

DATED 25 AUGUST 2015

THE FEDERATIVE REPUBLIC OF BRAZIL  
AS BORROWER

AND

AB SVENSK EXPORTKREDIT (PUBL)  
AS LENDER

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DUAL CURRENCY  
TERM LOAN FACILITY AGREEMENT

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**THIS AGREEMENT** is dated 25 August 2015 (this "**Agreement**") and made

**BETWEEN:**

- (1) **THE FEDERATIVE REPUBLIC OF BRAZIL**, acting by and through its Ministry of Finance, whose office is at Esplanada dos Ministérios Bloco P, 8º andar, CEP 70048-900 Brasília, DF, Brazil (the "**Borrower**"); and
- (2) **AB SVENSK EXPORTKREDIT (PUBL)** as lender (the "**Lender**").

**WHEREAS:**

- (A) The Federative Republic of Brazil represented by its Ministry of Defence acting by and through Comissão Coordenadora do Programa Aeronave de Combate (Coordinating Committee for the Combat Aircraft Programme), has entered into a contract with SAAB AB (publ) dated 24 October 2014 (Contract id. Expense Agreement No 003/DCTA – COPAC/2014) which, including the sub-contracts thereto dated 18 December 2014 (Contract id. Expense Agreement No 004/DCTA – COPAC/2014 and Contract id. Expense Agreement No 001/DCTA-COPAC/2015) has a value of USD 245,325,000 and SEK 39,882,335,471.65 (together, the "**Commercial Contract**").
- (B) The Lender is willing to lend to the Borrower and the Borrower agrees to borrow from the Lender an aggregate amount not exceeding USD 245,325,000 and SEK 39,882,335,471.65, subject to the terms and conditions set forth below, for the purpose of financing the payment obligations of the Borrower under the Commercial Contract in respect of equipment, goods and services to be supplied under the Commercial Contract.

**IT IS AGREED** as follows:

**SECTION 1  
INTERPRETATION**

**1. DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Agreement:

"**Affiliate**" means any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person.

"**Alternative Currency**" has the meaning given to it in Clause 19.7 (*Alternative payment arrangements*).

"**Alternative Currency Settlement Notice**" has the meaning given to it in Clause 19.7 (*Alternative payment arrangements*).

"**Alternative Payee**" has the meaning given to it in Clause 19.7 (*Alternative payment arrangements*).

"**Alternative Payee Notice**" has the meaning given to it in Clause 19.7 (*Alternative payment arrangements*).

"**Amount Providing Basis for Compensation**" means (as the case requires) the amount of:

- (a) any part of the Total Tranche A Commitments or Total Tranche B Commitments which is not advanced during the respective Availability Period;
- (b) any Loan or part thereof which is prepaid by the Borrower under Clause 6 (*Cancellation and Prepayment*);
- (c) any Loan or part thereof which becomes payable prior to its maturity by application of Clause 16.10 (*Acceleration*); or
- (d) any part of the Total Tranche A Commitments or Total Tranche B Commitments for which the Availability Period has been extended after the date of this Agreement.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 3 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Assignment Date**" means, in relation to an assignment, the later of:

- (a) the proposed Assignment Date specified in the relevant Assignment Agreement; and
- (b) the date on which the Lender executes the relevant Assignment Agreement.

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

"**Availability Period**" means, in relation to Tranche A and Tranche B, the period from and including the date of this Agreement to and including the earlier of 30 June 2028 and the date on which the Available Commitment in respect of Tranche A and Tranche B (as applicable) has been reduced to zero.

"**Available Commitment**" means, in relation to a Tranche, the Lender's Commitment under that Tranche minus:

- (a) the amount disbursed under that Tranche; and
- (b) in relation to any proposed Utilisation, the amount of any disbursements that are due to be made under that Tranche on or before the proposed Utilisation Date.

"**Brazilian Currency**" means the lawful currency of the Federative Republic of Brazil, being the Brazilian Real as at the date of this Agreement and/or any other currency adopted from time to time by the Federative Republic of Brazil.

**"Brazilian Senate Resolution"** means the resolution (*resolução*) to be passed by the Brazilian Federal Senate (*Senado Federal Brasileiro*) and published in the Federal Gazette (*Diario Oficial da União*) approving the borrowing by the Borrower from the Lender of Total Commitments and the execution of this Agreement.

**"Business Day"** means a day (other than a Saturday or Sunday) on which banks are open for general business in Brasília, Stockholm and New York City.

**"Central Bank"** means the *Banco Central do Brasil*, together with any Relevant Authority which may succeed to the exchange control duties or authority presently vested in the *Banco Central do Brasil*.

**"CIRR"** means the Commercial Interest Reference Rate established and calculated according to the provisions set out in the OECD Arrangement for Officially Supported Export Credits (July 2014 revision), and as published monthly by the OECD Secretariat.

**"CIRR Rate"** means:

- (a) in relation to Tranche A, 3.56 per cent. per annum; and
- (b) in relation to Tranche B, 2.19 per cent. per annum.

**"Commercial Contract Amount"** means:

- (a) in relation to the Commercial Contract relating to Tranche A, USD 245,325,000; and
- (b) in relation to the Commercial Contract relating to Tranche B, SEK 39,882,335,471.65.

**"Commitment"** means a Tranche A Commitment or a Tranche B Commitment.

**"Confidential Information"** means all information relating to the Borrower, the Transaction Documents or the Facility of which the Lender becomes aware in its capacity as, or for the purpose of becoming, the Lender or which is received by the Lender in relation to, or for the purpose of becoming a Lender under, the Transaction Documents or the Facility from either the Borrower or any of its advisers in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (a) is or becomes public information other than as a direct or indirect result of any breach by the Lender of Clause 25 (*Confidentiality*); or
- (b) is identified in writing at the time of delivery as non-confidential by the Borrower or any of its advisers; or
- (c) is known by the Lender before the date the information is disclosed to it by the Borrower or any of its advisers or is lawfully obtained by the Lender after that date, from a source which is, as far as the Lender is aware, unconnected with the Borrower and which, in either case, as far as the Lender is aware, has not

been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

**"Corrupt Act"** means, in connection with the Commercial Contract, the Facility or the use of the proceeds of the Facility, any act or omission which would in the ordinary course of business be understood to be corrupt, wrongful, dishonest or criminal in nature, including (without limitation):

- (a) the acceptance or solicitation of an actual payment, reward or other advantage or offer of any payment, reward or other advantage to or from any person, including by agents, officers, officials, employees or other representatives of the Borrower or any other person, in order to influence improperly the person concerned in the exercise of his or her duties;
- (b) the acceptance or the solicitation of an offer of or the giving of any advantage to influence the action of the Borrower or any of its employees, agents, officers, officials, representatives or by a person holding public office or exercising public functions or a director, employee, agent, officer, official or representative of a public authority or public enterprise or a director or official of a public international organisation in connection with the use of the proceeds of the Facility;
- (c) any act or the acceptance or solicitation of any act which improperly influences or is intended improperly to influence the procurement process relating to the Commercial Contract or the implementation of the use of the proceeds of the Facility;
- (d) any act(s) of a similar nature to those described in paragraphs (a) to (c) above which has been found by a court in Brazil or Sweden to constitute an offence under the relevant law; or
- (e) any other violation of any anti-bribery or anti-corruption laws or regulations including, without limitation, any Swedish or Brazilian anti-corruption legislation and any implementing legislation enacted pursuant to the OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions, in each case as amended from time to time and regardless of whether or not they are technically applicable to, or binding on, the Borrower.

**"Default"** means an Event of Default or any event or circumstance specified in Clause 16 (*Events of Default*) which would (with the expiry of any grace period, the giving of any notice, the making of any determination under this Agreement or any combination of any of the foregoing) be an Event of Default.

**"Denomination Currency"** has the meaning given to it in Clause 19.7 (*Alternative payment arrangements*).

**"Direct Payment Certificate"** means a notice substantially in the form set out in Part II (*Direct Payment Certificate*) of Schedule 2 (*Utilisation Requests*) duly authorised by and on behalf of the Exporter.

**"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 the Facility (or otherwise in order for the transactions contemplated by this Agreement to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; 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 a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under this Agreement; or
  - (ii) from communicating with other Parties in accordance with the terms of this Agreement,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

**"Department of State Initial Approval"** means the document issued on 15 June 2015 by the U.S. Department of State titled "Approve with Provisos" relating to the request from the Exporter for retransfer approval of certain U.S. origin content in relation to Expense Agreement No. 003/DCTA – COPAC/2014.

**"EKN"** means Exportkreditnämnden, the Swedish Export Credits Guarantee Board, a Swedish government agency and guarantee institution located at Kungsgatan 36 (P.O. Box 3064), S-103 61 Stockholm, Sweden.

**"EKN's Conditions"** means EKN's General Conditions for Export Credit Guarantees valid as from October 1996 with Supplement 2014 (as supplemented or amended).

**"EKN Documents"** means the EKN's Conditions, the EKN Guarantee and the EKN Offer and any other related document designated as an EKN Document by the Lender.

**"EKN Fee"** means, in relation to both Tranche A and Tranche B, 0.85 per cent. (85 basis points) per annum.

**"EKN Guarantee"** means the policy to be issued by EKN to the Lender in connection with this Agreement in respect of 100 per cent. of the political and commercial risks in respect of the Borrower's obligations under this Agreement, in form and substance satisfactory to the Lender.

**"EKN Offer"** means, in relation to Tranche A and Tranche B, the offer dated on or prior to the date of this Agreement with reference number 2009-10089-1, together with any amendments and/or extensions thereto, made by EKN to the Lender to provide the EKN Guarantee in connection with this Agreement.

**"Eligible Goods and Services"** means, whether individually or together, the Eligible Foreign Goods and Services and the Eligible Local Goods and Services (as applicable).



**"Eligible Foreign Goods and Services"** means:

- (a) in relation to Tranche A, Foreign Goods and Services provided under the Commercial Contract up to an aggregate amount equal to the Tranche A Commitment; and
- (b) in relation to Tranche B, Foreign Goods and Services provided under the Commercial Contract up to an aggregate amount equal to the Tranche B Commitment.

**"Eligible Local Goods and Services"** means Local Goods and Services provided under the Commercial Contract up to an aggregate amount not exceeding 30 per cent. of the aggregate Commercial Contract Amount.

**"Event of Default"** means any event or circumstance specified as such in Clause 16 (*Events of Default*).

**"Executing Agent"** means the Brazilian Ministry of Defence acting by and through *Comando da Aeronáutica/Secretaria de Economia e Finanças da Aeronáutica-SEFA* of the Federative Republic of Brazil.

**"Exporter"** means SAAB AB (publ), Sweden.

**"External Indebtedness"** means any Indebtedness which is denominated or payable (or, at the option of the payee, creditor or holder thereof, may be payable) (i) in a currency other than the Brazilian Currency and (ii) to entities having their head office or principal place of business outside the territory of Brazil.

**"Facility"** means the dual currency term loan facility made available under this Agreement and comprising, on the date hereof, two (2) tranches, being Tranche A and Tranche B.

**"Facility Office"** means the office of AB Svensk Exportkredit (publ) located at Klarabergsviadukten 61-63 (P.O. Box 194), SE-101 23 Stockholm, Sweden or any other office notified by the Lender to the Borrower (by not less than five (5) Business Days' prior written notice) as the office through which it will perform its obligations under this Agreement.

**"Final Maturity Date"** means, in relation to each of Tranche A and Tranche B, 15 October 2039.

**"First Repayment Date"** means 15 April 2025.

**"Foreign Goods and Services"** means goods and services provided by the Exporter from outside Brazil in accordance with the Commercial Contract.

**"Government Securities"** means government securities issued by the United States of America (in relation to Tranche A), and government securities issued by the Kingdom of Sweden (in relation to Tranche B) and denominated in the currency in which the Amount Providing Basis for Compensation is denominated.

**"ICC"** means the International Chamber of Commerce.

"**ICC Court**" means the Court of Arbitration of the International Chamber of Commerce.

"**IMF**" means the International Monetary Fund.

"**Increased Costs**" has the meaning given to it in paragraph (b) of Clause 10.1 (*Increased Costs*).

"**Indebtedness**" means any indebtedness for or in respect of moneys borrowed or raised which are under any loan or credit facility or guarantee or counter indemnity issued by the Borrower.

"**Interest Loss**" means the present value of the difference between (1) the interest amounts that the Lender would have received for the Amount Providing Basis for Compensation from the date on which the event forming the basis for the obligation to pay compensation occurred until the relevant scheduled repayment date(s), and (2) the interest amounts that the Lender would be able to obtain by placing the Amount Providing Basis for Compensation in Government Securities from the date on which the event forming the basis for the obligation to pay compensation occurred until each relevant scheduled repayment date(s). The present value shall be calculated based on the interest rates offered by internationally recognised brokers in the swap market in London (in relation to USD) or Stockholm (in relation to SEK).

In the event of a cancellation (other than the cancellation provided for in Clause 3.1 and Clause 6.6(d)) or in the event that the Total Commitments have not been utilised in full by the end of the Availability Period it shall be assumed for the purposes of calculating Interest Loss that the Amount Providing Basis for Compensation had been utilised on the last day of the Availability Period.

In the event of an extension of the Availability Period, Interest Loss shall mean the present value of the difference between (1) the interest amount that the Lender would have received for the Amount Providing Basis for Compensation from the last day of the original Availability Period until each new Utilisation Date, as set out in the amended Utilisation Forecast and (2) the interest amount that the Lender would be able to obtain by placing the Amount Providing Basis for Compensation in Government Securities from the last day of the original Availability Period until each new Utilisation Date, as set out in the amended Utilisation Forecast. The present value shall be calculated based on the interest rates offered by internationally recognised brokers in the swap market in London (in relation to USD) or Stockholm (in relation to SEK).

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with Clause 8 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 7.2 (*Default interest*).

"**International Bonds**" means indebtedness borrowed or raised pursuant to instruments or securities which are, or were intended at the time of issuance to be, quoted, listed or traded on any securities exchange or other securities market (including, without limiting the generality of the foregoing, securities eligible for sale pursuant to Rule 144A under the United States Securities Act of 1933, as amended (or any successor law or regulation of similar effect)) which have an original maturity of

more than one (1) year or are combined with a commitment so that the original maturity of one (1) year or less may be extended at the option of the Borrower to a period in excess of one (1) year and which is denominated or payable (or, at the option of the payee, creditor or holder thereof, may be payable) in a currency other than the Brazilian Currency.

"**ISP**" means the Swedish Agency for Non-Proliferation and Export Controls.

"**ISP Initial License**" means the decision by the ISP dated 22 June 2015 to grant the Exporter license to enter into, *inter alia*, Expense Agreement No. 003/DCTA – COPAC/2014.

"**Lender**" means:

- (a) the Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 17 (*Changes to the Lender*),

which in each case has not ceased to be a Party in accordance with the terms of this Agreement.

"**LIBOR**" means, in relation to any Loan in Dollars:

- (a) the applicable Screen Rate; or
- (b) if:
  - (i) no Screen Rate is available for the currency of that Loan; or
  - (ii) no Screen Rate is available for the Interest Period of that Loan,

the Reference Bank Rate,

as of, in the case of paragraphs (a) and (b) above, 11.00 a.m. on the Quotation Day for the currency of that Loan and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, LIBOR shall be deemed to be zero.

"**Loan**" means the principal amount outstanding relating to a Utilisation.

"**Local Goods and Services**" means goods and services provided from Brazil by the Exporter in accordance with the Commercial Contract.

"**Material Adverse Effect**" means any extraordinary situation or a material adverse effect on:

- (a) the business, assets or financial condition of the Borrower, which situation or change of circumstances gives reasonable grounds to the Lender, after consultation with the Borrower, to conclude that the Borrower will be unable to perform or observe its obligations under this Agreement; or

- (b) the validity or enforceability of this Agreement or the rights or remedies of the Lender under this Agreement.

"**Month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"**Party**" means a party to this Agreement.

"**Payment Date**" means 15 April and 15 October in each year.

"**Person**" means an individual, corporation, partnership, joint venture, trust, unincorporated organisation, Relevant Authority or any other legal entity.

"**Prevailing Exchange Rate**" means the rate at which the Denomination Currency may be exchanged into the Alternative Currency, adjusted as necessary to ensure that the Lender is placed in the same economic position as it would have been in had the relevant payment instead been made in the Denomination Currency, as determined by the Lender (acting reasonably) having regard, *inter alia*, to its regulatory and internal treasury costs to be incurred as a result of the receipt of the Alternative Currency.

"**Project Financing**" means any financing of all or part of the costs of the acquisition, construction or development of any project and the person or persons providing such financing expressly agree to limit their recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

"**Reference Bank Rate**" means the arithmetic mean of the rates (rounded upwards to four (4) decimal places) as supplied to the Lender at its request by the Reference Banks in relation to LIBOR and STIBOR, as the rate at which the relevant Reference Bank could borrow funds in the London and Stockholm interbank markets, in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers for deposits in reasonable market size in that currency and for that period.

**"Reference Banks"** means, in relation to LIBOR and STIBOR, the principal London and Stockholm offices of such banks as may be appointed by the Lender in consultation with the Borrower.

**"Relevant Authority"** means any department, authority, instrumentality, agency or other relevant entity from which an Authorisation is to be obtained from time to time and any authority, body or other person having jurisdiction under the laws of the Federative Republic of Brazil.

**"Relevant Sanctions Event"** means the receipt by the Lender (and/or any relevant correspondent bank or account bank through which payment is intended to be effected) of one (1) or more payments due from the Borrower under this Agreement (including a payment due in an Alternative Currency under Clause 19.7 (*Alternative payment arrangements*)) is, in the determination of the Lender:

- (a) in its sole discretion, as at the date when the relevant payment is due, not possible; or
- (b) in its reasonable discretion, potentially not possible as at the date when the relevant payment is due,

in each case, due to any Sanctions that are in effect or will be in effect as at the date when the relevant payment is due.

**"Repayment Dates"** means, subject to paragraph (a) of Clause 19.4 (*Business Days*), thirty (30) consecutive semi-annual repayment dates starting with the First Repayment Date and ending with the date falling fourteen and a half (14½) years after the First Repayment Date.

**"Repayment Instalment"** means each instalment for repayment of the Loans specified in Clause 5.1 (*Repayment of Loans*).

**"Repeating Representations"** means each of the representations set out in Clauses 13.1 (*Status and authority*), 13.2 (*Binding obligations*), 13.3 (*Non-conflict with other obligations*), 13.4 (*Validity and admissibility in evidence*), 13.5 (*Governing law and enforcement*), 13.8 (*No Default*), paragraph (a) of 13.9 (*No misleading information*), 13.10 (*Pari passu ranking*), 13.11 (*No proceedings pending or threatened*), 13.12 (*No immunity*), 13.13 (*Sanctions*) and 13.16 (*Corrupt Act*).

**"Representative"** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

**"Required Documents"** means each of the documents and/or evidence specified in the relevant part of Schedule 4 (*Required Documents*).

**"Restricted Party"** means a person that is: (i) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List; (ii) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or (iii) otherwise a target of Sanctions ("**target of Sanctions**" signifying a person with

whom a US person or other national of a sanctions authority would be prohibited or restricted by law from engaging in trade, business or other activities).

**"Sanctions"** means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by:

- (a) the Security Council of the United Nations;
- (b) the United States of America;
- (c) the European Union or Sweden; and
- (d) the governments and official institutions of any of paragraphs (a) to (c) above.

**"Sanctions List"** means the "Specially Designated Nationals and Blocked Persons" list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**"), or any list maintained by, or public announcement of Sanctions designation made by, any Sanctions authority.

**"Screen Rate"** means:

- (a) in relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on page LIBOR01 or LIBOR02 of the Reuters screen (or any replacement Reuters page which displays that rate); and
- (b) in relation to STIBOR, the Stockholm interbank offered rate administered by the Swedish Bankers' Association (or any other person which takes over the administration of that rate) for the relevant period displayed on the STIBOR, Swap & Treasury Fixing page of the NASDAQ OMX website (or any replacement page of that website which displays that rate),

or, in each case, on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters or NASDAQ OMX. If such page or service ceases to be available, the Lender may specify another page or service displaying the relevant rate after consultation with the Borrower.

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

**"SEK"** and **"Swedish Kronor"** mean the lawful currency of Sweden.

**"STIBOR"** means, in relation to any Loan in Swedish Kronor:

- (a) the applicable Screen Rate; or
- (b) if:
  - (i) no Screen Rate is available for the currency of that Loan; or

- (ii) no Screen Rate is available for the Interest Period of that Loan,  
the Reference Bank Rate,

as of, in the case of paragraphs (a) and (b) above, 11.00 a.m. on the Quotation Day for the currency of that Loan and for a period equal in length to the Interest Period of that Loan and, if that rate is less than zero, STIBOR shall be deemed to be zero.

"**Sweden**" means the Kingdom of Sweden.

"**Tax**" means any tax levy, fund, impost, duty (including, without limitation, stamp 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).

"**Tax Payment**" means either the increase in a payment made by the Borrower to the Lender under Clause 9.2 (*Tax gross-up*) or a payment under Clause 9.3 (*Tax indemnity*).

"**Total Commitments**" means the aggregate of the Total Tranche A Commitments and the Total Tranche B Commitments, being USD 245,325,000 and SEK 39,882,335,471.65 at the date of this Agreement.

"**Total Tranche A Commitments**" means USD 245,325,000.

"**Total Tranche B Commitments**" means SEK 39,882,335,471.65.

"**Tranche A**" has the meaning set forth in Clause 2 (*The Facility*).

"**Tranche A Commitment**" means:

- (a) in relation to the original Lender, USD 245,325,000;
- (b) in relation to any other Lender, the amount of any Tranche A Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Tranche B**" has the meaning set forth in Clause 2 (*The Facility*).

"**Tranche B Commitment**" means:

- (a) in relation to the original Lender, SEK 39,882,335,471.65;
- (b) in relation to any other Lender, the amount of any Tranche B Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

"**Tranches**" means, collectively, Tranche A and Tranche B and "**Tranche**" means either of them.

"**Transaction Documents**" means this Agreement, each Assignment Agreement, the EKN Documents, the Commercial Contract and any other document designated as such by the Lender and the Borrower.

"**Treaty Obligations**" means any obligation of the Borrower under any treaty, agreement or other arrangement with the IMF or any other similar international organisation.

"**Unpaid Sum**" means any sum due and payable but unpaid by the Borrower under this Agreement.

"**USD**" or "**Dollars**" means the lawful currency of the United States of America for the time being.

"**Utilisation**" means a disbursement under the Facility.

"**Utilisation Date**" means the date of a Utilisation, being the date on which the relevant disbursement is to be made.

"**Utilisation Forecast**" means the document delivered pursuant to paragraph 5(b) of Schedule 1 (*Conditions Precedent to Utilisation*) signed by the Borrower and the Exporter, which sets out the proposed dates and amounts of each Utilisation under this Agreement.

"**Utilisation Request**" means a notice substantially in the form set out in Part I (*Form of Utilisation Request*) of Schedule 2 (*Utilisation Requests*) made by the Executing Agent or as delegated and authorised by the Executing Agent.

"**VAT**" means value added tax and any other tax of a similar nature which may be imposed from time to time.

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:
- (i) any "**Lender**", "**EKN**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
  - (ii) "**the Lender**" shall, in the event that the original Lender has assigned any part of its Tranche A Commitments or Tranche B Commitments to one (1) or more additional Lenders, be construed so as to include each such assignee (and any of such assignees' successors in title, permitted assigns and permitted transferees) and any reference to the Lender exercising rights under this Agreement shall be construed so as to allow each other Lender to exercise such right in respect of its Tranche A Commitment or Tranche B Commitment (as applicable) whether in relation to a consent, waiver or other exercise of rights by the Lender hereunder;
  - (iii) "**Agreement**" is a reference to this Agreement, as amended, supplemented, extended, restated (however fundamentally and whether



- or not more onerously) or replaced and includes any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under this Agreement or other agreement or instrument;
- (iv) "**Assignment Agreement**" is a reference to each Assignment Agreement as amended, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced;
  - (v) "**EKN Documents**" is a reference to the EKN Documents as amended, supplemented, extended, restated (however fundamentally and whether or not more onerously) or replaced;
  - (vi) "**assets**" includes present and future properties, revenues and rights of every description;
  - (vii) "**guarantee**" means any guarantee, letter of credit, bond, indemnity or similar assurance against financial loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or a loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
  - (viii) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
  - (ix) a "**person**" includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two (2) or more of the foregoing;
  - (x) a "**regulation**" includes any regulation, rule, official directive, request, sanction or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
  - (xi) a provision of law or regulation is a reference to that provision as amended or re-enacted; and
  - (xii) a time of day is a reference to Stockholm time.
- (b) Section, Clause and Schedule headings are for ease of reference only.
  - (c) Unless a contrary indication appears, a term used in any notice given under or in connection this Agreement has the same meaning in such notice as in this Agreement.

- (d) A Default (other than an Event of Default) is "**continuing**" if it has not been remedied or waived and an Event of Default is "**continuing**" if it has not been remedied or waived.
- (e) The "**equivalent**" in any currency (the "**first currency**") of any amount in another currency (the "**second currency**") shall be construed as a reference to the amount in the first currency which could be purchased with that amount in the second currency at the rate of exchange available to the Lender for the purchase of the first currency with the second currency at or about 11:00 a.m. on a particular day (or at or about such time and on such date as the Lender may from time to time reasonably determine to be appropriate in the circumstances).

### 1.3 **Third Party Rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Agreement, except that EKN may enforce and enjoy any rights to the extent that the same are conferred upon EKN (as the case may be) pursuant to this Agreement.

**SECTION 2  
THE FACILITY**

**2. THE FACILITY**

**2.1 The Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower:

- (a) a Dollar term loan facility in an aggregate amount equal to the Total Tranche A Commitments ("**Tranche A**"); and
- (b) a Swedish Kronor term loan facility in an aggregate amount equal to the Total Tranche B Commitments ("**Tranche B**").

**2.2 Purpose**

- (a) All amounts borrowed by the Borrower under the Facility shall be applied to finance:
  - (i) up to 100 per cent. of the Eligible Foreign Goods and Services; and
  - (ii) up to 100 per cent. of the Eligible Local Goods and Services.
- (b) All amounts borrowed by the Borrower under the Facility shall be paid directly to the account of the Exporter.
- (c) The Borrower shall apply all amounts borrowed by it under Tranche A towards payment of invoices issued by the Exporter from time to time for Eligible Goods and Services in an aggregate amount up to the Total Tranche A Commitments.
- (d) The Borrower shall apply all amounts borrowed by it under Tranche B towards payment of invoices issued by the Exporter from time to time for Eligible Goods and Services in an aggregate amount up to the Total Tranche B Commitments.

**2.3 EKN Override**

Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall oblige the Lender to act (or omit to act) in a manner that is inconsistent with the terms of the EKN Documents and, in particular:

- (a) the Lender shall be authorised to take all such actions as it may deem necessary (acting reasonably) to ensure that the terms of the EKN Documents are complied with; and
- (b) the Lender shall not be obliged to do anything if, in its opinion (acting reasonably), to do so results in or is reasonably likely to result in a breach of any term of the EKN Documents.

## 2.4 No claims against the Lender

The Borrower agrees that:

- (a) the Lender may act on the instructions of EKN in relation to this Agreement; and
- (b) it shall have no claims in respect of any loss, damage or expense suffered or incurred by it against the Lender as a result of the Lender acting on the instructions of EKN in relation to this Agreement.

## 2.5 Monitoring

- (a) The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.
- (b) The Borrower is not bound to monitor or verify the application by the Exporter of any amount disbursed under this Agreement.

## 3. CONDITIONS OF UTILISATION

### 3.1 Initial conditions precedent

The Borrower may only deliver a Utilisation Request once the Lender has received all of the documents and other evidence listed in Schedule 1 (*Conditions Precedent to Utilisation*) in form and substance satisfactory to the Lender. In the event that all conditions precedent to Utilisation have not been fulfilled on the date falling 30 days after the date of this Agreement, or such other date agreed by the Lender and EKN, the Lender's Commitment shall be automatically cancelled in full with immediate effect and the Lender shall be under no further obligations hereunder.

### 3.2 Further conditions precedent

The Lender will only be obliged to comply with Clause 4.4 (*Disbursement*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) no Default is continuing or would result from the proposed Utilisation;
- (b) no payment default has occurred and is continuing under any External Indebtedness of the Borrower that is owed to or guaranteed by any export credit agency;
- (c) the Repeating Representations to be made by the Borrower are true in all material respects;
- (d) EKN has not advised the Lender that further Utilisations under the Facility should be suspended;
- (e) the EKN Offer or the EKN Guarantee, as the case may be, is in full force and effect and will extend to the relevant Utilisation;

- (f) the Exporter represents that, according to the form set forth in Part II (Direct Payment Certificate) of Schedule 2 (*Utilisation Requests*), the aggregate amount of the Eligible Local Goods and Services, the purchase of which is financed under this Agreement, will not, taking into account the relevant Utilisation, on the expiry of the Availability Period, exceed an amount equal to 30 per cent. of the total Commercial Contract Amount;
- (g) the Exporter represents that, according to the form set forth in Part II (Direct Payment Certificate) of Schedule 2 (*Utilisation Requests*), none of the amount of the Eligible Goods and Services to which the relevant invoice referred to in the relevant Direct Payment Certificate has been paid; and
- (h) the Lender is satisfied that all necessary Authorisations from the ISP and any other export control authority or body have been obtained and remain valid, binding and in full force and effect.

### 3.3 **Maximum number of Utilisations**

The Borrower may not deliver more than six (6) Utilisation Requests per annum.

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## SECTION 3 UTILISATION

### 4. UTILISATION

#### 4.1 Delivery of a Utilisation Request

Subject to the terms of this Agreement and, if applicable, in conformity with the terms of payment for that portion of the Eligible Goods and Services to be provided by the Exporter under the Commercial Contract, the Facility may be utilised by the Borrower by delivery of a Utilisation Request, duly completed by the Borrower to the Lender not later than 11:00 a.m. on the day falling twenty (20) days prior to the proposed Utilisation Date.

#### 4.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) the currency and amount of the Utilisation comply with Clause 4.3 (*Currency and amount*);
  - (ii) the proposed Utilisation Date is a Business Day within the Availability Period; and
  - (iii) it encloses a Direct Payment Certificate and the Required Documents.
- (b) Only one (1) disbursement may be requested in each Utilisation Request.
- (c) For the avoidance of doubt, all amounts drawn under the Facility by the Borrower shall be credited to the Exporter's account and bank in accordance with the details set out in the Direct Payment Certificate.
- (d) In examining any Required Document or Direct Payment Certificate (as applicable) enclosed with a Utilisation Request, the Lender shall apply the standard of care defined in the current version of the Uniform Customs and Practice for Documentary Credits as at the date of this Agreement and its sole responsibility shall be to ascertain that such documents appear, on their face, to be in accordance with the description thereof given in Schedule 2 (*Utilisation Requests*) and Schedule 4 (*Required Documents*).

#### 4.3 Currency and amount

The amount and currency of the disbursement specified in a Utilisation Request must be in Dollars or Swedish Kronor.

#### 4.4 Disbursement

If the conditions set out in this Agreement have been met, the Lender shall make each disbursement available by the Utilisation Date through its Facility Office.

#### 4.5 **Utilisation Forecast**

- (a) The Borrower and the Lender shall agree on the Utilisation Forecast, including the amount and times for Utilisations under the Facility and the agreed and executed Utilisation Forecast shall be delivered pursuant to paragraph 5(b) of Schedule 1 (*Conditions Precedent to Utilisation*).
- (b) The Borrower shall no later than thirty-five (35) days prior thereto inform the Lender if any Utilisation will be requested earlier than as set out in the Utilisation Forecast, for example as a result of completion of phases or other deliverables under the Commercial Contract occurring earlier than planned.
- (c) Subject to paragraph (b) above, nothing in this Clause 4.5 shall operate so as to limit the Borrower's right to submit Utilisation Requests and request a Utilisation in accordance with and subject to the limitations set out in this Clause 4.

#### 4.6 **Lender's confirmation**

The Lender shall within fifteen (15) days after a Utilisation Date provide to the Borrower the following confirmations under this Agreement in respect of the applicable Utilisation:

- (a) the amount of that Utilisation;
- (b) the Utilisation Date;
- (c) the Tranche under which that Utilisation was made;
- (d) the CIRRR Rate applicable to that Utilisation; and
- (e) the initial Interest Period applicable to that Utilisation.

#### 4.7 **Cancellation of unutilised Commitment**

At close of business in Sweden on the last day of the Availability Period, the unutilised amount of the Lender's Commitment shall be automatically cancelled.

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**SECTION 4**  
**REPAYMENT, PREPAYMENT AND CANCELLATION**

**5. REPAYMENT**

**5.1 Repayment of Loans**

The Borrower shall repay the Loans made to it under this Agreement in accordance with this Clause 5.1.

- (a) The Borrower shall repay the principal amount outstanding in respect of the Loans under Tranche A in thirty (30) semi-annual instalments beginning on the First Repayment Date. Each repayment shall be made in an amount equal to (1) the aggregate principal amount outstanding under all Loans under Tranche A on the relevant Repayment Date **divided** by (2) the number of remaining Repayment Dates (including the Repayment Date in respect of which the relevant calculation is made).
- (b) The Borrower shall repay the principal amount outstanding in respect of the Loans under Tranche B in thirty (30) semi-annual instalments beginning on the First Repayment Date. Each repayment shall be made in an amount equal to (1) the aggregate principal amount outstanding under all Loans under Tranche B on the relevant Repayment Date **divided** by (2) the number of remaining Repayment Dates (including the Repayment Date in respect of which the relevant calculation is made).
- (c) Within ten (10) Business Days after the last day of the Availability Period in respect of Tranche A or Tranche B, the Lender will send to the Borrower a repayment schedule for the remaining aggregate principal amount of the Loans outstanding and an estimate of the interest payments to be made during each remaining Interest Period in respect of the Loans outstanding.
- (d) Any amount outstanding on the Final Maturity Date shall be repaid in full on that date.

**5.2 No Lender liability for the Commercial Contract**

The Borrower hereby acknowledges and agrees that the Lender shall not be in any way responsible for the performance of the Commercial Contract and the Lender shall not have any obligation to intervene in any dispute arising out of the performance thereof. Any claim which the Borrower may have against the Exporter or any other party, including any successors or assignees, and/or the failure of the Exporter, or any party that the Exporter cooperates with, to perform its obligations under the Commercial Contract shall not affect the obligations of the Borrower to perform its obligations and make payments under this Agreement and shall not be used as a defence or as set-off, counterclaim or cross-complaint as against the performance or payment of any of its obligations hereunder.

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## 6. CANCELLATION AND PREPAYMENT

### 6.1 Illegality

If the adoption of or any change in any requirement of any law or in the interpretation or application thereof which occurs after the date of this Agreement (a "**Change of Law**") shall make it (i) unlawful in any jurisdiction to which the Lender is subject or (ii) contrary to any policy adopted by the Lender, as a result of that Change of Law for the Lender to perform any of its obligations or receive the benefit of any right, each as contemplated by this Agreement, each Assignment Agreement and the EKN Documents or to fund or maintain its participation in any Loan:

- (a) the Lender shall promptly notify the Borrower upon becoming aware of that event;
- (b) if no Loan is outstanding, upon the Lender notifying the Borrower, the Commitment of the Lender will be immediately cancelled; and
- (c) if a Loan is outstanding, the Borrower shall repay the Lender's participation in that Loan on the last day of the Interest Period occurring after the Lender has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law) and the Lender's Commitment shall be cancelled in the amount of the participation repaid.

### 6.2 Voluntary cancellation

The Borrower may, if it gives the Lender not less than thirty (30) days' (or such shorter period as the Lender may agree) prior notice, cancel the whole or any part (being a minimum amount of USD 1,000,000 (or its equivalent in Swedish Kronor)) of any Available Commitment. Any cancellation under this Clause 6.2 shall reduce the Commitments of each Lender rateably under the Facility.

### 6.3 Mandatory prepayment of Loans

If any EKN Document is fully or partially withdrawn, suspended, terminated, amended, revoked or cancelled or otherwise ceases to be in full force and effect or binding on and enforceable against EKN other than:

- (a) with the consent of the Lender; or
- (b) in relation to an amendment only, where such amendment is not, in the reasonable opinion of the Lender, prejudicial to the rights or interests of the Lender,

the Borrower shall, within thirty (30) Business Days of written notification by the Lender that such EKN Document has so ceased to be in full force and effect, repay all Loans outstanding under the Facility, together with any accrued interest thereon, and all other amounts accrued or outstanding under this Agreement whereupon the Facility shall be immediately cancelled and the amount of the Available Commitments shall be reduced to zero.

#### 6.4 Voluntary prepayment of Loans

- (a) The Borrower may, if it gives the Lender not less than sixty (60) days' (or such shorter period as the Lender may agree) prior notice, prepay the whole or any part of any Loan (but, if in part, being an amount that reduces partially that Loan by a minimum amount of USD 1,000,000 (or its equivalent in Swedish Kronor).
- (b) Any prepayment under this Clause 6.4 shall satisfy the obligations under Clause 5.1 (*Repayment of Loans*) in inverse chronological order where the amounts of each Repayment Instalment shall be calculated at the time at which the relevant prepayment is made.

#### 6.5 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 6 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment of a Loan or any part of any Loan under this Agreement shall be made together with any accrued interest on the amount prepaid and, subject to any Interest Loss payable in accordance with Clause 6.6 (*Compensation for cancellation, prepayment and extension of availability*), without premium or penalty.
- (c) In the event of any cancellation of all or any part of the Commitments under this Agreement, the Borrower shall pay any Interest Loss to the Lender in accordance with Clause 6.6 (*Compensation for cancellation, prepayment and extension of availability*).
- (d) The Borrower may not reborrow any part of a Loan which is repaid or prepaid.
- (e) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (f) No amount of the Commitments cancelled under this Agreement may be subsequently reinstated.
- (g) If all or part of a Loan is repaid or prepaid, an amount of the Commitments in respect of that Tranche will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this paragraph (g) shall reduce the Commitments of each Lender rateably under that Tranche.

**6.6 Compensation for cancellation, prepayment and extension of the Availability Period**

- (a) If:
- (i) any part of Tranche A or Tranche B is cancelled or prepaid under this Clause 6;
  - (ii) any Loan or part thereof becomes payable prior to its stated maturity under Clause 16.10 (*Acceleration*);
  - (iii) at the end of the Availability Period, the aggregate amount of all Loans made under Tranche A and/or Tranche B deviates from an amount equal to the Total Commitments, Total Tranche A Commitments or Total Tranche B Commitments; or
  - (iv) at or before the end of the Availability Period the Borrower requests and the Lender, at its sole discretion and subject to the consent of EKN, agrees to extend the Availability Period,

the Borrower shall compensate the Lender for any Interest Loss, as well as reimbursement of any fees or other costs in relation to any such Amount Providing Basis for Compensation, in each case including any such costs, fees, Interest Loss (or equivalent costs) incurred or suffered by EKN (including compensation that EKN charges in relation to EKN premiums paid in arrears where a new premium level will be calculated by EKN in the event that the EKN Guarantee is terminated prematurely and, if such new premium level is lower than the original premium level, EKN will charge compensation for the difference between the original future premiums and premiums according to the new premium level assessed by EKN at the time of premature termination of the EKN Guarantee) and for which the Lender is required to indemnify or compensate EKN under the EKN Documents.

- (b) The Lender shall provide the Borrower with calculations confirming the amount of its Interest Loss, costs and fees referred to in paragraph (a) above. Such calculations as to those claimed amounts shall be conclusive and binding upon the Borrower (save for manifest error).
- (c) The Interest Loss, fees and other costs payable under paragraph (a) above shall be paid by the Borrower within thirty (30) Business Days of demand by the Lender.
- (d) If any part of Tranche A or Tranche B is cancelled pursuant to Clause 3.1 (*Initial conditions precedent*) the Borrower shall, within thirty (30) Business Days of demand by the Lender, pay to the Lender compensation for lost interest in the following amounts:
  - (i) an amount in USD equal to 0.75 per cent. of the Total Tranche A Commitments; and
  - (ii) an amount in SEK equal to 0.75 per cent. of the Total Tranche B Commitments.

**6.7 Changes to the Utilisation Forecast**

- (a) Subject to paragraph (b) below, it is acknowledged that there will be no Interest Loss compensation charged by the Lender in the event of changes to the Utilisation Forecast within the Availability Period (as at the date of this Agreement).
- (b) In the event that the Parties have agreed, with the consent of EKN, to extend the Availability Period and set a new Utilisation Forecast any subsequent changes to the Utilisation Forecast will be subject to compensation for Interest Loss as well as any amendment costs.



**SECTION 5  
COSTS OF UTILISATION**

**7. INTEREST**

**7.1 Calculation of interest and EKN Fee**

- (a) Subject to Clause 21.3 (*Day count convention*) and paragraphs (b) and (c) below, the interest for each Loan and the EKN Fee shall be calculated using the following formula:

$$I = POA * i * p/360$$

Where:

I = interest or fee amount, in the applicable currency

POA = principal outstanding amount, in the applicable currency

i = applicable interest rate or fee (per annum)

p = interest period in days

- (b) The rate of interest on each Loan is the applicable CIR Rate which is locked at 2.19 per cent. per annum for Swedish kronor and 3.56 per cent. per annum for Dollars calculated from day to day on the principal outstanding amount under the Facility and the accrued interest shall be paid by the Borrower on each Payment Date.
- (c) The EKN Fee is 0.85 per cent. per annum calculated from day to day on the principal outstanding amount under the Facility and the accrued EKN Fee shall be paid by the Borrower on each Payment Date.

**7.2 Default interest**

- (a) If the Borrower fails to pay any amount payable by it under this Agreement on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (c) below, is the higher of:
- (i) from the due date up to and including the third Business Day thereafter, (A) the rate notified to the Borrower by the Lender as soon as practicable and in any event before default interest is due to be paid in respect of the relevant Interest Period, to be the Lender's per annum overdraft rate at the Lender's account-operating bank plus 1 per cent. per annum or (B) such lower interest rate provided by application of sub-paragraph (ii) below if the Borrower has notified the Lender of its anticipated failure to pay on the due date no later than five (5) Business Days prior to the due date; and
- (ii) from the day following the third Business Day after the due date, STIBOR (in relation to amounts due in Swedish Kronor) or LIBOR (in

relation to amounts due in USD), plus 1 per cent. per annum, whereby the Lender shall at its discretion choose a quoted STIBOR/LIBOR period that matches the expected delay period after consultation with the Borrower (the maximum STIBOR/LIBOR period will be six (6) months),

and

- (iii) the relevant CIRR Rate plus 1 per cent. per annum.
- (b) If any overdue amount consists of an amount which became due on a day which was not the last day of an Interest Period relating to that amount the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that amount.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each interest period applicable to that overdue amount but will remain due and payable on demand by the Borrower.
- (d) For the avoidance of doubt, nothing in this Clause 7.2 shall limit or otherwise prejudice the rights of the Lender under Clause 11 (*Other Indemnities*).

### 7.3 Notification of rates of interest

The Lender shall promptly notify the Borrower of the determination of a rate of interest under this Agreement.

## 8. INTEREST PERIODS

### 8.1 Interest Periods

- (a) Subject to this Clause 8.1, each Interest Period in respect of Tranche A and Tranche B shall be six (6) Months.
- (b) The first Interest Period for the first Loan made under the Facility shall begin on the Utilisation Date for that Loan and end on the next Payment Date.
- (c) Subject to paragraphs (d) to (g) below:
  - (i) the first Interest Period for each subsequent Loan under the Facility shall end on the last day of the then current Interest Period for the first Loan under the Facility; and
  - (ii) at the end of that current Interest Period all Loans under each Tranche shall be consolidated such that all Loans under a Tranche shall then be treated as a single Loan under that Tranche.
- (d) If a Utilisation is made on a date falling less than fourteen (14) days prior to the end of the then current Interest Period, the Interest Period for such Loan shall extend to the last date of the immediately following Interest Period.

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- (e) An Interest Period for a Loan under the Facility shall not extend beyond a Repayment Date or the Final Maturity Date and if an Interest Period would otherwise overrun a Repayment Date or the Final Maturity Date, such Interest Period shall be shortened so that it ends on that Repayment Date or the Final Maturity Date.
- (f) Each Interest Period shall start on the Utilisation Date or (if the Loan is already made) on the last day of its preceding Interest Period.
- (g) The Lender and the Borrower may, with the prior written approval of EKN, enter into such other arrangements as they may agree for the adjustment of Interest Periods and the consolidation and/or splitting of any Loan.
- (h) The Lender shall notify the Borrower of the duration of each Interest Period promptly after ascertaining its duration.

## 8.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

**SECTION 6**  
**ADDITIONAL PAYMENT OBLIGATIONS**

**9. TAX GROSS-UP AND INDEMNITIES**

**9.1 Definitions**

In this Agreement:

**"Tax Deduction"** means a deduction or withholding for or on account of Tax from a payment under this Agreement.

**9.2 Tax gross-up**

- (a) The Borrower shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Borrower on becoming so aware in respect of a payment payable to the Lender.
- (c) If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Borrower is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Lender an original receipt or certified copy thereof or other evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

**9.3 Tax indemnity**

- (a) The Borrower shall (within twenty (20) Business Days of demand by the Lender) pay to the Lender an amount equal to the loss, liability or cost which the Lender has (directly or indirectly (and including, but not limited to, all stamp duty, notarised changes, registrations and other similar Taxes payable in respect of this Agreement and the EKN Documents)) suffered for or on account of Tax in respect of this Agreement and the EKN Documents.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on the Lender under the laws of Sweden or, if different, the jurisdiction (or jurisdictions) in which the Lender is treated as resident for tax purposes if that Tax is imposed on

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or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Lender; or

- (ii) to the extent a loss, liability or cost is compensated for by an increased payment under Clause 9.2 (*Tax gross-up*).
- (c) If the Lender makes, or intends to make, a claim under paragraph (a) above, the Lender shall promptly notify the Borrower against presentation of invoices, receipts or other relevant documents of the event which will give, or has given, rise to the claim.

#### 9.4 Value added tax

- (a) All amounts expressed to be payable under this Agreement by the Borrower to the Lender which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply and, accordingly, if VAT is or becomes chargeable on any supply made by the Lender to the Borrower under this Agreement, the Borrower shall pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and the Lender shall promptly provide an appropriate VAT invoice to the Borrower).
- (b) Where this Agreement requires the Borrower to reimburse or indemnify the Lender for any cost or expense, the Borrower shall reimburse or indemnify (as the case may be) the Lender for the full amount of such cost or expense, including such part thereof as represents VAT.

### 10. INCREASED COSTS

#### 10.1 Increased Costs

- (a) Subject to Clause 10.3 (*Exceptions*) the Borrower shall, within sixty (60) Business Days of a demand by the Lender, pay to the account of the Lender the amount of any Increased Costs reasonably incurred by the Lender as a result of:
  - (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation;
  - (ii) compliance with any law or regulation made after the date of this Agreement; or
  - (iii) the implementation or application of, or compliance with, Basel III or any law or regulation that implements or applies Basel III.
- (b) In this Agreement:
  - (i) "**Increased Costs**" means:
    - (A) a reduction in the rate of return from the Facility or on the Lender's overall capital;

- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under this Agreement,

which is incurred or suffered by the Lender to the extent that it is attributable to the Lender having entered into its Commitment or funding or performing its obligations under this Agreement;

(ii) "**Basel III**" means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III"; and

(iii) "**CRD IV**" means Directive 2013/36/EU of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC.

## 10.2 Increased cost claims

- (a) If the Lender intends to make a claim pursuant to Clause 10.1 (*Increased Costs*), the Lender shall promptly notify the Borrower.
- (b) The Lender shall provide to the Borrower a certificate confirming the amount and setting out in reasonable detail the basis of calculation for its Increased Costs.

## 10.3 Exceptions

- (a) Clause 10.1 (*Increased Costs*) does not apply to the extent that any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by the Borrower;

- (ii) compensated for by Clause 9.3 (*Tax indemnity*) (or would have been compensated for under Clause 9.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 9.3 (*Tax indemnity*) applied); or
  - (iii) attributable to the wilful breach by the Lender of any law or regulation.
- (b) In this Clause 10.3, a reference to a "Tax Deduction" has the same meaning given to the term in Clause 9.1 (*Definitions*).

#### 10.4 **Basel III Costs and CRD IV Costs**

The Borrower will only be obliged to make a payment for a Basel III Cost or CRD IV Cost if the Lender:

- (a) provides in reasonable detail the basis of calculation of such Basel III Cost or CRD IV Cost (as applicable). This obligation to provide reasonable detail does not extend to information or details that the Lender reasonably considers that: (i) it is not legally allowed to disclose; (ii) is confidential to third parties; or (iii) is price-sensitive in relation to listed shares or other instruments by the Lender;
- (b) confirms to the Borrower that it is the Lender's policy to claim Basel III Costs or CRD IV Costs (as applicable) from similar borrowers in relation to similar facilities; and
- (c) confirms to the Borrower that it is making a claim for Basel III Costs or CRD IV Costs (as applicable) within three (3) months of incurring them.

### 11. **OTHER INDEMNITIES**

#### 11.1 **Currency indemnity**

- (a) If any sum due from the Borrower under this Agreement (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
  - (i) making or filing a claim or proof against the Borrower; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within twenty (20) Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (b) To the extent permitted by law, the Borrower waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

## 11.2 Other indemnities

The Borrower shall, within twenty (20) Business Days of demand, indemnify the Lender against any cost, loss or liability incurred by the Lender as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by the Borrower to pay any amount due under this Agreement on its due date;
- (c) funding, or making arrangements to fund, its participation in a Utilisation requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or gross negligence by the Lender alone); or
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

## 12. COSTS AND EXPENSES

### 12.1 Transaction expenses

The Borrower shall promptly on demand pay the Lender the amount of all reasonable costs and expenses (including travel, internal and external legal costs and administrative expenses) incurred by it in connection with the negotiation, preparation, review and execution of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other document executed after the date of this Agreement or in connection with the arrangement and maintaining in full force and effect any EKN Document, in each case to which the Borrower is a party or has otherwise consented.

With regard to external legal costs incurred by the Lender in connection with the negotiation, preparation, execution and performance of this Agreement, the Borrower shall reimburse the Lender up to an aggregate amount not exceeding USD 275,000 on demand and against presentation of invoices and no later than ninety (90) days after signing of this Agreement.

### 12.2 Amendment costs

If (a) the Borrower requests an amendment, waiver or consent or (b) an amendment is required pursuant to Clause 19.6 (*Change of currency*) (unless the currency of Sweden is being or has been changed), the Borrower shall, within twenty (20) Business Days of demand, reimburse the Lender for the amount of all documented costs and expenses (including legal fees) reasonably incurred by the Lender and its representatives in responding to, evaluating, negotiating or complying with that

request or requirement. However, for amendments that in the reasonable opinion of the Lender can be considered minor, the Borrower shall not be required to reimburse the Lender with an amount exceeding USD 10,000.

### 12.3 **Enforcement costs**

The Borrower shall, within twenty (20) Business Days of a demand, pay to the Lender the amount of all documented costs and expenses (including travel, internal and external legal costs and administrative expenses and court and enforcement fees and charges) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, this Agreement.

### 12.4 **EKN fees**

Notwithstanding any other provision of this Agreement including, without limitation, paragraph (d) of Clause 11.2 (*Other indemnities*), the Borrower shall pay to the Lender all costs and fees (if any) payable to EKN by the Lender in respect of the EKN Guarantee and after an Event of Default has occurred and is continuing, all costs, charges and expenses payable to EKN in connection with the EKN Documents.

**SECTION 7**  
**REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT**

**13. REPRESENTATIONS**

The Borrower makes the representations and warranties set out in this Clause 13 to the Lender on the date of this Agreement.

**13.1 Status and authority**

- (a) The Borrower is a sovereign state and is not subject to any insolvency procedure. The Ministry of Finance of Brazil is legally competent to enter into transactions contemplated by this Agreement.
- (b) The Borrower has the power to own its own assets and to enter into and to exercise its rights and perform its obligations under this Agreement and all action required to authorise the execution of this Agreement and the performance of its obligations under this Agreement has been duly taken.
- (c) All its payment obligations under this Agreement are treated as sovereign debts of Brazil.

**13.2 Binding obligations**

This Agreement, when executed and delivered by a duly authorised official of the Borrower, constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

**13.3 Non-conflict with other obligations**

The execution and the performance of this Agreement in accordance with the terms and conditions set out therein do not conflict with:

- (a) the constitution of the Federative Republic of Brazil, any agreement or other instrument entered into by or between the Federative Republic of Brazil and any international organisation or entity (including, without limitation, any agreement or other instrument between the Federative Republic of Brazil and the IMF) or any other agreement, mortgage, bond or other instrument or treaty to which it is a party or which is binding upon it;
- (b) any existing provision of law, statute, decree, rule or regulation to which the Borrower or its assets is subject, or any judgment, decree, franchise, order or Authorisation applicable to the Borrower;
- (c) any Sanctions which are for the time being, or (to the best of its knowledge, information and belief) will in due course be, in effect and which are binding on it, unless (if permitted by law) alternative payment arrangements have been agreed in accordance with Clause 19.7 (*Alternative payment arrangements*); or
- (d) or be inconsistent with, or result in any breach or violation of, any term, covenant, condition or provision of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance

upon any of the property or assets of the Borrower pursuant to the terms of any contractual restriction or undertaking under any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower is a party or by which the Borrower or any of its assets may be bound.

#### 13.4 **Validity and admissibility in evidence**

All Authorisations of, or exemptions or waivers by, every governmental, judicial or public body or authority required:

- (a) to authorise, or required in connection with, the execution and delivery of this Agreement and the performance hereunder; and
- (b) to make this Agreement admissible in evidence in the Federative Republic of Brazil,

have been obtained or effected and are in full force and effect, **provided that** in order to ensure the enforceability and admissibility in evidence of this Agreement before the public agencies and courts in the Federative Republic of Brazil (i) the signatures of the parties executing this Agreement outside the Federative Republic of Brazil must be notarised by a notary public qualified as such under the laws of the place of signing and the signature of such notary public must be authenticated by a Brazilian consular officer at a competent Brazilian consulate (*consularização*) and (ii) this Agreement must be translated into Portuguese by a sworn translator.

#### 13.5 **Governing law and enforcement**

- (a) The choice of English law as the governing law of this Agreement will be recognised and enforced in the Federative Republic of Brazil.
- (b) Any arbitral award in relation to this Agreement will be recognised and enforced in the Federative Republic of Brazil without re-examination of the merits if such award is ratified by the Superior Court of Justice. Such ratification can be obtained if such award:
  - (i) fulfils all formalities required for the enforceability thereof under the laws of the country where the same was granted;
  - (ii) was issued by a competent arbitral tribunal after service of such process upon the parties to the action as is required by the rules of such arbitral tribunal;
  - (iii) is not subject to appeal;
  - (iv) was authenticated by a Brazilian consulate in the country where the same was issued; and
  - (v) is not against the principles of Brazilian public policy as set forth in Brazilian Decree-Law Article no. 4.675 dated 4 September 1942.

### 13.6 Deduction or withholding of Tax

It is not required to make any deduction or withholding for or on account of Tax from any payment it may make under this Agreement.

### 13.7 No filing or stamp taxes

Under the laws of the Federative Republic of Brazil it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in the Federative Republic of Brazil, other than the registration of the schedule of payments pertaining to a Loan with the *Registro de Operações Financeiras – ROF* of the Central Bank data system, indicating the correct dates for repayment of all amounts disbursed under such Loan, or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this Agreement.

### 13.8 No Default

No Event of Default has occurred and is continuing and the Borrower is not aware of any event or circumstances that will give rise to the occurrence of an Event of Default.

### 13.9 No misleading information

- (a) Any factual information provided by the Borrower in relation to this Agreement was true, complete and accurate in all material respects as at the date (if any) at which it is stated.
- (b) To its knowledge, after making due and careful enquiry, nothing has occurred or been omitted from the factual information referred to in paragraph (a) above and no information has been given or withheld that results in that information being untrue or misleading in any material respect.

### 13.10 *Pari passu* ranking

Its payment obligations under this Agreement rank at least *pari passu* in legal right of payment with the claims under all other unsecured and unsubordinated External Indebtedness and International Bonds of the Borrower and **provided that** this provision shall not be construed so as to require the Borrower to pay all items of its External Indebtedness and International Bonds rateably as they fall due.

### 13.11 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect have been commenced or threatened against the Borrower.

### 13.12 No immunity

The Borrower has no right of immunity from suit, execution or any other legal process with respect to its obligations under this Agreement in the Federative Republic of Brazil, except for the limitation on the alienation of public property provided for in Article 100 of the Civil Code of the Federative Republic of Brazil,

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**provided that** the execution of a judgment against, and the satisfaction of a judgment by, the Borrower in the Federative Republic of Brazil may be made only in accordance with Article 100 of the Constitution of the Federative Republic of Brazil and the procedures set forth in Article 730 *et seq.* of the Civil Procedure Code of the Federative Republic of Brazil (which Articles set forth the procedures pursuant to which such judgment must be satisfied by the Borrower, including the requirements that such judgment be registered for inclusion in the budget for payment in a subsequent fiscal year of the Borrower and that payment in respect of such judgment be made through the court that rendered such judgment).

### 13.13 Sanctions

- (a) Neither the Borrower, nor any person acting on its behalf, is currently subject to Sanctions.
- (b) The Borrower will use the proceeds of the transactions contemplated in this Agreement exclusively in the manner set forth in Clause 2.2 (*Purpose*), and will not, directly or indirectly, or in any way, use the proceeds, or lend, contribute or otherwise make available such proceeds to any entity, for the purpose of financing the activities of any person, entity or country currently subject to any Sanctions, or will violate, or cause any party to this Agreement or any Affiliate thereof to violate, the export controls administered by the United States Department of Commerce, the International Traffic in Arms Regulations administered by the United States, the ISP or any other applicable laws governing export control in Sweden.
- (c) The transactions contemplated by this Agreement, the execution, delivery and performance of this Agreement or the provision of services contemplated by this Agreement to the Borrower will not result in a violation of any Sanctions.

### 13.14 IMF

The Borrower is a member in good standing and eligible to use the resources of the IMF and is able to draw on or make use of funds available to it under any IMF funding programme and no such programme has been cancelled or suspended.

### 13.15 Treaty Obligations

- (a) The Treaty Obligations of the Borrower do not contain any provisions which, expressly or impliedly, limit the ability of the Borrower to enter into, deliver or perform its obligations under this Agreement.
- (b) No negative sanctions are or could be made against the Borrower under the Treaty Obligations or other similar arrangements as a result of the Borrower entering into, delivering or performing its obligations under this Agreement.

### 13.16 Corrupt Act

It has not and none of its employees, officers, officials, agents or representatives has committed any Corrupt Act nor directed or invited or solicited any person to commit any Corrupt Act on its behalf or for the benefit of it or any of its employees, officers,

officials, agents or representatives in relation to or in connection with the Commercial Contract or this Agreement.

#### 13.17 **Embargo**

The Facility is not used to finance equipment or sectors under embargo decisions of the United Nations, the European Union or the Federative Republic of Brazil.

#### 13.18 **Times when representations are made**

The Repeating Representations are deemed to be made by the Borrower on the date of each Utilisation Request and the first day of each Interest Period, in each case by reference to the facts and circumstances then existing.

### 14. **INFORMATION UNDERTAKINGS**

The undertakings in this Clause 14 remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

#### 14.1 **Contracts**

The Borrower, through the Executing Agent, shall notify the Lender of:

- (a) any proposed material amendments to the Commercial Contract (including any amendment to the Commercial Contract Amount or any variation to the payment schedules) which are permitted under this Clause 14.1;
- (b) any material disputes under the Commercial Contract and the exercise of any remedy by the Borrower or the Exporter under or pursuant to the Commercial Contract (including, without limitation, the occurrence of any event of force majeure – howsoever described – or exercise of any termination right) which has the effect of delaying or affecting either the scheduled shipment or payments under the Commercial Contract; and
- (c) any breach of a material obligation of any party under the Commercial Contract or if it has reasonable grounds that there might be a breach, including any breach which might reasonably be expected to lead to a suspension or material claim or material dispute or termination of the Commercial Contract (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

#### 14.2 **Notification of Default**

- (a) The Borrower shall promptly notify in writing the Lender of the occurrence of any Default and any event (including a default or event of default) that causes, or may cause, the cancellation, suspension or acceleration of the Loans (and the steps, if any, being taken to remedy it) immediately upon becoming aware of its occurrence.
- (b) Promptly upon a request by the Lender, the Borrower shall supply to the Lender a certificate signed by the Minister of Finance (or any other person or

other authorised signatory of the Borrower notified to the Lender in advance) on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

#### 14.3 **Authorised signatories**

The Borrower shall promptly advise the Lender, in any event prior to any Utilisation to be made under the Facility on the basis of such modification, of any modification relative to any of the signatories listed in Schedule 1 (*Conditions Precedent to Utilisation*), and shall transmit simultaneously together with such communication the specimen signatures and specimen stamp(s) and/or seal(s) (as relevant) of the new authorised signatories, following such together with the powers of attorney and other relevant documents evidencing the authority of such signatories.

#### 14.4 **"Know your customer" checks**

(a) If:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement; or
- (ii) a proposed assignment by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment,

obliges the Lender to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Borrower shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender in order for the Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in this Agreement.

(b) The Borrower shall, promptly upon the request of the Lender, supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself) in order for the Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in this Agreement.

(c) Notwithstanding anything to the contrary set forth herein, the Borrower shall not be required to supply or disclose any information requested by the Lender where such supply or the disclosure of such information would result in a breach by the Borrower of any applicable law or regulation.

## 15. GENERAL UNDERTAKINGS

The undertakings in this Clause 15 remain in force from the date of this Agreement for so long as any amount is outstanding under this Agreement or any Commitment is in force.

### 15.1 Authorisations

The Borrower shall obtain and promptly renew (if necessary) all Authorisations as may be required under any applicable law or regulation to enable the Borrower to perform any of its obligations under this Agreement and to comply with the terms of any such Authorisations.

### 15.2 No immunity

The Borrower waives any right of immunity from suit, execution or any other legal process with respect to its obligations under this Agreement in the Federative Republic of Brazil, except for the limitation on the alienation of public property provided for in Article 100 of the Civil Procedure Code of the Federative Republic of Brazil, **provided that** the execution of a judgment against, and the satisfaction of a judgment by, the Borrower in the Federative Republic of Brazil may be made only in accordance with Article 100 of the Constitution of the Federative Republic of Brazil and the procedures set forth in Article 730 *et seq.* of the Civil Procedure Code of the Federative Republic of Brazil (which Articles set forth the procedures pursuant to which such judgment must be satisfied by the Borrower, including the requirements that such judgment be registered for inclusion in the budget for payment in a subsequent fiscal year of the Borrower and that payment in respect of such judgment be made through the court that rendered such judgment).

### 15.3 Negative pledge

- (a) The Borrower will not create or permit to subsist any Security in any of its present or future revenues or properties to secure any External Indebtedness and/or International Bonds of the Borrower, unless:
  - (i) the Facility is secured equally and rateably with such External Indebtedness and/or International Bonds; or
  - (ii) the Facility has the benefit of another security, guarantee, indemnity or other arrangement (other than the EKN Guarantee) as approved by the Lender.
- (b) Notwithstanding the foregoing, the Borrower may create or permit to subsist:
  - (i) Security created in relation to secured financings entered into prior to the date of this Agreement, including renewals or refinancings of those secured financings, **provided, however, that** the relevant Security secures only the renewal or extension of the original secured financing;
  - (ii) Security securing External Indebtedness and/or International Bonds incurred or assumed by the Borrower in connection with a Project Financing **provided that** the property over which that Security is

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granted consists solely of assets or revenues of the project for which the Project Financing was incurred;

- (iii) Security securing External Indebtedness and/or International Bonds which:
  - (A) is issued by the Borrower in exchange for secured debt of the Borrower's public sector bodies (other than the Borrower); and
  - (B) is in an aggregate principal amount outstanding that does not exceed USD 25,000,000 (or its equivalent in any other currency); and
- (iv) Security securing External Indebtedness and/or International Bonds incurred or assumed by the Borrower to finance or refinance the acquisition of the assets in which that Security has been created or permitted to subsist.

#### 15.4 **Pari passu**

The Borrower shall ensure that at all times the claims of the Lender against the Borrower under this Agreement constitute direct, unconditional and general obligations of, and will rank at least *pari passu* in legal right of payment with the claims under all other unsecured and unsubordinated External Indebtedness and International Bonds; **provided that** this provision shall not be construed so as to require the Borrower to pay all items of its External Indebtedness and International Bonds rateably as they fall due.

#### 15.5 **Sanctions**

- (a) The Borrower covenants that it will not use the proceeds of the Facility, or lend, contribute or otherwise make available such proceeds to any Affiliate or other person to fund or facilitate any activities or business of, with or related to any person that, at the time of such funding or facilitation, is the subject of Sanctions (including any person in a country or territory that is subject to country-wide or territory-wide Sanctions) or any transaction involving or for the benefit of any Restricted Party, **provided that** the Borrower is not responsible for the application by the Exporter of any amount disbursed under this Agreement.
- (b) The Borrower covenants that no person that is a Restricted Party will have any property interest in any funds repaid or remitted by the Borrower in connection with the Facility, **provided that** the Borrower is not responsible for the application by the Exporter of any amount disbursed under this Agreement.
- (c) The Borrower covenants to ensure that neither the Borrower nor any persons acting on its behalf is a Restricted Party.

## 15.6 **Separate agreement**

The Borrower agrees and acknowledges that the EKN Guarantee is a separate arrangement and the Borrower shall not have any right or recourse against the Lender in respect of or arising by reason of any payment made by EKN to the Lender pursuant to the EKN Guarantee.

## 15.7 **EKN Documents**

The Borrower agrees that in the event that the Lender notifies the Borrower that it has filed or intends to file a claim for payment under the EKN Documents it shall:

- (a) assist in the filing of any claim for compensation, indemnity or reimbursement; and
- (b) co-operate in good faith with the Lender and/or EKN with respect to any verification of claim, eligibility or amount by any such person (including, but not limited to, providing evidence, documentation, information, certificates and any other forms of proof reasonably requested in connection therewith).

## 15.8 **Obligations and the EKN Documents**

- (a) The Borrower agrees and acknowledges that its obligations shall in no way be affected by any EKN Guarantee. In case of any payment to the Lender pursuant to any EKN Guarantee, EKN shall, in addition to any other rights which it may have under the EKN Documents or otherwise, have full rights of recourse against the Borrower. The rights of recourse of EKN shall in no way be affected by any dispute, claim or counterclaim whatsoever between the Borrower and the Lender, or the Borrower and EKN or between the parties to the Commercial Contract or between any other parties.
- (b) At the request of the Lender, the Borrower shall comply with the requirements of EKN and shall take all steps and do all actions necessary to ensure that the EKN Documents remain in full force and effect. At the request of the Lender, the Borrower shall perform such other acts or provide such other information as may be necessary to obtain the full support of EKN (including making documents and records available to the Lender, EKN or their authorised agents and appointed independent experts).

## 15.9 **Authorised signatories**

The Borrower shall promptly advise the Lender or procure that the Lender shall promptly be advised, and in any event prior to any Utilisation to be made under this Facility on the basis of such modification, of any modification relative to any of the signatories specified in Schedule 1 (*Conditions Precedent to Utilisation*), and shall transmit simultaneously together with such communication the specimen signatures and specimen stamp(s) and/or seal(s) (as relevant) of the new authorised signatories, following such together with the powers of attorney and other relevant documents evidencing the authority of such signatories.

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#### 15.10 **Central Bank Registration (ROF)**

The Borrower shall take all necessary steps and make all necessary adjustments from time to time necessary in a timely manner to keep the *Registro de Operações Financeiras – ROF* and the schedule of payments accurate and updated and shall timely obtain any and all Authorisations that may be required from the Brazilian Central Bank and any other Relevant Authority to allow remittance of all payments to the Lender (whether of principal, interest, fees, penalties or others), pursuant to the terms and conditions set forth in this Agreement.

#### 16. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in this Clause 16 is an Event of Default.

##### 16.1 **Non-payment**

The Borrower does not pay on the due date any amount payable pursuant to this Agreement at the place and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of its due date.

##### 16.2 **Other obligations**

- (a) The Borrower does not comply with any provision of this Agreement (other than those referred to in Clause 16.1 (*Non-payment*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within twenty (20) Business Days of (i) the Lender giving notice to the Borrower or (ii) the Borrower becoming aware of the failure to comply (whichever is earlier).

##### 16.3 **Misrepresentation**

- (a) Any representation or statement made or repeated by the Borrower in this Agreement or any other document delivered by or on behalf of the Borrower under or in connection with the Agreement is or proves to have been incorrect or misleading in any material respect when made or repeated.
- (b) No Event of Default under paragraph (a) above will occur if the misrepresentation or statement is capable of being rendered correct and not misleading, and it is rendered correct and not misleading within (20) Business Days of the Lender giving notice to the Borrower or the Borrower becoming aware of the failure to comply (whichever is earlier).

##### 16.4 **Cross default**

Any External Indebtedness of the Borrower owed to the Lender or guaranteed by EKN is not paid when due, subject to any originally applicable grace period, or is cancelled, suspended or declared to be or otherwise becomes due and payable prior to its specified maturity.

#### 16.5 **Moratorium**

- (a) A declaration by the Borrower of a moratorium or a moratorium *de facto* comes into effect with respect to the payment of principal of or interest on External Indebtedness and International Bonds of the Borrower which does not expressly exclude the Facility and which is materially prejudicial to the interests of the Lender.
- (b) The Federative Republic of Brazil declares a suspension of payments or moratorium on the payment of its External Indebtedness and/or International Bonds.

#### 16.6 **Unlawfulness**

- (a) It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement.
- (b) This Agreement ceases to be in full force and effect or is alleged by a party to it to be ineffective.

#### 16.7 **Repudiation**

The Borrower denies, repudiates or rescinds (or evinces an intention to deny, repudiate or rescind) this Agreement or any of its obligations under this Agreement.

#### 16.8 **Material adverse change**

Any extraordinary situation or a material adverse change in the business, assets or financial condition of the Borrower occurs, which situation or change of circumstances gives reasonable grounds to the Lender, after consultation with the Borrower, reasonably to conclude that the Borrower will be unable to perform or observe any of its obligations under this Agreement.

#### 16.9 **Revocation of Authorisation**

Any relevant Authorisation required for the performance by the Borrower of its obligations under the Transaction Documents is withdrawn or ceases to be in full force and effect.

#### 16.10 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Lender may, by seven (7) Business Days' notice to the Borrower:

- (a) cancel the Total Commitments whereupon they shall immediately be cancelled;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under this Agreement be immediately due and payable, whereupon they shall become immediately due and payable; and/or



- (c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Lender.

**16.11 Rights under EKN Documents**

The remedies set out in Clause 16.10 (*Acceleration*) shall be without prejudice to the rights of the Lender to make claims under and enforce the EKN Documents.

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**SECTION 8  
CHANGES TO THE PARTIES**

**17. CHANGES TO THE LENDER**

**17.1 Assignments by the Lender**

Subject to this Clause 17, the Lender may assign any of its rights to another bank or financial institution or to a trust, fund or other entity (other than a special purpose securitisation vehicle established solely for the purposes of entering into securitisation schemes) which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**"). For the avoidance of doubt, the Lender may assign any of its rights under this Agreement to EKN and any such assignment may be in respect of any Tranche or any Loan and in any amount.

**17.2 Conditions of assignment**

- (a) The consent of EKN is required for an assignment by the Lender, unless the assignment is to an Affiliate of the Lender or EKN.
- (b) An assignment will only become effective on:
  - (i) receipt by the Borrower of written confirmation from the New Lender (in form and substance satisfactory to the Borrower acting reasonably (for these purposes any written confirmation by way of an executed Assignment Agreement in the form set out in Schedule 3 (*Assignment Agreement*) shall be deemed to be in form and substance satisfactory to the Borrower)) that the New Lender will assume the same rights and obligations as it would have been under if it was the Lender;
  - (ii) when applicable, receipt by the Borrower of a copy of EKN's written consent to such assignment; and
  - (iii) performance by the New Lender of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the New Lender shall promptly notify to the Lender and the Borrower.
- (c) If:
  - (i) the Lender assigns any of its rights or obligations under this Agreement or changes its Facility Office; and
  - (ii) as a result of circumstances existing at the date the assignment or change occurs, the Borrower would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 9 (*Tax Gross-up and Indemnities*) or Clause 10 (*Increased Costs*),

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then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the New Lender or Lender acting through its previous Facility Office would have been if the assignment or change had not occurred **provided that** this Clause 17.2 shall not apply to any assignment to or from EKN.

### 17.3 Procedure for assignment

- (a) Subject to the conditions set out in Clause 17.2 (*Conditions of assignment*) an assignment may be effected in accordance with paragraph (c) below when the Existing Lender executes an otherwise duly completed Assignment Agreement delivered to it by the New Lender. The Existing Lender shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) On the Assignment Date:
  - (i) the Existing Lender will assign absolutely to the New Lender the rights under this Agreement expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released from the obligations owed by it (the "**Relevant Obligations**") and expressed to be the subject of the release in the Assignment Agreement; and
  - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (c) The Lender may utilise procedures other than those set out in this Clause 17.3 (*Procedure for assignment*) to assign its rights under this Agreement **provided that** they comply with the conditions set out in Clause 17.2 (*Conditions of assignment*).

### 17.4 EKN subrogation

Upon payment by EKN of amounts due and payable under this Agreement, EKN shall (where applicable) have the right to be subrogated to the rights of the Lender against the Borrower in accordance with the EKN Documents.

## 18. CHANGES TO THE BORROWER

The Borrower may not assign any of its rights or obligations or transfer any of its rights or obligations under this Agreement.

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**SECTION 9  
ADMINISTRATION**

**19. PAYMENT MECHANICS**

**19.1 Payments to the Lender**

- (a) On each date on which the Borrower is required to make a payment under this Agreement, the Borrower shall make the same available to the Lender (unless a contrary indication appears in this Agreement) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Lender specifies.

**19.2 Partial payments**

If the Lender receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under this Agreement, the Lender shall apply that payment towards the obligations of the Borrower under this Agreement in the following order:

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

**19.3 No set-off by the Borrower**

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

**19.4 Business Days**

- (a) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

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## 19.5 Currency of account

- (a) USD is the currency of account and payment for any repayment and payment of interest due from the Borrower relating to Tranche A and Swedish Kronor is the currency of account and payment for any repayment and payment of interest due from the Borrower relating to Tranche B for any sum due from the Borrower under this Agreement.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in either Swedish Kronor or USD, as notified by the Lender to the Borrower, by converting the currency in which the costs and expenses or Taxes are incurred into either Swedish Kronor or USD at a rate corresponding to the foreign exchange rates between the relevant currency and USD and/or SEK offered by internationally recognised brokers in the foreign exchange market in London on the date of the relevant payment.
- (c) Any amount expressed to be payable in a currency other than Swedish Kronor or USD shall be paid in USD or SEK, as notified by the Lender to the Borrower, by converting the currency in which the amount is incurred into either Swedish Kronor or USD at a rate corresponding to the foreign exchange rates between the relevant currency and USD and/or SEK offered by internationally recognised brokers in the foreign exchange market in London on the date of the relevant payment.

## 19.6 Change of currency

- (a) If more than one currency or currency unit are at the same time recognised by the central bank of Sweden, Brazil or the United States as the lawful currency of that country, then, unless prohibited by law:
  - (i) any reference in this Agreement or the EKN Documents to, and any obligations arising under such documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrower); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent that the Lender (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the London interbank market and otherwise to reflect the change in currency.

## 19.7 Alternative payment arrangements

- (a) If a Relevant Sanctions Event results in the occurrence of an Event of Default under Clause 16.6 (*Unlawfulness*), that Event of Default will be deemed not to

have occurred unless and until such time as the Lender determines (acting reasonably) by notice to the Borrower that the discharge of the relevant payment obligations on the applicable due date in an alternative manner contemplated by this Clause 19.7 is not lawful or otherwise lawfully possible.

- (b) If a Relevant Sanctions Event occurs, the Lender may, in its sole discretion:
  - (i) by notice to the Borrower (an "**Alternative Currency Settlement Notice**"), require that the payment obligations, while remaining denominated for all purposes in the currency originally applicable under that Agreement (the "**Denomination Currency**"), are instead settled by the Borrower in an Eligible Alternative Currency (the "**Alternative Currency**") and the Borrower will settle the payment obligations in the Alternative Currency at the Prevailing Exchange Rate on the later of (A) seven (7) Business Days following receipt of the Alternative Currency Settlement Notice and (B) the date on which the amounts become payable under this Agreement; or
  - (ii) by notice to the Borrower (an "**Alternative Payee Notice**"), require that the payments be made to another person elected by the Lender (acting reasonably) and designated in that Alternative Payee Notice (an "**Alternative Payee**") and the Borrower will make the payments instead to the Alternative Payee (on the later of (A) one (1) Business Day following receipt of the Alternative Payee Notice and (B) the date on which the amounts become payable under this Agreement) and to the extent of those payments, will obtain a good discharge of the corresponding payment obligation owed to the Lender.
- (c) Any Alternative Currency Settlement Notice or Alternative Payee Notice shall describe the Relevant Sanctions Event to which such notice relates in reasonable detail.
- (d) Any Alternative Currency Settlement Notice or Alternative Payee Notice will specify the account to which the Borrower is required to make the payments to which that notice relates and, in the case of an Alternative Currency Settlement Notice relating to amounts then due and payable, the Prevailing Exchange Rate applicable to the payments.
- (e) If an Alternative Currency Settlement Notice relates to amounts due under this Agreement which are not yet payable, the Lender will notify the Borrower of the Prevailing Exchange Rate applicable to those payments on or before the date on which the amounts become payable **provided that** any delay in the provision of such notice will not affect the existence of the claim of the Lender against the Borrower in respect of those payments but the obligation of the Borrower to make the payments will be suspended pending receipt by the Borrower of the notice.
- (f) If the Borrower receives an Alternative Currency Settlement Notice in relation to one or more payments due under this Agreement, whether or not the amounts are currently payable, then, **provided that** the Borrower has not received any subsequent notice to the contrary from the Lender, the Borrower

must settle the payment obligations in the Alternative Currency on the due date determined in accordance with this Agreement.

- (g) If the Borrower is required under this Clause 19.7 to make any payment under this Agreement in an Alternative Currency:
  - (i) any incidental foreign exchange and other costs incurred by the Borrower in relation to that payment are for the account of the Borrower and the Lender is entitled to receive the amount due in the Alternative Currency at the Prevailing Exchange Rate free of any withholding or deduction by the Borrower; and
  - (ii) receipt by the Lender of that amount (other than a payment due to the Lender for its own account) in a currency other than the Alternative Currency will not constitute a good discharge of the payment obligation of the Borrower, notwithstanding that the payment to the Lender may not itself be the subject of a Relevant Sanctions Event.
- (h) If the Borrower is required under this Clause 19.7 to make any payment under this Agreement in an Alternative Currency or to an Alternative Payee:
  - (i) the Borrower will provide reasonable evidence to the Lender on the date of payment that it has effected the payment; and
  - (ii) the Lender will confirm its (or, as applicable, the Alternative Payee's) receipt of the payment by notice to the Borrower within one (1) Business Day of the date of receipt.
- (i) Any obligations of the Borrower under this Agreement which are for the time being subject to a Relevant Sanctions Event will remain outstanding to the extent that they have not been discharged in accordance with the terms of this Agreement and any relevant Alternative Currency Settlement Notice and/or Alternative Payee Notice.
- (j) If a Relevant Sanctions Event occurs in connection with any payment due from the Borrower to the Lender:
  - (i) where that Relevant Sanctions Event does not preclude the Borrower from discharging the relevant payment obligations by making the payment to the Lender in the Denomination Currency, payment by the Borrower to the Lender of the amount due in the Denomination Currency will constitute a good discharge of the relevant payment obligations of the Borrower; and
  - (ii) where that Relevant Sanctions Event precludes the Borrower from discharging the relevant payment obligations by making the payment to the Lender but not by making the payment directly to the Lender in the Denomination Currency, payment by the Borrower directly to the Lender of the amount due in the Denomination Currency will constitute a good discharge of the relevant payment obligations of the Borrower.

- (k) If, as a result of circumstances existing at the date of a payment to an Alternative Payee designated by the Lender in accordance with this Clause 19.7, the Borrower would be obliged to make a Tax Payment, then the Borrower need only make that Tax Payment to the same extent that it would have been obliged to pay if the payment was made to the Lender.

## 20. NOTICES

### 20.1 Communications in writing

Any communication to be made under or in connection with this Agreement shall be made in writing and, unless otherwise stated, may be made by e-mail, fax or letter (sent through the mail or international courier).

### 20.2 Addresses

The address, e-mail address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with this Agreement is that identified with its name below:

- (a) in the case of the Borrower:

the Federative Republic of Brazil acting by and through the  
Ministry of Finance of Brazil  
Ministério da Fazenda  
Procuradoria-Geral da Fazenda Nacional – PGFN  
Esplanada dos Ministérios Bloco P, 8º andar, sala 803  
Brasília – DF – Brazil  
CEP: 70048-900

e-mail address: apoiocof.df.pgfn@pgfn.gov.br

fax number: +55 61 3412 1740

With a copy to:

Ministry of Defence – Aeronautical Command  
Secretaria de Economia e Finanças da Aeronáutica – SEFA  
Esplanada dos Ministérios, Bloco M, 2º andar, sala 38  
Brasília – DF – Brazil  
CEP: 70045-900

e-mail address: secretario@sefa.aer.mil.br

fax number: +55 61 39621528

- (b) in the case of the Lender:

AB Svensk Exportkredit  
Klarabergsviadukten 61-63  
P.O. Box 194





SE-101 23 Stockholm  
Sweden

e-mail address: creditadministration@sek.se

fax number: +46 8 203894

or any substitute address, e-mail address or fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the Borrower, if a change is made by the Lender) by not less than five (5) Business Days' notice.

### 20.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Agreement and any Assignment Agreement will only be effective:

- (i) if by way of e-mail or fax, when received in legible form; or
- (ii) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope correctly addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*), if correctly addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

(c) Any communication or document made or delivered to the Borrower in accordance with this Clause 20.3 will be deemed to have been made or delivered to the Borrower.

### 20.4 Electronic communication

Any communication to be made between the Borrower and the Lender under or in connection with this Agreement and each Assignment Agreement may be made by electronic mail (e-mail) and the Lender and the Borrower agree that, unless and until notified to the contrary, this is to be an accepted form of communication.

### 20.5 English language

(a) Any notice given under or in connection with this Agreement and each Assignment Agreement must be in English.

- (b) All other documents provided under or in connection with this Agreement and each Assignment Agreement must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## 21. CALCULATIONS AND CERTIFICATES

### 21.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Agreement and each Assignment Agreement, the entries made in the accounts maintained by the Lender are, in the absence of manifest error, *prima facie* evidence of the matters to which they relate.

### 21.2 Certificates and determinations

Any certification or determination by the Lender of a rate or amount under this Agreement and the Assignment Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### 21.3 Day count convention

Unless otherwise stated in this Agreement, any interest, commission or fee accruing under this Agreement and the Assignment Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days or, in any case where the practice in the London interbank market differs, in accordance with that market practice.

## 22. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement and the Assignment Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## 23. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Agreement and the Assignment Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

## 24. AMENDMENTS AND WAIVERS

Any term of this Agreement and the Assignment Agreement may be amended or waived only with the consent of the Lender, EKN and the Borrower and any such amendment or waiver will be binding on all Parties.

## 25. CONFIDENTIALITY

### 25.1 Confidential Information

The Lender agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 25.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

### 25.2 Disclosure of Confidential Information

The Lender may disclose:

- (a) to any of its officers, directors, employees, professional advisers, auditors, partners, Representatives, any officers of the Government of Sweden, EKN and any potential assignee such Confidential Information as the Lender shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
  - (i) to (or through) whom it assigns (or may potentially assign) all or any of its rights and/or obligations under this Agreement and to any of that person's Affiliates, Representatives and professional advisers;
  - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under, which payments are to be made or may be made by reference to this Agreement and/or the Borrower and to any of that person's Affiliates, Representatives and professional advisers;
  - (iii) appointed by the Lender or by a person to whom sub-paragraph (b)(i) or (b)(ii) above applies to receive communications, notices, information or documents delivered pursuant to this Agreement on its behalf;
  - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in sub-paragraph (b)(i) or (b)(ii) above;

- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation; or
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (c) to the Exporter (to the extent necessary in respect of the Commercial Contract and Utilisations under this Agreement);
- (d) to auditors, insurance and reinsurance brokers, insurers and reinsurers to the extent requested by EKN; and
- (e) to any person with the consent of the Borrower.

26. **COUNTERPARTS**

Each Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

**SECTION 10  
GOVERNING LAW AND ENFORCEMENT**

**27. GOVERNING LAW**

This Agreement is governed by English law.

**28. ARBITRATION**

**28.1 Arbitration**

- (a) Any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**") shall be finally settled under the Rules of Arbitration (the "**Rules**") of the ICC which Rules are deemed to be incorporated by reference into this Clause 28. The place of arbitration shall be London, England, and the language of the arbitration shall be English.
- (b) The tribunal shall consist of three (3) arbitrators. The claimant(s) and the respondent(s) shall nominate an arbitrator respectively. The third arbitrator, who shall act as president of the arbitral tribunal, shall be jointly nominated by the two (2) party-nominated arbitrators within thirty (30) days of the last of their appointments. If the co-arbitrators are not nominated within the time period specified in the Rules as amended by paragraph (c) below or if the president of the arbitral tribunal is not nominated within the time period specified in this paragraph (b), the ICC Court shall appoint such arbitrator forthwith.
- (c) The time limit set forth in article 5(1) of the Rules shall be sixty (60) days.
- (d) The Emergency Arbitrator Provisions (as defined in the Rules) shall not apply.
- (e) The Parties agree to keep confidential the existence of the arbitration, the arbitral proceedings, the submissions made by the Parties and the decisions made by the arbitral tribunal, including its awards, except as required by applicable law and to the extent not already in the public domain or otherwise agreed by the Parties.
- (f) The Parties waive the right to apply to the arbitral tribunal and to any competent judicial authority for conservatory or interim measures, including such conservatory or interim measures as set forth in article 28 of the Rules.
- (g) Without prejudice to the provisions for the commencement of arbitrations and the submission of written communications in the Rules, any Request (as defined in the Rules) submitted pursuant to this Clause 28.1 must be:
  - (i) served upon the Borrower pursuant to Article 35 of the Supplementary Law No. 73 dated 10 February 1993; or
  - (ii) served by such other means permitted under the laws of Brazil.

- (h) On the same date as the Request (as defined in the Rules) is submitted to the ICC Secretariat pursuant to this Clause 28.1, the claimant(s) shall send a copy of the Request to any parties to this Agreement and to any Assignment Agreement that are not parties to the Dispute that is being referred to arbitration.
- (i) If a dispute arises under this Agreement or under any Assignment Agreement (a "**Related Dispute**") which raises issues connected with a dispute which has been referred to arbitration in accordance with this Agreement or any Assignment Agreement (an "**Existing Dispute**"), then the arbitral tribunal appointed or to be appointed in respect of the Existing Dispute shall, at the request of any party to the Existing Dispute or Related Dispute, also be appointed as the arbitral tribunal in respect of the Related Dispute, **provided that** notice of such request is given to the other parties to the Existing and the Related Dispute before an Answer (as defined in the Rules) has been filed in the Related Dispute. Such appointment shall be subject to the arbitral tribunal's consent and the ICC Court's approval.
- (j) Where, pursuant to paragraph (i) above, the same arbitral tribunal has been appointed in respect of such Existing Dispute and Related Dispute, the arbitral tribunal shall, at the request of any party to the Existing Dispute or Related Dispute, order that the whole or part of the matters at issue be heard together, **provided that** the arbitral tribunal determines that it would be just and equitable to do so and no party would be materially prejudiced as a result.
- (k) The Parties consent to the appointment of the same arbitral tribunal in respect of Existing Disputes and Related Disputes and to any subsequent consolidation of arbitration proceedings in the terms described in paragraphs (i) and (j) above.

## 28.2 **Recourse to courts**

Any award of the arbitral tribunal shall be binding from the day it is made. The Parties waive any right to refer any question of law and any right of appeal on the law and/or the merits to any court to the extent that such waiver can validly be made. Judgment on the award rendered by the arbitral tribunal may be entered in any court having jurisdiction in Brazil.

## 28.3 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law:

- (a) service of process or other legal summons in connection with any proceedings commenced before the courts of Brazil may be served upon the Borrower pursuant to Article 35, Section I of Supplementary Law No. 73 of 10 February 1993, by delivery to the Attorney General of the Federative Republic of Brazil (*Advogado-Geral da União*) as its authorised agent upon whom any such process or legal summons may be served by letter rogatory, or by such other means permitted under the laws of the Brazil; and

- (b) the Borrower agrees that failure by a process agent to notify it of the process will not invalidate the proceedings concerned.

#### 28.4 No immunity

- (a) The Borrower has no right of immunity from suit, execution or any other legal process with respect to its obligations under this Agreement in the Federative Republic of Brazil, except for the limitation on the alienation of public property provided for in Article 100 of the Civil Code of the Federative Republic of Brazil, **provided that** the execution of a judgment against, and the satisfaction of a judgment by, the Borrower in the Federative Republic of Brazil may be made only in accordance with Article 100 of the Constitution of the Federative Republic of Brazil and the procedures set forth in Article 730 *et seq.* of the Civil Procedure Code of the Federative Republic of Brazil (which Articles set forth the procedures pursuant to which such judgment must be satisfied by the Borrower, including the requirements that such judgment be registered for inclusion in the budget for payment in a subsequent fiscal year of the Borrower and that payment in respect of such judgment be made through the court that rendered such judgment).
- (b) Nothing in this Agreement may be interpreted as an agreement of the Parties to submit to the jurisdiction of any court outside Brazil. The Lender shall not bring any action or proceeding against any Party or their property in the courts of any jurisdiction other than the courts sitting in Brazil.

**THIS AGREEMENT** has been entered into on the date stated at the beginning of this Agreement.

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**SCHEDULE 1**  
**CONDITIONS PRECEDENT TO UTILISATION**

**1. Borrower**

- (a) A certificate of an authorised signatory of the Borrower through the Executing Agent, certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (b) A copy of the Brazilian Senate Resolution whereby this Agreement is approved.
- (c) A copy of the authorisation issued by the Ministry of Finance of Brazil regarding the approval of this Agreement.
- (d) A certificate of an authorised signatory of the Borrower, through the Executing Agent setting out the full name, title and true signature of each representative of the Borrower authorised to sign, on behalf of the Borrower, any documents to be delivered by the Borrower pursuant to this Agreement.
- (e) A specimen of the signature of each person authorised to execute any documents to be delivered by the Borrower pursuant to this Agreement.

**2. Legal opinions**

- (a) A legal opinion of the legal advisers to the Lender in England.
- (b) A legal opinion of the legal advisers to the Lender in Brazil.
- (c) A legal opinion from the Office of the Attorney General of the National Treasury (*Procuradoria-Geral da Fazenda Nacional*) substantially in the form of Schedule 5 (*Form of Legal Opinion*) of this Agreement.

**3. EKN**

- (a) A duly executed original copy of the EKN Offer.
- (b) Any other declaration, document or evidence requested by EKN pursuant to the terms of any EKN Document.
- (c) The Lender has received evidence satisfactory to it that the EKN Guarantee (or, if the EKN Guarantee is to be issued after the relevant Utilisation Date, the EKN Offer) is in full force and effect in accordance with the terms thereof and EKN has not notified the Lender of any intention to withdraw, partially or totally, or amend any cover provided under the EKN Guarantee (or the EKN Offer, as applicable).

**4. Commercial Contract**

- (a) Receipt by the Lender from the Exporter of a copy of those parts of the Commercial Contract that specify the terms of payment.

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- (b) Written confirmation from the Exporter that the conditions precedent to Expense Agreement No. 003/DCTA – COPAC/2014 have come into force, except for the effectiveness of this Agreement.
- (c) Specimen signature of the authorised signatories of the Exporter who are authorised to sign any Direct Payment Certificate or any relevant Required Document.
- (d) A duly executed original copy of the indemnity letter from the Exporter, indemnifying the Lender against, *inter alia*, EKN failing to perform its obligations under the EKN Guarantee due to any action or omission of the Exporter.

**5. Other documents and evidence**

- (a) A duly executed original copy of this Agreement.
- (b) A copy of the Utilisation Forecast.
- (c) Copies of the ISP Initial License and the Department of State Initial Approval.
- (d) Lender's due diligence being complete in respect of anti-bribery and environmental and corporate social responsibility matters.
- (e) Evidence that the fees, costs and expenses then due and payable from the Borrower pursuant to Clause 12 (*Costs and Expenses*) have been paid or will be paid by the first Utilisation Date.
- (f) Printout copy of the registration of the financial terms and conditions of the Loans with the Central Bank of Brazil under the Module Registry of Financial Transaction ("*Módulo Registro de Operação Financeira – ROF*").
- (g) Copy of the summary of this Agreement that has been published in the Brazilian Federal Official Gazette (*Diário Oficial da União*).
- (h) Evidence satisfactory to the Lender (through copies of the relevant laws or decrees) of the authority of each of the persons:
  - (i) who have signed this Agreement; and
  - (ii) who are authorised to act as the representatives of the Borrower and the Exporter, for the purpose of signing documents in connection with this Agreement together with a list of specimen authorised signatures.

**SCHEDULE 2  
UTILISATION REQUESTS**

**PART I  
FORM OF UTILISATION REQUEST**

Dated [•]

To: [•] (as Lender)

Dear Sirs,

**The Federative Republic of Brazil – USD 245,325,000 and SEK 39,882,335,471.65 Dual  
Currency Term Loan Facility Agreement dated 25 August 2015 (the "Agreement")**

In accordance with Clause 4.1 (*Delivery of a Utilisation Request*) of the Agreement, we hereby request the Lender to make a disbursement in the amount and on the terms specified below.

All capitalised terms used herein unless otherwise defined herein shall have the respective meanings assigned to them under the Agreement.

<b>Tranche</b>	<b>[A/B]</b>	
Amount of the disbursement:	[•]	(USD[•]/SEK[•])
Utilisation Date:	[•]	

We hereby confirm that payment by the Lender to the account to be specified by the Exporter below shall be a Utilisation under the Agreement and shall, as from the date of such payment, constitute a valid and binding obligation upon us in respect of repayment of the amount of the Loan thereof and payment of interest thereon and any other amounts payable under this Agreement in relation thereto, each in accordance with and in the manner contemplated by this Agreement.

We enclose herewith a Direct Payment Certificate and the Required Documents.

We hereby certify that the documents and/or evidence specified in the enclosed Required Documents are correct, complete and in full force and effect and have not been amended or superseded as at the date of this Utilisation Request.

We hereby certify that, as at the date hereof, each condition specified in Clause 3.2 (*Further conditions precedent*) and all the Repeating Representations made or given under Clause 13 (*Representations*) of the Agreement are true and accurate in all material respects.

Please make a Utilisation of the above-mentioned amount by paying the same into the Exporter [Dollar/Swedish Kronor] account specified in the enclosed Direct Payment Certificate.

This Utilisation Request is irrevocable.

Yours faithfully

[•]

.....  
(Name and title)

Handwritten signature or initials, possibly 'FB', written vertically in the bottom right corner of the page.

**PART II  
DIRECT PAYMENT CERTIFICATE**

Certificate Number: [•]  
From: [•]  
To: [•] as Lender  
Copy: [•]  
Dated: [•]

Dear Sirs,

**The Federative Republic of Brazil – USD 245,325,000 and SEK 39,882,335,471.65 Dual  
Currency Term Loan Facility Agreement dated 25 August 2015 (the "Agreement")**

1. We refer to the Agreement. This is a Direct Payment Certificate.
2. We also refer to the Expense Agreement No.003/DCTA – COPAC/2014 [and Expense Agreement No.004/DCTA – COPAC/2014 / Expense Agreement No.001/DCTA – COPAC/2015]<sup>1</sup> (such expense agreement(s) referred to in this certificate as the "**Commercial Contract**"). The Commercial Contract is unconditionally effective. A list detailing each invoice covered by this Direct Payment Certificate, including the invoice number, invoice amount and invoice due date as well as the phase numbers to which the invoices refer, is attached to this certificate.
3. The aggregate amount of the listed invoices corresponds to the Invoice Amount (as defined below).
4. We hereby further confirm that the amount of [*insert currency(ies) and amount(s)*] (the "**Invoice Amount**") is to be paid to us on or before [*date*], being 100 per cent of the amount of all invoices to be financed under this Direct Payment Certificate that are referred to in paragraph 1 above.
5. The Invoice Amount relates to goods and/or services supplied and/or provided with origin and source in accordance with our declaration to, and as agreed by, EKN.
6. We confirm that the aggregate value of the goods and services to be provided and supplied from Brazil under the Commercial Contract and financed under the Agreement will not exceed 30 per cent of the aggregate of USD 245,325,000 and SEK 39,882,335,471.65.
7. We hereby warrant that:
  - (a) the Invoice Amount does not include any sums which have already been claimed by us under any other Direct payment Certificate;

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<sup>1</sup> Insert the applicable expense agreement(s) to which the specified Direct payment Certificate relates.

- (b) the Invoice Amount when aggregated with any other amounts claimed by or paid to us under the Agreement does not exceed USD 245,325,000 and SEK 39,882,335,471.65;
- (c) the Commercial Contract is legal, valid and binding, has not been terminated or materially amended or waived and we have not taken any action intended to lead to a termination of future deliveries under the Commercial Contract; and
- (d) we and all our relevant suppliers have obtained in relation to the Commercial Contract authorisations, consents or approvals from the relevant authorities, export control agencies and all other relevant approvals which remain valid, binding and in full force and effect and copies or other evidence of all such authorisations, consents or approvals have been provided or will be provided upon request.

8. The Invoice Amount should be paid to:

Bank Name/Branch Name: [•]

Address of the Branch: [•]

Account Name/Account Number: [•]

9. This Direct Payment Certificate is irrevocable.

For and on behalf of [•]

.....  
Name:

Title:

**SCHEDULE 3  
FORM OF ASSIGNMENT AGREEMENT**

To: [•] (the "Existing Lender")

From: [\_\_\_\_\_] (the "New Lender")

Dated:

**The Federative Republic of Brazil – USD 245,325,000 and SEK 39,882,335,471.65 Dual  
Currency Term Loan Facility Agreement dated 25 August 2015 (the "Agreement")**

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. We refer to Clause 17.3 (*Procedure for assignment*):
  - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Agreement which relate to that portion of the Existing Lender's Commitment and participations in Loans under this Agreement as specified in the Schedule.
  - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitment and participations in Loans under the Agreement specified in the Schedule.
  - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Assignment Date is [•].
4. On the Assignment Date the New Lender becomes Party to the Agreement as a Lender.
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 20.2 (*Addresses*) are set out in the Schedule.
6. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment Agreement.
7. This Assignment Agreement is governed by English law.
8. With the exception of Clause 28.1(g), Clauses 28.1 (*Arbitration*) and 28.2 (*Recourse to courts*) shall be incorporated into this Assignment Agreement, subject to the following amendments: any reference to "this Agreement" shall be replaced with a reference to "this Assignment Agreement"; any reference to "Clause 28", "Clause 28.1" and "Clause 28.2" shall be replaced with a reference to "clause 8", "clause 8.1" and "clause 8.2" respectively; any reference to the "Parties" shall be replaced with a reference to the "Existing Lender and the New Lender"; and any reference to "any

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Assignment Agreement" shall be replaced with "the Agreement or any other Assignment Agreement".

9. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

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**THE SCHEDULE**  
**Rights to be assigned and obligations to be released and undertaken**

*[insert relevant details]*

*[Facility Office address, fax number and attention details for notices and account details for payments.]*

[Existing Lender]

[New Lender]

By: .....

By: .....

This Assignment Agreement by the Existing Lender constitutes confirmation by the Existing Lender of receipt of notice of the assignment referred to herein and the Assignment Date is confirmed as [•].

[•]

By: .....



**SCHEDULE 4  
REQUIRED DOCUMENTS**

In respect of a Utilisation for the purpose of financing payments to the Exporter (and the invoices listed in the attachment to the Direct Payment Certificate), a list signed by a representative of the Borrower, and acknowledged and approved by the Exporter, stating:

- (i) the details of the phase under the Commercial Contract to which the Utilisation relates and the latest due date for completion of such phase under the terms of the Commercial Contract;
- (ii) the date of the invoice of supply and/or service under the Commercial Contract (the "**Applicable Invoice**");
- (iii) the number of the Applicable Invoice;
- (iv) the amount of the Applicable Invoice;
- (v) the payment date of the Applicable Invoice; and
- (vi) the necessary Authorisations from the ISP and any other relevant export control authority.

**SCHEDULE 5  
FORM OF LEGAL OPINION**

**FORM OF OPINION OF THE OFFICE OF THE ATTORNEY GENERAL OF  
THE NATIONAL TREASURY OF BRAZIL**

Date: [•]

For the attention of AB SVENSK EXPORTKREDIT (PUBL)

You have asked me for an opinion in connection with the Dual Currency Term Loan Facility Agreement (hereinafter called "**Facility Agreement**"), signed between the Federative Republic of Brazil (hereinafter called the "**Borrower**") and yourselves. Expressions defined in the Facility Agreement shall have the same meanings when used in this opinion.

In giving this opinion I have examined an executed copy of the Facility Agreement and other documents as I have deemed necessary. I express no opinion with regard to the laws of any jurisdiction other than the laws of Brazil and I have assumed due compliance with all matters of applicable laws.

I am of the opinion that:

- (a) The Borrower has the power and authority to enter into the Facility Agreement and to borrow the Facility thereunder and has taken all necessary action to authorise the borrowing under the Facility Agreement and the execution, delivery and performance of the Facility Agreement, in accordance with the terms and conditions thereof.
- (b) The Facility Agreement has been executed and delivered by a duly authorised official of the Borrower and constitutes legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.
- (c) The execution and delivery of the Facility Agreement and the performance of the respective obligations contemplated therein, in accordance with the terms and conditions thereof, does not:
  - (i) contravene any existing provision of law, statute, decree, rule or regulation to which the Borrower or its assets is subject, or any judgment, decree, franchise, order or authorisation applicable to the Borrower;
  - (ii) conflict or be inconsistent with, or result in any breach or violation of, any term, covenant, condition or provision of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the Borrower pursuant to the terms of any contractual restriction or undertaking under any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower is a party or by which the Borrower or any of its assets may be bound.
- (d) All consents, approvals, permits, licences and authorisations of every governmental or public body or authority required to authorise, or required in connection with the execution and delivery of the Facility Agreement and the performance of the respective terms thereof, including control authorisation for the payment of principal

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and interest thereon in Dollars and Swedish Kronor, and any other sums payable under the Facility Agreement, have been obtained.

- (e) All required authorisations: (i) to enable the Borrower lawfully to enter into, exercise its rights and comply with its obligations under this Agreement; and (ii) to make this Agreement admissible in evidence in the courts of Brazil, as the case may be, have been obtained and are in full force and effect, including the registration of the main financial terms of the Loan under the ROF, publication of a summary of the contract in the *Diário Oficial da União* and a sworn translation of this Agreement into Portuguese.
- (f) Under the laws of the Borrower, neither the Borrower nor any of its property has any immunity from the jurisdiction of any Brazilian court or from the execution of any judgment in Brazil (except for the limitation on alienation of public property under Article 100 of the Civil Code of Brazil) or from enforcement therein of any arbitral award on the grounds of sovereignty or otherwise; the execution of an arbitral award, as well as the execution of any judgment, against the Borrower in Brazil are only available in accordance with the procedures set forth in Article 730 et seq. of the Brazilian Civil Procedure Code.
- (g) The choice by the Borrower of English Law to govern the Facility Agreement is a valid choice of law and the submission thereunder by the Borrower to an arbitral tribunal is valid and binding upon the Borrower.
- (h) Any award of an arbitral tribunal which conforms with Brazilian public policy and law will be enforceable against the Borrower in the federal courts of the Federative Republic of Brazil without re-examination of the merits if such award is ratified by the Superior Court of Justice. Such ratification can be obtained if such award:
  - (i) fulfils all formalities required for the enforceability thereof under the laws of the country where the same was granted;
  - (ii) was issued by a competent arbitral tribunal after service of such process upon the parties to the action as is required by the rules of such arbitral tribunal;
  - (iii) is not subject to appeal;
  - (iv) was authenticated by a Brazilian consulate in the country where the same was issued;
  - (v) is not against the principles of Brazilian public policy as set forth in Article Brazilian Decree Law nr. 4.675, dated 4 September 1942.
- (i) All sums payable by the Borrower under the Facility Agreement shall be paid in full and, except to the extent required by any law or regulation, free and clear of any deduction or withholding on account of Tax or otherwise, **provided that** if the Borrower or any other person is required by any law or regulation to make any such deduction or withholding in Brazil, the Borrower shall, together with the relevant payment, pay such additional amount as will ensure that the person to whom the relevant sum is owed receives and is entitled to retain, free and clear of any such tax

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deduction, the full amount which it would have received if no such tax deduction had been required

Yours faithfully,

A vertical handwritten signature or set of initials, possibly 'FRG', located in the bottom right corner of the page.

**SIGNATURE PAGES**

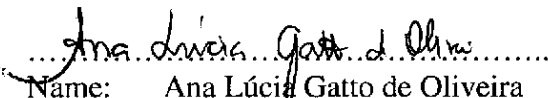
**The Borrower**

**THE FEDERATIVE REPUBLIC OF BRAZIL**

acting by and through its  
**MINISTRY OF FINANCE**

Address: Ministry of Finance of Brazil  
Ministério da Fazenda  
Procuradoria-Geral da Fazenda Nacional – PGFN  
Esplanada dos Ministérios Bloco P, 8º andar, sala 803  
Brasília – DF – Brazil  
CEP: 70048-900

Fax number: +55 61 3412 1740


By:   
Name: Ana Lúcia Gatto de Oliveira  
Title: Attorney for the National Treasury

**The Lender**

**AB SVENSK EXPORTKREDIT (PUBL)**

Address: AB Svensk Exportkredit  
Klarabergsviadukten 61-63  
P.O. Box 194  
SE-101 23 Stockholm  
Sweden

Fax number: +46 8 203894

By:   
Name: Catrin Fransson  
Title: Chief Executive Officer