

## Nordea Danmark, Filial af Nordea Bank Abp. Finland

### General terms and conditions for issuing guarantees

When Nordea Danmark ("the Bank") issues a guarantee, it assumes an obligation towards the beneficiary. When the beneficiary receives the guarantee, it has a claim on the Bank, which is regulated according to the contents of the guarantee.

It is therefore important that when approving the wording of the guarantee in connection with the guarantee application (or already when an agreement is made if such agreement takes account of the contents of the guarantee), the customer considers carefully whether the customer agrees to the conditions on which the guarantee becomes payable to the beneficiary.

Thus, a guarantee payable on demand or on first demand generally implies that the Bank cannot refuse to pay the guarantee to the beneficiary if the formal conditions stipulated in the actual guarantee have been complied with, whether or not the beneficiary is able to prove default or whether the customer is able to render probable that it is not in default.

A guarantee issued by the Bank in favour of a foreign beneficiary, including a foreign bank, is often subject to the laws of the relevant foreign country, international customs and practise etc. To the extent that the Bank is bound by such law, customs and practice, such rules etc will also bind the customer towards the Bank. See Foreign guarantees and Proper law and venue below.

### General

The customer is liable to the Bank for any consequence arising from issuing the guarantee and must pay to the Bank on demand any amount which may be paid under the guarantee.

Interest will accrue and is payable on any amount paid by the Bank under the guarantee at the rate of interest applicable to non-performing debt until the customer pays such amount.

The customer must, at any time until the expiry of the guarantee and at the request of the Bank, provide security to be approved by the Bank corresponding to the maximum of the guarantee.

The Bank may without giving notice to the customer terminate the guarantee to the effect that the Bank may advance its claim against the customer, including a claim for

interest, as if the maximum of the guarantee had been paid by the Bank.

Furthermore, the Bank may terminate the guarantee without giving notice to the beneficiary.

The customer must notify the Bank of any change of address.

### Default

The customer's obligation regarding counter guarantee (the higher-ranking charges towards the Bank for any consequence of the guarantee etc.) is payable immediately without notice from the Bank if the customer

a) suspends payments, commences bankruptcy or other insolvency proceedings;

b) does not fulfil the above obligations to pay, on demand, amounts due to the Bank; or

c) does not fulfil the above obligation to provide the required security for the guarantees issued by the Bank.

### Close-out netting

The Bank may demand final settlement by close-out netting in the event of default, including insolvency, see above. Close-out netting may be made in respect of any present and future obligation between the customer and the Bank that allows cash settlement, such as deposits and loans or credits, guarantee obligations, rights acquired by assignment and claims for delivery of securities, including surrender of securities transferred to the Bank as collateral by way of security or as collateral transferring full ownership.

Claims comprised by master agreements on foreign currency, interest rate, index-linked and securities transactions are subject to close-out netting according to such agreements.

On close-out netting the current value of the Bank's and the customer's obligations is calculated in Danish kroner or any other currency agreed on. Claims secured by a financial collateral arrangement or any other collateral arrangement are reduced by the proceeds of any collateral realised. The obligations thus calculated are set off in order to produce one net balance. If close-out netting according to the above two subsections is made simultaneously, the Bank may choose to include the resulting balances in one aggregate close-out netting procedure.

The Bank will submit a statement to the customer concerning the close-out netting. The Bank may

subsequently adjust the final close-out netting balance by the proceeds from any collateral realised later or finally settled claims according to obligations that can only be calculated later, such as guarantee obligations or claims that fall due later.

## **Guarantee commission**

The Bank's guarantee commission rates are variable and may be altered at any time without notice. The guarantee commission will be debited to the customer's account before each period commenced until the expiry of the guarantee.

## **Foreign guarantees**

If the guarantee has been issued by a foreign bank on behalf of the Bank, the customer's liability towards the Bank remains in force until the Bank has been released from its obligations towards the foreign bank.

The customer is liable towards the Bank for any costs which a foreign bank charges the Bank under the guarantee.

## **Other fees and charges**

In addition to the charges mentioned under Guarantee commission above, the Bank may demand that the customer pays:

- Fees for reminders and any expenses arising from default by the customer, including legal fees and duties, charges etc. payable to public authorities and courts of law,
- Any disbursements arising from the customer relationship as a consequence of statutory or public authority requirements, such as taxes and duties (including registration charge),
- Any expenses for photocopies, insurance premiums and communication, such as postage, telephone, fax, telex and cable charges. These include the Bank's expenses for answering enquiries from public authorities regarding the customer relationship,
- Any charges not included in the standard charges for issuing guarantees.

## **Proper law and venue**

Danish law is applicable to the settlement of any disputes relating to the guarantee application.

Any legal action in connection with the guarantee application may at the Bank's option be brought before a

court in Denmark, or a court in another country or the European Court of Justice.

If a guarantee has been issued by a foreign bank at the instance of the Bank or issued in favour of a foreign beneficiary, including a foreign bank, and the Bank's relationship with such foreign beneficiary is subject to the laws of the relevant foreign country, international customs and practice etc. the customer's obligations towards the Bank will also be governed by such laws, customs and practice etc. Therefore, such rules etc. form the basis for settling any disputes concerning the customer's obligations towards the Bank and the customer shall not be entitled to contest the application of such rule.

## **Deeds of assignment and authorisation**

As security for payment in full of any present or future claim that the Bank may have against the customer,

(a) The customer hereby assigns to the Bank any claim which may arise for repayment of the guarantee amount from the beneficiary in the event that any payment under the guarantee proves to have been wholly or partly unwarranted.

(b) The customer hereby assigns to the Bank any right which the customer may have to submit a request to the Building and Construction Arbitration Board for an expert opinion on the justification of the beneficiary's claim for payment under the guarantee.

The Bank may accordingly exercise the right to submit the above-mentioned request. But the contractor is authorised to exercise such right on behalf of the Bank until further notice.

The Bank may revoke such authorisation at any time without giving notice.

Condition (b) only applies if the guarantee pertains to a construction contract and where the parties have agreed that the General Conditions for the provision of works and supplies within building and engineering (AB 92) apply.

Otherwise the bank's general terms and conditions are applicable:

<https://www.nordea.com/en/privacy-policy>