

No. 8009

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
FINLAND**

**Guarantee Agreement—*Second Development Bank Project*
(with annexed Loan Regulations No. 4 and Loan
Agreement between the Bank and the Teollistamisra-
hasto Oy). Signed at Washington, on 30 June 1965**

Official text : English.

*Registered by the International Bank for Reconstruction and Development
on 20 December 1965.*

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
FINLANDE**

**Contrat de garantie — *Deuxième projet concernant la
Banque de développement économique* (avec, en annexe,
le Règlement n° 4 sur les emprunts et le Contrat
d'emprunt entre la Banque et la Teollistamisrahasto
Oy). Signé à Washington, le 30 juin 1965**

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement
le 20 décembre 1965.*

No. 8009. GUARANTEE AGREEMENT¹ (*SECOND DEVELOPMENT BANK PROJECT*) BETWEEN THE REPUBLIC OF FINLAND AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 30 JUNE 1965

AGREEMENT, dated June 30, 1965, between REPUBLIC OF FINLAND (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS, by an agreement of even date herewith between the Bank and Teollistamisrahassto Oy (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies in an aggregate principal amount equivalent to fourteen million dollars (\$ 14,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower ;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,² subject, however, to the modifications thereof set forth in Schedule 2 to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

¹ Came into force on 20 July 1965, upon notification by the Bank to the Government of Finland.

² See p. 72 of this volume.

Section 1.02. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations shall have the respective meanings therein set forth.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of, and interest on, the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided, however, that the foregoing provisions of this Section shall not apply to : (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods ; (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date ; or (iv) any lien created by Suomen Pankki-Finlands Bank on any of its assets in the ordinary course of its business to secure a debt maturing by its terms and not more than one year after the date on which it is incurred.

The term “ assets of the Guarantor ” as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency of the Guarantor or of any such political subdivisions, including Suomen Pankki-Finlands Bank or any other institution acting as the Central Bank of the Guarantor.

Section 3.02. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end,

each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.03. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 3.04. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

Section 3.06. The Guarantor covenants that it will not take, cause or permit to be taken, any action which would prevent or materially interfere with the carrying on by the Borrower of its operations and affairs in accordance with sound financial and investment standards and practices, or with the performance by the Borrower of its obligations under the Loan Agreement.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed

and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Republic of Finland
Embassy of Finland
1900 Twenty-fourth Street, N.W.
Washington, D.C. 20008
United States of America

Alternative address for cables and radiograms :

Finlandia
Washington, D.C.

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables and radiograms :

Intbafrad
Washington, D.C.

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

Section 5.03. If the Loan Agreement terminates pursuant to Section 7.02 thereof, this Guarantee Agreement and all obligations of the parties hereunder shall terminate.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Finland :
By Pentti UUSIVIRTA
Authorized Representative

International Bank for Reconstruction and Development :
By Simon ALDEWERELD
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK
TO BORROWERS OTHER THAN MEMBER GOVERNMENTS

[*Not published herein. See United Nations. Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT
(*SECOND DEVELOPMENT BANK PROJECT*)

AGREEMENT, dated June 30, 1965, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and TEOLISTAMISRAHASTO OY (hereinafter called the Borrower), a company incorporated and existing under the laws of the Republic of Finland (hereinafter called the Guarantor).

WHEREAS, by an agreement dated September 18, 1963¹ between the Bank and the Borrower (hereinafter called the First Loan Agreement) the Bank has made a loan to the Borrower to finance part of the Borrower's program of providing loans to private industrial enterprises in Finland ;

WHEREAS the Borrower has requested the Bank to make a further loan to it for said program ; and

WHEREAS the Bank has agreed to make a loan to the Borrower upon the terms and conditions hereinafter set forth, such loan to be guaranteed as to payment of principal, interest and other charges by the Guarantor upon the terms of a Guarantee Agreement of even date herewith² between the Guarantor and the Bank ;

NOW THEREFORE it is hereby agreed as follows :

¹ United Nations, *Treaty Series*, Vol. 491, p. 345.

² See p. 64 of this volume.

Article I

LOAN REGULATIONS ; SPECIAL DEFINITIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1961,¹ subject, however, to the modifications thereof set forth in Schedule 2 to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Agreement, or any Schedule thereto, the following terms shall have the following meanings unless the context otherwise requires :

(a) the term " Finnish Markka " and the symbol " Fmk " shall mean the currency of the Guarantor ;

(b) the term " Articles " shall mean the Articles of Association of the Borrower as amended from time to time ;

(c) the term " Investment Project " shall mean a specific development projects in respect of which an amount shall have been credited to the Loan Account pursuant to Section 2.02 of this Agreement ;

(d) the term " Investment Enterprise " shall mean an enterprise, referred to in Section 3.01, to which the Borrower shall have made or proposes to make a loan, or in which the Borrower shall have made or proposes to make an investment, for an Investment Project ;

(e) the term " Debentures of 1956 " shall mean the 6 % debentures of the Borrower issued in 1956 and outstanding in the principal amount of Fmk 4,500,000 ;

(f) the term " Debentures of 1963 " shall mean the 5 % debentures of the Borrower issued in 1963 and outstanding in the principal amount of Fmk 5,500,000 ;

(g) the term " Finnmark Loan Agreement " shall mean the agreement dated November 8, 1963 between certain lenders and the Borrower concerning a loan which is presently outstanding in the principal amount of Fmk 7,500,000 ;

(h) the term " 5 % Dividend Agreement " shall mean the agreement dated October 28, 1963 by which the shareholders of the Borrower have agreed to remove at an appropriate time the 5 % dividend restriction in the Articles : and

(i) the term " subsidiary " shall mean any company of which a majority of the outstanding voting stock shall be owned, or which shall be effectively controlled, by the Borrower or by any one or more subsidiaries of the Borrower or by the Borrower and one or more of its subsidiaries.

¹ See p. 72 of this volume.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to fourteen million dollars (\$ 14,000,000).

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower. The amount of the Loan shall be credited to the Loan Account in such instalments as the Bank and the Borrower shall from time to time agree ; provided, however, that no such credit to the Loan Account shall be made after July 1, 1967.

Section 2.03. Amounts credited to the Loan Account may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations and this Agreement.

Section 2.04. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall be entitled, subject to the provisions of this Agreement and the Loan Regulations, to withdraw from the Loan Account such amounts as shall be the equivalent of a percentage to be established from time to time by agreement between the Borrower and the Bank of such amounts as shall have been disbursed by the Borrower to an Investment Enterprise under a loan or investment for an Investment Project, provided, however, that no withdrawals shall be made on account of (i) disbursements by the Borrower to an Investment Enterprise prior to January 1, 1965, or (ii) disbursements by the Borrower to an Investment Enterprise on account of expenditures in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.05. Withdrawals shall be made in such currency or currencies as the Bank shall reasonably elect.

Section 2.06. The Borrower shall pay to the Bank a commitment charge at the rate of three-eighths of one per cent ($3/8$ of 1 %) per annum on amounts of the Loan standing to the credit of the Borrower from time to time in the Loan Account. Such commitment charge shall accrue from the several dates on which amounts shall be credited to the Loan Account to the respective dates on which they are withdrawn from the Loan Account or are cancelled pursuant to Article V of the Loan Regulations.

Section 2.07. The Borrower shall pay interest at the rate of five and one-half per cent ($5\ 1/2$ %) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.08. Interest and other charges shall be payable semi-annually on June 1 and December 1 in each year.

Section 2.09. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement ; provided, however, that said amortization schedule shall be amended from

time to time by agreement between the Bank and the Borrower to conform substantially to the aggregate of the amortization schedules of loans by the Borrower for Investment Projects, and, in the case of investments made by the Borrower for Investment Projects, to the aggregate of the amortization schedules agreed upon between the Bank and the Borrower in respect thereof. Such amendments of the amortization schedule shall include any necessary amendments of the premiums on prepayment and redemption. The amortization schedules applicable to loans made by the Borrower for Investment Projects shall provide for appropriate periods of grace, and, unless the Bank and the Borrower shall otherwise agree, (i) shall not extend beyond seventeen years from the date of this Loan Agreement and (ii) shall provide for approximately equal semi-annual payments of principal.

Article III

DESCRIPTION OF PROJECT ; CREDITS TO LOAN ACCOUNT ; USE OF PROCEEDS OF THE LOAN

Section 3.01. The Project for which the Loan is granted is the financing by the Borrower of development in Finland through loans to, and investments in, privately owned and managed enterprises in Finland for the purpose of carrying out specific development projects, and in providing other financial assistance to such enterprises, pursuant to the corporate purposes of the Borrower as set forth in the Articles.

Section 3.02. (a) The Borrower shall not make a loan to, or investment in, an Investment Enterprise for an Investment Project in an amount exceeding such sum as shall from time to time be agreed between the Bank and the Borrower, unless the Bank has approved such loan or investment. The application of the Borrower for such approval shall be in a form satisfactory to the Bank and shall contain a description and appraisal of such Investment Project and such other information as the Bank shall reasonably request.

(b) With respect to a loan to, or investment in, an Investment Enterprise for an Investment Project in an amount not exceeding the sum at that time agreed between the Bank and the Borrower for the purposes of this Section, the Borrower shall promptly furnish to the Bank a brief statement, in a form satisfactory to the Bank, describing such Investment Project and the terms and conditions upon which the Borrower has made, or intends to make, a loan or investment therefor.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The Chairman and any one member of the Board of Directors of the Borrower or such person or persons as the Board of Directors of the Borrower shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the Project and conduct its operations and affairs in accordance with sound financial and investment standards and practices, with qualified and experienced management, with qualified personnel and in accordance with the Articles.

(b) Except as the Bank and the Borrower shall otherwise agree, the statement of the Borrower's policies and procedures adopted by the Borrower on September 3, 1963 shall not be amended and the policies and procedures set forth therein shall be observed and followed by the Borrower in its operations.

Section 5.02. (a) The Borrower shall maintain records adequate to record the progress of the Project and of each Investment Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower. The Borrower shall enable the Bank's representatives to examine such records.

(b) The Borrower shall furnish to the Bank, as soon as available, but in any event within 120 days after the end of each fiscal year of the Borrower, a report audited and certified by a qualified independent auditor stating accurately, in accordance with consistently maintained sound accounting standards, the financial condition of the Borrower.

Section 5.03. (a) The Borrower shall exercise its rights in relation to each Investment Enterprise in such manner as to protect the interests of the Bank and the Borrower.

(b) Any loan made by the Borrower to an Investment Enterprise for an Investment Project shall be made on terms whereby the Borrower shall obtain, by the written agreement of such Investment Enterprise or other appropriate legal means, rights adequate to protect the interests of the Borrower and the Bank, including the right to require such Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound industrial and financial standards, including the maintenance of adequate records; the right to require that the goods to be financed with the proceeds of the loan shall be used exclusively in the carrying out of such Investment Project; the right of the Bank and the Borrower to inspect such goods and the sites, works and construction included in such Investment Project, the operation thereof and any relevant records and documents; the right to require that such Investment Enterprise shall take out and maintain such insurance, against such risks and in such amounts as shall be consistent with sound business practices, and that, except as the Bank and the Borrower shall otherwise agree, insurance covering marine and transit hazards on the goods financed out of the proceeds of the loan shall be payable in the currency in which the costs of the goods insured thereunder shall be payable or in a freely convertible currency; and the right to obtain all such information as the Bank and the Borrower shall reasonably request relating to the foregoing and to the operations and financial condition of such Investment Enterprise. Such rights shall include appropriate provision whereby further access by such Investment

Enterprise to use of the proceeds of the loan may be suspended or terminated by the Borrower upon failure by such Investment Enterprise to carry out the terms of such loan.

Section 5.04. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and other matters relating to the purposes of the Loan.

(b) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods financed out of such proceeds, the Project, the Investment Enterprises, the Investment Projects, and the administration, operations and financial condition of the Borrower.

(c) The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

Section 5.05. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

Section 5.06. The Borrower shall pay or cause to be paid all taxes, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of the Loan Agreement, the Guarantee Agreement or the Bonds.

Section 5.07. Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall take out or cause to be taken out and maintain or cause to be maintained such insurance, against such risks and in such amounts, as shall be consistent with sound business practices.

Section 5.08. The Borrower undertakes that, except as the Bank shall otherwise agree, if the Borrower shall create any lien on any of its assets as security for any debt, such lien will equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and that in the creation of such lien express provision will be made to that effect; provided, however, that the foregoing provisions of this Section shall not apply to: (i) any lien created

on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing on demand or not more than one year after its date.

Section 5.09. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not (i) amend the Articles, (ii) sell, lease, transfer or otherwise dispose of its property and assets, except in the ordinary course of its operations as set forth in the statement of policies and procedures referred to in paragraph (b) of Section 5.01 of this Agreement, or (iii) establish any subsidiary.

Section 5.10. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not (i) take or concur in any action which would have the effect of amending, abrogating, assigning or waiving any provision of the Finnmark Loan Agreement or any right or obligation of the Borrower thereunder, (ii) amend the terms of the Debentures of 1956 or of the Debentures of 1963 or of any other loan which the Bank shall have determined, pursuant to Section 5.11 of this Agreement and the First Loan Agreement, to be equity for the purpose of said Section 5.11, in any way which would result in an increased burden on the Borrower, or (iii) make any repayments in advance of the regular stated maturity under the Debentures of 1956, the Debentures of 1963, any other loan which the Bank shall have determined, pursuant to Section 5.11 of this Agreement and the First Loan Agreement, to be equity for the purpose of said Section 5.11, or the Finnmark Loan Agreement.

Section 5.11. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur any debt if, at the time or as a result thereof, the aggregate amount of debt incurred by the Borrower and then outstanding shall exceed an amount equal to three times the equity of the Borrower determined in accordance with sound accounting practices. For the purposes of the Section :

- (a) the term " debt " shall be deemed to mean all indebtedness of the Borrower, less the amount referred to in subparagraph (b) (ii) of this Section ;
- (b) the term " equity " shall be deemed to mean the aggregate of (i) the unimpaired capital of the Borrower comprised of its series Class A shares and its series Class B shares outstanding, (ii) the amount at the time outstanding of the Debentures of 1956, the Debentures of 1963 and any other loan which the Bank shall determine to be equity for the purpose of this Section, and (iii) the surplus and surplus reserves ;
- (c) the equivalent in currency of the Guarantor of amounts in any other currency shall be determined on the basis of the rate of exchange at which such other currency may be obtained by the Borrower on the date of determination.

Section 5.12. Unless the Bank and the Borrower shall otherwise agree : (i) if any Investment Enterprise shall repay to the Borrower in advance of maturity a part or all of any indebtedness resulting from the relenting of the proceeds of the Loan, or (ii) if the Borrower shall sell, transfer, assign or otherwise dispose of all or a part of an investment made out of the proceeds of the Loan in an Investment Enterprise, the Borrower shall repay, in advance of maturity, a corresponding amount of the Loan equal to the amount credited to the Loan Account in respect

of such indebtedness or investment, or the said part thereof, as the case may be. To any repayment by the Borrower in accordance with this Section, all the provisions of the Loan Regulations relating to repayment in advance of maturity shall apply.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations, or in Section 6.02 of this Agreement for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. The following additional events are specified for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations :

(a) Any creditor shall, in accordance with the terms of any loan having an original maturity of one year or more, demand payment from the Borrower of any part of such loan prior to the agreed maturity thereof ;

(b) A resolution shall be adopted for the dissolution or liquidation of the Borrower ;

(c) The terms on which the Borrower shall have been exempted from the provisions of the Law of July 28, 1939, as amended, concerning the right of foreigners and certain bodies to own and exercise control over fixed property and shares, or the law permitting the amounts paid by the Borrower from profits to retire the Class B shares of the Borrower to be deducted from the Borrowers' annual taxable income shall have changed without the approval of the Bank ; and

(d) The 5 % Dividend Agreement or the Finnmark Loan Agreement shall not be carried out in accordance with its terms by reason of default of any party thereto.

Section 6.03. The Bank and the Borrower hereby agree that for the purposes of the First Loan Agreement and this Loan Agreement an event referred to in paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to either such agreement shall be deemed to be an event under paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to the other such agreement.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be December 31, 1967, or such other date as shall be agreed upon between the Bank and the Borrower.

Section 7.02. If this Loan Agreement shall not have come into force and effect by August 31, 1965, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower and the Guarantor of such later date.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Alternative address for cables and radiograms :

Intbafrad
Washington, D.C.

For the Borrower :

Teollistamisrahasto Oy
Lönnrotinkatu 13, V krs.
Helsinki, Finland

Alternative address for cables and radiograms :

Terasto
Helsinki

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT :

By Simon ALDEWERELD
Vice President

TEOLLISTAMISRAHASTO OY :
By Klaus CASTREN
Authorized Representative

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
June 1, 1967	\$100,000	June 1, 1975	\$600,000
December 1, 1967	100,000	December 1, 1975	600,000
June 1, 1968	400,000	June 1, 1976	550,000
December 1, 1968	400,000	December 1, 1976	550,000
June 1, 1969	500,000	June 1, 1977	400,000
December 1, 1969	500,000	December 1, 1977	400,000
June 1, 1970	550,000	June 1, 1978	400,000
December 1, 1970	550,000	December 1, 1978	400,000
June 1, 1971	600,000	June 1, 1979	400,000
December 1, 1971	600,000	December 1, 1979	400,000
June 1, 1972	600,000	June 1, 1980	300,000
December 1, 1972	600,000	December 1, 1980	300,000
June 1, 1973	600,000	June 1, 1981	300,000
December 1, 1973	600,000	December 1, 1981	300,000
June 1, 1974	600,000	June 1, 1982	200,000
December 1, 1974	600,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premiums</i>
Not more than three years before maturity	1 1/2 %
More than three years but not more than six years before maturity	2 %
More than six years but not more than eleven years before maturity	3 1/2 %
More than eleven years but not more than fifteen years before maturity	4 1/2 %
More than fifteen years before maturity	5 1/2 %

SCHEDULE 2

MODIFICATIONS OF LOAN REGULATIONS No. 4

For the purposes of this Agreement, the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1961, shall be deemed to be modified as follows :

(a) By the deletion of Sections 2.01 and 2.02.

(b) By the addition to Section 2.05 of the following new paragraph as paragraph (d) :

“ (d) The Bank and the Borrower may from time to time agree upon arrangements for prepayment and the application thereof in addition to, or in substitution for, those set forth in the provisions of paragraph (b) of Section 2.05 and Section 6.16 of these Regulations. ”

(c) By the deletion of Sections 3.02, 4.01 and 4.02.

(d) By the deletion of the second sentence of Section 4.03 and the substitution therefor of the following sentence :

“ Applications for withdrawal, with the necessary documentation as hereinafter in this Article provided, shall, except as the Bank and the Borrower shall otherwise agree, be made promptly in relation to disbursements to Investment Enterprises for Investment Projects. ”

(e) By the deletion of Section 5.03 and the substitution therefor of the following Section :

“ SECTION 5.03. *Cancellation by the Bank.* If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of 30 days, or (b) by the Closing Date any portion of the Loan shall not have been credited to the Loan Account or shall remain unwithdrawn from the Loan Account, the Bank may by notice to the Borrower terminate the right of the Borrower to request credits to the Loan Account and to make withdrawals from the Loan Account, as the case may be, with respect to such amount of the Loan. Upon the giving of such notice such amount of the Loan shall be cancelled. ”

(f) By the deletion of Section 5.04.

(g) By the deletion of Section 9.04.

(h) By the deletion of paragraph 10 of Section 10.01 and the substitution therefor of the following paragraph :

“ The term ‘ Loan Account ’ means the account on the books of the Bank to which the amount of the Loan is to be credited as provided in the Loan Agreement. ”

(i) By the deletion of the first sentence of paragraph 12 of Section 10.01 and the substitution therefor of the following sentence :

“ The term ‘ goods ’ means equipment, supplies and services required for the Investment Projects. ”

(j) By the addition of a new paragraph 19 of Section 10.01 to read as follows :

“ 19. References to the singular number shall include the plural and vice versa. ”