

THE FOLLOWING CONTRACT

1925
7% valuation loan

is concluded, this Seventeenth day of March, 1925, between the -
GOVERNMENT OF THE REPUBLIC OF FINLAND, acting through its duly
authorised representative, Mr. Risto Ryti, Governor of the Bank of
Finland, Party of the first part (hereinafter referred to as the
"Government"), THE NATIONAL CITY COMPANY, a corporation of the Sta-
te of New York, in the United States of America; LEE, HIGGINSON
AND COMPANY, a co-partnership; parties of the second part (herein-
after referred to as the "Purchasers"), and THE NATIONAL CITY BANK
OF NEW YORK, a national banking association of the United Sta-
tes of America, party of the third part (hereinafter referred to
as the "Bank".)

ARTICLE I. The Government covenants with the Purchasers
that it will cause to be duly sanctioned and created, in confor-
mity with the Constitution and Laws of the Republic of Finland
(hereinafter referred to as the "State"), an issue of Seven per
cent. External Loan Sinking Fund Gold Bonds of the Government
(hereinafter referred to collectively as the "Bonds") in the agg-
regate principal amount of Ten Million Dollars (\$10,000,000) in
gold coin of the United States of America, constituting and to
constitute an External Loan of the Government; and the Government
hereby appoints the Bank to act as its Fiscal Agent for the Loan
with the duties and powers herein set forth.

ARTICLE II. The Bonds of the Loan will be dated March
2, 1925, will mature March 1, 1950, will bear interest from March 1,
1925 at the rate of seven per cent per annum, payable semi-annual-
ly on March 1 and September 1 in each year.

Definitive Bonds will be issued in the denominations of
\$1,000 and \$500, in such amounts as to each denomination as The
National City Company may designate, and shall be in negotiable form

payable to bearer and transferable by delivery, Any definitive Bond may, however, be registered in the owner's name on books to be kept by the Bank at its head office in the Borough of Manhattan, City of New York, United States of America, such registration being noted on the Bond by the Bank as Fiscal Agent, ^{after} which registration, no further transfer of such Bond shall be valid unless such transfer be registered on the said books by the registered owner in person or by duly authorised attorney and similarly noted on the Bond; but such Bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored. Definitive Bonds shall continue to be subject to successive registrations and transfers to bearer at the option of their respective holders or registered owners.

Definitive Bonds shall have coupons attached, representing the respective instalments of interest to become due thereon, which interest coupons shall be and remain to bearer and transferable by delivery, notwithstanding any registration of the Bonds; and instalments of interest falling due on any definitive Bond at or before the maturity thereof shall be paid only upon the presentation and surrender of the respective coupons therefor as they severally mature, and shall be so paid without the presentation of the Bond itself.

Definitive Bonds shall be executed on behalf of the Government with the facsimile signatures of its Minister of Finance and a Permanent Secretary of the Ministry of Finance, shall be countersigned with the autograph signature of the Republic of Finland's envoy Extraordinary and Minister Plenipotentiary at Washington, and shall bear a facsimile of the seal of the Council of State impressed or imprinted thereon. Interest coupons shall be executed with the facsimile signatures of the said Minister of Finance and a permanent Secretary of the Ministry of Finance.

Pending the preparation of definitive Bonds, the Government shall issue one temporary in the denomination of \$10,000,000 in negotiable form, payable/ able [✓]to bearer and transferable by delivery, without interest coupons and not susceptible of registration. Such temporary Bonds shall be executed on behalf of the Government by its duly authorized representative, and the seal of the Finnish Legation at Washington shall be impressed thereon. Such temporary Bond shall be exchangeable, without charge to the holder, thereof, for a like aggregate principal amount of other temporary Bonds of any other denomination or denominations as The National City Company may from time to time request, and shall also be exchangeable without charge to the holder thereof, for a like principal amount of definitive Bonds of the Loan, with all unmatured interest coupons attached, when such definitive Bonds are prepared and ready for delivery. Interest on such temporary Bond shall be payable only upon presentation thereof for the notation of such payment thereon.

Each and every Bond of the Loan (whether temporary or definitive) shall be authenticated as such by the Bank as Fiscal Agent, and no Bond shall be valid or obligatory for any purpose until so authenticated.

The text of the Bonds and their interest coupons shall be in the English language only, and definitive Bonds shall be printed from steel engraved plates in such manner and form, approved by The National City Company, that the same shall be eligible for listing on the New York Stock Exchange.

ARTICLE III. The Government reserves the right, at its option, to redeem all or any part of the outstanding Bonds of the Loan on March 1, 1930, or on any semi-annual interest date thereafter prior to maturity, at a redemption price equivalent to 100 per cent. of the principal amount thereof upon notice given as herein provided. If at any time the Government shall elect so to red^meed)

any outstanding Bonds, it shall notify the Fiscal Agent of such election not less than forty days prior to the interest date upon which it desires to make redemption, specifying the aggregate principal amount of Bonds which it elects to redeem on that date; and the Fiscal Agent shall thereupon cause notice of redemption of such Bonds to be given as herein provided in the name and at the expense of the Government; provided, that, if less than all the outstanding Bonds are to be redeemed on such date, the Bank shall, prior to giving such notice, select by lot in such manner as it may deem to be fair the serial number of the Bonds so to be redeemed. Notice of redemption shall be given by publishing the same at least once a week for four consecutive weeks in each of two newspapers of general circulation published in the Borough of Manhattan, City of New York, United States of America, the first publication to be at least thirty days prior to the date designated for redemption, and, in case of the Bonds so to be redeemed shall at any time be registered, by mailing a copy of such notice, on or before the date of the first publication thereof, to each registered owner of such Bonds at his address appearing upon the registry books as kept by the Bank as Fiscal Agent. Such notice shall set forth the serial numbers of the Bonds selected for redemption (except in a case where all the outstanding Bonds are to be redeemed) and shall call upon the respective holders and owners of the Bonds then to be redeemed to surrender the same with all unmatured interest coupons attached at the head office of the Bank in the Borough of Manhattan, City of New York, United States of America, for redemption at the said redemption price on the date designated therefor, and shall give notice, also, that interest on the Bonds designated for redemption shall cease from and after such designated redemption date.

Notice of redemption having been given as in this Article III provided, and an amount in cash sufficient to redeem all the

Bonds designated in such notice having been deposited with the Bank on or before the designated redemption, the Bonds so designated shall on such date become due and at the said head office of the Bank at the said redemption price, and, upon the presentation and surrender thereof with all interest coupons maturing subsequently to the said redemption date, and in the case of Bonds which shall at the time be registered, accompanied by duly executed assignments or transfer powers, such Bonds shall be paid and redeemed at the said redemption price. After the said redemption date, provided that cash sufficient to redeem all the Bonds so designated for redemption shall have been deposited with the Bank for that purpose, such shall cease to bear further interest: but all interest coupons pertaining thereto, which shall have matured on or prior to the redemption date, shall continue to be payable to the respective holders thereof, but without interest thereon.

ARTICLE IV. Payment of the principal of the Bonds shall be effected during the last twenty (20) years of the Loan by means of a cumulative Sinking Fund herein provided for. On or before September 1, 1930, and on or before each semi-annual interest date thereafter, so long as any of the Bonds remain outstanding, the Government will remit or cause to be remitted to the Bank the sum of approximately Four hundred and sixty eight thousand two hundred and seventy three dollars (\$468,273), more or less, in gold coin of the United States of America, or its equivalent, in conformity with the Table of Amortization annexed: this Contract; provided that so much of any such Sinking Fund instalments as shall not exceed the amount of principal to be amortized on such interest date may be paid in whole or in part at the option of the Government by the delivery to the Bank of bonds of this Loan not theretofore called for redemption as herein provided which bonds shall be accepted by the Bank at the face value thereof. The cash paid with respect to any such Sinking Fund instalments shall on the interest date upon which the same become due be applied by the Bank to the payment of the interest then payable on the outstanding bonds and the balance thereof to the redemption of bonds in the manner herein provided for, provided that

at least forty - five (45) days prior to September 1 1930, and at least forty-five (45) days prior to each semi-~~annual~~ interest date thereafter, the Government will notify the Bank of the amount of cash which will be paid into the Sinking Fund for the ~~amount-of-cash-which-will-be-paid-into the-Sinking-Fund-for-the~~ redemption of Bonds on such interest date, and the Bank, on behalf of the Government, shall thereupon select by lot for redemption on such interest date an aggregate principal amount of Bonds, equal to the amount of cash so indicated by the Government, and shall thereupon, under authority of and on behalf of the Government, cause notice of the redemption of the Bonds so selected to be given by publication and mailing in substantially the same manner, and with like effect, as hereinbefore provided in Article III hereof. Bonds called for redemption in respect of which cash sufficient for the redemption thereof shall be deposited with the Bank, shall not be deemed to be outstanding, within the meaning of this Contract, after the interest date designated for their redemption, Any part of any Sinking Fund instalments, which, because of any previous retirement of Bonds in excess of the amount set forth in the said table of amortization, shall not be required for the payment of interest on outstanding Bonds in accordance with the said table, shall revert to the Government and be credited to its account on the books of the Bank.

ARTICLE V. Any and all Bonds, paid or redeemed or delivered to the Bank pursuant to any of the provisions of Article III and Article IV hereof, respectively, shall forthwith be cancelled by the Bank, acting as Fiscal Agent for the Loan, and shall be permanently retired; and no further Bonds of this Loan shall be issued in lieu thereof.

ARTICLE VI. The Government covenants, and will so covenant in the Bonds, that both principal and interest of the Bonds shall be payable at the head office of the Bank, in the borough of Manhattan, City of New York, United States of America, in gold coin of the United States of America of or equal to the present standard of weight and fineness, and shall be paid in time of war as well as in time of peace whether the respective holders

or owners of the Bonds or of the interest coupons pertaining thereto are citizens of a friendly or a hostile state, without requiring any declaration as to the citizenship or residence of such holders or owners, or as to the length of time they have been in possession of the Bonds, or of such interest coupons, as the case may be, and without deduction from either principal or interest for or on account of any taxes or duties now or hereafter imposed or levied by the Government or within the State by any political subdivision or taxing authority thereof, but the foregoing shall not be construed as exempting bonds or coupons from taxation when in the hands of holders otherwise subject to taxation thereon in Finland.

ARTICLE VII. The Government covenants, and will so covenant in the Bonds, that if in the future it shall sell, offer for public subscription or in any manner dispose of any bonds, or contract or create any Loan (internal or external), secured by lien or charge on any revenue or asset of the State, other than Purchase Money Mortgages, the Bonds of this Loan shall be secured equally and ratably therewith.

ARTICLE VIII. The Government will covenant in the Bonds that all acts, conditions and things required to be done and performed and to have happened precedent to and in the issue of the Bonds, have been done and performed and have happened in due and strict compliance with the Constitution and Laws of the State.

ARTICLE IX. The Government agrees that, in case any Bond or its interest coupons (if any) shall be mutilated, destroyed or lost, the Government will issue, and will thereupon cause the Bank to authenticate and deliver as Fiscal Agent, a new Bond of like denomination, tenor and date, in exchange and substitution for and upon the cancellation of the Bond and its interest coupons (if any) so mutilated, or in lieu of and in substitution for the Bond and its interest coupons (if any) so destroyed or lost, but only upon ^{receipt,} ~~in~~ each case, of indemnity satisfactory to the Government and to the Bank as its Fiscal Agent for the Loan, and, in case of the destruction or loss of any Bond or interest coupons, upon the receipt also of evidence sa-

tisfactory to the Government and to the bank or such destruction or loss.

ARTICLE X. The form of the Bonds and the Legality of all proceedings in connection with the issue thereof and the sanction and creation of the Loan shall in all respects be subject to the approval of counsel for the Purchasers; and the Government agrees to furnish the Purchasers, prior to the delivery of the temporary Bond of the Loan, as hereinafter provided, all such documents, assurances and proofs of legality as counsel for the Purchasers may require.

ARTICLE XI. The Government agrees to issue and sell to the Purchasers, for the Purchase price hereinafter named, the said Ten Million Dollars (\$10,000,000), aggregate principal amount, of Bonds of the Loan, as herein described, and to deliver to The National City Company, for account of the Purchasers, a temporary Bond of the Loan, in the said principal amount, between the hours of ten o'clock A.M. and three o'clock, P.M. on April 1st at the head office of the Bank in the Borough of Manhattan, City of New York, United States of America Subject to the approval of their counsel, as hereinbefore provided, the Purchasers agree to Purchase the said Bonds at the said purchase price hereinafter named, upon the delivery to The National City Company, for their account, of the said Temporary Bond at the time and place herein designated; provided, that, at the option of the Purchasers, delivery of the temporary Bond may be deferred for a period or periods not exceeding ten days in the aggregate.

The purchase price to be paid upon the delivery of such temporary Bond shall be the sum of eight million nine hundred thousand Dollars (\$8,900,000) being the equivalent of 89 per cent. of the aggregate principal amount of the Bonds, to which shall be added if delivery is made after April 1, 1925, a sum equivalent to interest on such principal at the rate of seven per cent. per annum from April 1, 1925, to the date of delivery of the temporary Bond as above provided.

Payment to the Government under any of the provision of this Article XI shall be made by depositing the amount thereof with the Bank for account of the Government.

ARTICLE XII. In consideration of the purchase of the Bonds by the Purchasers, the Government agrees with the Purchasers as follows.

(a) The Government will promptly comply with all reasonable requests of The National City Company for such information concerning the governmental organisation and administration, laws, finances and general trade and industrial conditions of the State, and other similar information, as The National City Company may reasonably deem necessary or useful in connection with any application to have the Bonds of the Loan listed on the New York Stock Exchange, if the Purchasers deem such listing to be desirable, or in connection with the sale or offering of the Bonds to investors; and the Government hereby authorizes and instructs its official representative in the United States of America, the Republic of Finland's Envoy Extraordinary and Minister Plenipotentiary at Washington, to in this name, or otherwise, any such application to have the Bonds listed on the New York Stock Exchange and all other appropriate statements or circulars to be used in connection with such listing or in connection with the sale or offering of the Bonds to investors.

(b) The Government will pay, as part of the expenses in connection with the service of the Loan, all expenses incident to the preparation and issue of both temporary and definitive Bonds and any interim certificates representing the same which may be issued by The National City Company, including among other things, the cost of printing and engraving such Bonds and interim certificates (if issued), the fees of the Bank as Fiscal Agent for authenticating of registering bonds, the charges for the use of any mechanical device employed in the signing, execution, countersigning or authentication of Bonds and interim certificates, the expenses of The National City Company necessarily incurred in exchanging its interim Certificates (if issued) for definitive Bonds, the cost of listing the Bonds on the New York Stock Exchange (if the purchasers deem such listing to be desirable), and the charges and fees of the Government's own counsel. The Government authorizes The National City Company to approve any and all such Bills or statements as may be rendered for or in respect to any expenses and charges of the foregoing char-

acter, and authorizes and requests the Bank as Fiscal Agent for the Loan, to set aside from the proceeds of the Loan a sum equivalent to onequarter of one per cent (1/4%) of the principal amount of the Loan, and to pay therefrom any and all such bills or statements as may be approved in writing by The National City Company, from time to time. Any balance of the said sum which shall remain with the Bank after all such expenses and charges shall have been paid or provided for, shall be transferred to the credit of the Government's account with the Bank.

(c) The Government will not offer or cause or suffer to be offered for sale or public subscription, in the United States of America or the Dominion of Canada within six months the from the date of this contract any additional obligations in respect to the payment of which the Government shall or may be liable or responsible, directly or indirectly, as obligor, guarantor or otherwise, unless, in the opinion of The National City Company, the Bonds of this Loan shall have been satisfactorily distributed.

(d) If during the period of ten days after the signing of this Contract the investment market in the United States of America or the Dominion of Canada shall be affected by any financial, commercial or political condition or circumstances, or by conditions of the nature of "force majeure", so as to preclude, in the judgment of the Purchasers, the successful sale and distribution of the Bonds of the Loan to investors, or so as to render the offer of the same by them to be inadvisable, the Purchasers shall have the right in their discretion, to terminate their obligations under this Contract, by giving notice of such termination to the Government by cablegram addressed to the Government's Minister of Finance by The National City Company, acting on behalf of the Purchasers and, in any such case, the parties hereto shall thereupon be mutually and severally released from any obligation or duty under or in respect to this Contract.

ARTICLE XIII. Within sixty days after the close of each six-months' period ending February 28 (or February 29 as the case may be) and August 31, respectively, in each year, the Bank shall render to the Government a state

ment of account covering such period, setting forth in reasonable detail all receipts and all payments and expenses made or incurred by the Bank as Fiscal Agent for the Loan during the said period, together with a calculation of the sums due to the Bank, as hereinafter provided, as compensation for its services as such Fiscal Agent rendered during such period.

ARTICLE XIV. As part of the Expenses of the service of the Loan, the Government will pay to the Bank, from time to time, as compensation for its services as Fiscal Agent for the Loan, in addition to its fees for authenticating and registering Bonds, a sum equivalent to one-quarter of one per cent. of all sums paid as interest on the Bonds of the Loan, whether upon the presentation and payment of interest coupons or upon the purchase of Bonds for the account of the Government, or otherwise, and a sum equivalent to one-eighth of one per cent, of the principal amount of all Bonds of the Loan paid, purchased, redeemed or cancelled by it as Fiscal Agent. The Government will also promptly pay or cause to be paid to the Bank all other sums due and payable to it for the service of the Loan, including, among other things, any and all expenses incurred and paid by ^{it} for printing and advertising, cost of the exchange and remittance of funds, brokerage charges, postage, cable, telegraph and telephone charges, charges of legal counsel and all other usual or reasonable expenditures.

ARTICLE XV. The Government agrees with the Bank that any and all sums which may become payable for principal or interest, or for or on account of any instalment of the Sinking Fund, shall be placed on deposit with the Bank at its head office in the Borough of Manhattan, city of New York, United States of America, at least five full business days before the date on which such sums respectively become payable by the terms of this Contract, and that any all other sums and expenses payable by the Government in connection with the service of the Loan will be paid in due and strict conformity with the provisions therefor set forth in this Contract, in gold coin of the United States of America, or its equivalent.

ARTICLE XVI. The Bank will allow and pay to the Government on all mo-
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neys received by the Bank for or on account of any instalment of the Sinking Fund, and remaining with it for or on account of any instalment of the Sinking Fund, and remaining with it for thirty days, or more. interest from the thirtieth day after the receipt thereof to the date upon which the same shall be paid out, at a rate which shall be two per cent, less than the current discount rate of the Federal Reserve Bank of New York for prime bankers' acceptances maturing within ninety days, but in no event at a rate less than two per cent. per annum or more than three per cent per annum.

ARTICLE XVII. The Bank hereby accepts its appointment as Fiscal Agent for the Loan and agrees to act as such under this Contract, upon the terms and conditions herein set forth, including the following:

(a) If the Bank shall at any time be in doubt with respect to its rights or obligations hereunder or with respect to the rights of any holder of any Bond, the Bank may advise with its legal counsel; and the Bank shall not be answerable or responsible to the Government for anything done suffered by it in good faith in accordance with the opinion of such counsel or in the exercise of its reasonable discretion.

(b) The Bank ~~may~~ resign at any time as Fiscal Agent, by mailing written notice of resignation to the Government addressed to its Minister of Finance, at Helsingfors, Finland, at least four weeks prior to the date upon which such resignation is to take effect, and by publishing notice of such resignation at least once a week for four consecutive weeks prior to such date ^{each} in ~~of~~ two daily newspapers of general circulation published in the City of New York, United States of America.

(c) In acting under this Contract, the Bank is solely the agent of the Government and does not enter into or assume any obligation or relationship of agency or trust for or with any of the holders or owners of the Bonds or their interest coupons.

ARTICLE XVIII. Nothing in this Contract expressed or implied is intended, or shall be construed to give any person, other than the parties hereto any right, remedy or claim hereunder or by reason hereof or by reason of

any covenant, stipulation or condition herein contained.

ARTICLE XIX. This Contract shall bind and inure to the benefit of the parties hereto, their respective successors and assigns. This Contract shall be construed in accordance with the laws of the State of New York, United States of America.

IN WITNESS WHEREOF, this Contract is signed and delivered, in six counterparts, at LONDON the day and year first above written. ~~THE GOVERNMENT OF THE REPUBLIC OF FINLAND~~
THE GOVERNMENT OF THE REPUBLIC OF FINLAND

By

Risto Ryti

THE NATIONAL CITY COMPANY

For Lee Higginson and Co

BY

Robert (illegible)

George K. Weeks

LEE, HIGGINS AND COMPANY

BY

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THE NATIONAL CITY BANK OF NEWYORK

BY

George K. Weeks

I, the undersigned, Bertil Lindgren, secretary to Finlands Statskontor, certify that this is a true copy of the original Contract, held by Finlands Statskontor. Helsingfors, at Finlands Statskontor, the 23rd November 1929.

Bertil Lindgren