE MINIMIS* AID18 November 2015
14-00355-168**Introduction**

Aid from the Nordic Council of Ministers, including the Joint Nordic institutions and other cooperating organisations, is paid in accordance with the guidelines below which correspond to the rules in the *de minimis* regulation.² When aid is paid to undertakings the regulation allows payment of state aid provided that the total amount per recipient does not exceed EUR 200,000 over any period of three fiscal years.

Nordic Environment Finance Corporation NEFCO, as fund manager for Nordic Project Fund Nopef, will use the information in this declaration in order to assess how much aid can be given within the scope of the provisions of the *de minimis* regulation.

Information regarding the Borrower

Name: _____

Domicile: _____

Company registration no: _____

Amount in loan agreement: _____

Information regarding earlier received *de minimis* aid

In the chart below the Borrower shall enter information about all aid received over the period of the current and the two previous fiscal years, calculated from the date when the conditional loan by Nopef was granted as indicated on page 2 of the Nopef loan agreement. Aid refers to aid the Borrower has been granted from state or other public sources. The amount of the current Nopef conditional loan shall not be included in the table below.

Donor	Aid scheme /name	Amount (EUR)	Date of decision on right to aid

Declaration on correctness of information

By signing this declaration the competent official/employee of the Borrower declares:

- that all information in this declaration to all parts is correct;
- that the Borrower is aware that it is not allowed to receive aid in excess of EUR 200,000 over any period of three fiscal years, and that exceeding this amount creates a liability to repay the portion of aid that exceeds the defined ceiling.

Date: _____ Signature: _____

Clarification of signature: _____

² Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, OJ L 352/1, 24.12.2013.