



Standard Terms of 1 June 2019 for
Guarantees regarding
Licences Granted under the Mineral Resources Act

Table of contents

<i>Section</i>	<i>Heading</i>	<i>Page</i>
1	Definitions	3
2	Guarantee	4
3	Payment	5
4	Preservation of rights	6
5	Assignment and Subrogation	6
6	Undertakings of the Guarantor	7
7	Term (duration) and termination	8
9	Persons authorised to act in relation to the Guarantee	8
10	Amendment and waiver	9
11	Governing law and jurisdiction	9
12	Language, coming into force and effective date	9
Schedule 1	Model letter from Greenland Government to Guarantor on instruction to Guarantor	11

Standard Terms of 1 June 2019 for Guarantees regarding Licences Granted under the Mineral Resources Act

1. Definitions, interpretation and application of these Standard Terms

1.1. In these Standard Terms, the following words and terms shall have the meanings stated below, unless otherwise apparent from or required by the context:

1. **"Guarantee"** means any guarantee in which it is stated that it is based on, subject to and/or governed by these Standard Terms. Guarantee includes any such guarantee which is made to provide financial security for fulfilment of any obligation or liability of a licensee or a former licensee under or in relation to any licence or former licence granted under the Mineral Resources Act, any agreement in relation to any such licence or former licence made between the Greenland Government and a licensee or a former licensee under the licence or any decision of the Greenland Government in relation to any such licence or former licence. Guarantee includes any terms, including any amending and supplementing terms, in any addendum to the Guarantee, unless otherwise apparent from or required by the context.
2. **"Guarantee Amount"** means the full (total) amount the Guarantor as guarantor at any time guarantees to pay for any purpose or reason to the Greenland Government as beneficiary, with deduction of all Paid Amounts.
3. **"Financial Security Obligations"** means any and all obligations and liabilities, including any closure obligation and any other related obligation, any environmental monitoring programme, any obligation relating to environmental liability and/or liability for environmental damage and any other related obligation, under the Mineral Resources Act, including sections 42-44, 63-72, 86 and 92, any other Greenland law and Danish law applicable in Greenland, the Licence, any applicable prospecting plan, exploration plan, exploitation plan, closure plan or other plan for activities under the Licence, any approval by the Greenland Government of any such plan, any approval by the Greenland Government of the Licensee's surrender of the Licence or part of the area comprised by the Licence or any agreement thereon between the Licensee and the Greenland Government, and any provision and term set and any decision made by the Greenland Government under section 84 or any other provision of the Mineral Resources Act.
4. **"Greenland Government"** means Government of Greenland (in Danish: *Naalakkersuisut*).
5. **"Guarantor"** means the guarantor under the Guarantee as stated in the Guarantee and defined as Guarantor in the Guarantee. The Guarantor has been appointed by the Licensee and approved by Greenland Government and has agreed to be Guarantor under the Guarantee.

6. "**Mineral Resources Act**" means Greenland Parliament Act no. 7 of 7 December 2009 on mineral resources and mineral resource activities, with subsequent amendments.
 7. "**Parties**" means the Greenland Government and the Guarantor.
 8. "**Party**" means the Greenland Government or the Guarantor.
 9. "**Paid Amount**" means any amount paid by the Guarantor to the Greenland Government under the Guarantee in accordance with a written instruction of payment from the Greenland Government to the Guarantor, made in accordance with the form letter attached as Schedule 1 to these Standard Terms and with the terms on payment in these Standard Terms and any additional terms on payment in the Guarantee.
 10. "**Standard Terms**" means these Standard Terms of 1 June 2019 for Guarantee regarding Licences granted under the Mineral Resources Act.
 11. "**Effective Date**" means the date on which the Guarantee shall be established and become effective, as defined and stated in the Guarantee.
- 1.2. In these Standard Terms, the words and terms defined in the Guarantee shall have the meanings thereby attributed to them.
 - 1.3. In these Standard Terms, the Guarantee and any addendum to the Guarantee, any reference to the singular number shall include a reference to the plural number and any reference to the plural number shall include a reference to the singular number, unless otherwise apparent from or required by the context. This also applies to defined words and terms.
 - 1.4. In these Standard Terms, the Guarantee and any addendum to the Guarantee, "including" means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. In these Standard Terms, "including" also means including but not limited to. The word "include" and its derivatives shall be interpreted accordingly.
 - 1.5. These Standard Terms shall apply to and govern any guarantee, including any guarantee agreement and any addendum to any guarantee, in which it is stated that the guarantee is based on, subject to and/or governed by these Standard Terms.

2. Guarantee

- 2.1. The Guarantor hereby irrevocably, without any time limit, unconditionally and without any reservation guarantees as the guarantor and primary obligor (in Danish: "*selvskyldner*") to the Greenland Government as the beneficiary under the Guarantee the due and punctual payment to the Greenland Government, on the instruction of the Greenland Government, of all sums to be paid at any time by the Licensee to the Greenland Government for the Licensee's fulfilment of the Financial Security Obligations. Any such sum to be paid by the Guarantor as the guarantor to the Greenland Government as the beneficiary under the Guarantee shall be payable and paid promptly

after receipt by the Guarantor of an instruction of payment made by the Greenland Government in accordance with clause 3 and the form letter attached as Schedule 1 to these Standard Terms.

- 2.2. The Guarantor's aggregate (total) payment obligation under clause 2.1 shall be limited to the Guarantee Amount, as amended at any time by one or more addenda to the Guarantee.
- 2.3. The Guarantee shall take effect on the Effective Date of the Guarantee.
- 2.4. The Guarantee may be amended at any time by one or more addenda to the Guarantee. An addendum shall prevail over the Guarantee to the extent the addendum is not in accordance with the Guarantee.
- 2.5. The Guarantee Amount stated and defined in an addendum to the Guarantee shall apply on and from the Effective Date of the addendum stated and defined in the addendum. This applies even if the Guarantee Amount stated in the addendum is different from the guarantee amount stated in the Guarantee and/or any former addendum to the Guarantee (if any). However, the guarantee amount stated in the Guarantee and/or any former addendum to the Guarantee (if any) shall continue to have effect and apply in relation to any instruction for payment under the Guarantee made by the Greenland Government to the Guarantor before the effective date of the addendum concerned if the guarantee amount stated in the Guarantee and/or any former addendum to the Guarantee is higher (greater) than the guarantee amount stated in the addendum concerned.

3. Payment

- 3.1. The Guarantor shall, irrevocably, without any time limit and unconditionally without any reservation, on first demand pay any amount of monies to be paid under the Guarantee if, and only if, the Guarantor receives a written instruction of payment from the Greenland Government, duly executed in accordance with clause 9.1, and the instruction of payment instructs the Guarantor to pay a specific amount under the Guarantee and specifies the recipient and the bank account, including the registration number and account number, to which the said specific amount is to be transferred by the Guarantor. Such written instruction of payment shall be made by the Greenland Government to the Guarantor in accordance with the Guarantee, these Standard Terms and the form letter attached as Schedule 1 to these Standard Terms. When the Guarantor has received any such written instruction of payment from the Greenland Government, the Guarantor shall immediately transfer the said specific amount to the specific recipient and bank account.
- 3.2. The Guarantor may not pay any amount of monies under the Guarantee on any other conditions, in any other event or manner or under any other circumstances than stated in clause 3.1.
- 3.3. Instruction for payments under the Guarantee may be made from time to time. There shall be no limitation of the number of instructions of payments which may be made under the Guarantee.
- 3.4. The Greenland Government shall not be required to take any action, legal or otherwise, against the Licensee or any other person before claiming payment from the Guarantor under the Guarantee.

4. Preservation of rights

- 4.1. The obligations of the Guarantor under the Guarantee shall be continuing obligations notwithstanding any settlement of any claim or account, and shall continue in full force until terminated in accordance with clause 7.2.
- 4.2. Neither the obligations expressed to be assumed by the Guarantor pursuant to the Guarantee nor the rights, powers and remedies conferred upon the Greenland Government by the Guarantee shall be discharged, impaired or otherwise affected by any of the following matters:
 1. The winding up, administration, liquidation or dissolution of the Licensee or any similar proceedings in any jurisdiction.
 2. Any amendment to, or variation, waiver or release of, any obligation of the Licensee, irrespective of whether any such amendment, variation, waiver or release is fundamental and/or burdensome to, or otherwise to the disadvantage of, the Licensee.
 3. Any actual or potential objection, defence, claim or counterclaim of the Licensee against an instruction of payment made by the Greenland Government to the Guarantor under the Guarantee in accordance with clause 3.1.

5. Assignment and Subrogation

- 5.1. The Guarantor shall not be entitled to assign or transfer any of its obligations under the Guarantee.
- 5.2. If the Guarantor has paid a sum to the Greenland Government under the Guarantee to fulfil a claim of the Greenland Government against the Licensee covered by the Guarantee, the Guarantor may demand that the Greenland Government assigns the said claim to the Guarantor to the extent the said claim has been fulfilled by the Guarantor's payment of the said sum to the Greenland Government under the Guarantee. The Greenland Government shall then assign the said claim to the Guarantor to the extent the said claim has been fulfilled by the Guarantor's payment of the said sum to the Greenland Government under this Guarantee, unless the Licensee is subject to any compulsory insolvent liquidation process (in Danish: "*konkurs*"). However, if the Licensee becomes subject to any such compulsory insolvent liquidation process (in Danish: "*konkurs*") with a time limit date (in Danish: "*fristdag*") for commencement of the process which is no later than 12 months after any such assignment of a paid claim, then the assignment of the paid claim shall be null and void and without any legal effect, and any sum received by the Guarantor as payment of the assigned claim or any part thereof shall be paid by the Guarantor to the Greenland Government, to the extent any claim of the Greenland Government against the Licensee has not been fulfilled by payment to the Greenland Government from the Licensee and/or the Guarantor.
- 5.3. Subject to clause 5.2 and unless a written document of subrogation has been issued by the Greenland Government to the Guarantor, the Guarantor shall not subrogate or succeed in any claim of the Greenland Government against the Licensee or any debt owed by the Licensee to the Greenland Government, and the Guarantor shall not subrogate or succeed in any other security, including any other guarantee, escrow of monies or escrow of securities, provided for the benefit of

the Greenland Government as security for the fulfilment of any claim of the Greenland Government against the Licensee or any debt owed by the Licensee to the Greenland Government.

6. Undertakings of the Guarantor

6.1. The Guarantor undertakes to do all the following:

1. To comply and act in accordance with the terms of the Guarantee, including these Standard Terms.
2. To ensure that the rights of the Greenland Government as the beneficiary under the Guarantee at any time are recorded electronically and reflected in the financial accounts of the Guarantor.
3. To notify the Greenland Government, within three banking days, if a proposal is presented to the shareholders of the Guarantor with the actual or potential effect that the Guarantor would cease to be a limited liability company registered in Greenland or Denmark (as applicable) and subject to the law on limited liability companies in Greenland or Denmark (as applicable).
4. To notify the Greenland Government, within three banking days, if a proposal is presented to the shareholders of the Guarantor with the actual or potential effect that the Guarantor would cease to hold a banking licence and operate as a bank in Greenland or Denmark (as applicable).
5. To notify the Greenland Government, within three banking days, if the Financial Supervisory Authority withdraws or threatens the Guarantor's banking licence, subject to any confidentiality obligations pursuant to the applicable Securities Trading Act (in Danish: "*værdipapirhandelsloven*").
6. To notify the Greenland Government, within three banking days, if the long-term debt rating of the Guarantor is downgraded by Standard & Poor's and/or Moody's Investors Services Limited. This undertaking only applies if the Guarantor's long-term debt was rated by Standard & Poor's and/or Moody's Investors Services Limited when the Guarantee was made.
7. To notify the Greenland Government, within three banking days, if the Guarantor is no longer designated as a Systemic Important Financial Institution (SIFI). This undertaking only applies if the Guarantor was designated as a Systemic Important Financial Institution (SIFI) when the Guarantee was made.
8. To notify the Greenland Government, within three banking days, if the total capital ratio (in Danish: "*den samlede kapitalprocent*"), as provided in Article 92 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 or any supplement or amendment thereto or any replacement thereof, (which in an annual report of the bank also may be called in Danish: "*kapitalprocenten*") of the bank no longer is equal to or exceeds 15% (fifteen per cent) calculated in accordance with Article 92 of Regulation (EU) No 575/2013, as stated above, and the law on financial business in Denmark or Greenland, including (if applicable) the Danish Act on financial business and any other applicable Danish or Greenland

Act or EU Regulation or Directive on financial business and any amendment thereto or replacement thereof. This undertaking only applies if the total capital ratio of the bank was equal to or exceeded 15% when the Escrow and Pledge Agreement was made.

9. To notify the Greenland Government as soon as reasonably possible of any failure by the Guarantor to comply with any of its undertakings under this clause 6 or of any other relevant matter in relation to the Guarantee.
10. To send to the Greenland Government statements in respect of the Guarantee at the request of the Greenland Government.
11. Not to make or effect any set-off or deduction of any counterclaim, withholding, adverse claim or any other amount, including any fee or other expense pertaining to the Guarantee, against the Guarantee Amount or any part of it.

7. Term (duration) and termination

- 7.1. The Guarantee shall have no definite term and shall remain in force by the Guarantor in accordance with the Guarantee and these Standard Terms until the Guarantee it is terminated pursuant to clause 7.2.
- 7.2. The Guarantee shall terminate only when one of the following two conditions are met:
 1. The full Guarantee Amount, or the full part thereof which has not been paid as Paid Amount under the Guarantee from time to time, has been paid and transferred to one or more bank accounts in accordance one or more instructions of payment made by the Greenland Government to the Guarantor under the Guarantee in accordance with clause 3.1 of these Standard Terms.
 2. The Greenland Government has given written notice to the Guarantor of the Greenland Government's termination of the Guarantee.
- 7.3. The Guarantee shall not terminate or expire in any other event or manner or under any other circumstance than as stated in clause 7.2. A Party shall not be entitled or otherwise have any right to terminate the Guarantee in any other event or manner or under any other circumstances than as stated in clause 7.2.

8. Obligations and duties of Guarantor

- 8.1. Subject to clause 11.1, the obligations and duties of the Guarantor under the Guarantee shall be determined solely by the express terms of the Guarantee and these Standard Terms.

9. Persons authorised to act in relation to the Guarantee

- 9.1. The Greenland Government shall deliver to the Guarantor one or more documents stating the person or persons who are duly authorised to act for and on behalf of and to bind the Greenland

Government in all matters or certain specific matters relating to the Guarantee. Such documents may be amended by the Greenland Government from time to time.

- 9.2. The Guarantor shall deliver to the Greenland Government one or more documents stating the person or persons who are duly authorised to act for and on behalf of and to bind the Guarantor in all matters or certain specific matters relating to the Guarantee. Such documents may be amended by the Guarantor from time to time.

10. Amendment and waiver

- 10.1. The Guarantee, any addendum to the Guarantee and these Standard Terms may be amended only by a written instrument signed by the Guarantor and the Greenland Government.

- 10.2. Any right or entitlement under the Guarantee may be waived by the Greenland Government only by a written instrument signed by the Greenland Government.

11. Governing law and jurisdiction

- 11.1. The Guarantee, including these Standard Terms, is subject to and shall be governed by and construed in accordance with Greenland law and Danish law, as applicable in Greenland from time to time. Any dispute or claim arising out of or in connection with the Guarantee shall be subject to and decided in accordance with Greenland law and Danish law, as applicable in Greenland from time to time.

- 11.2. Any dispute or claim arising out of or in connection with the Guarantee shall be subject to the exclusive jurisdiction of the courts of Greenland and Denmark. Any such dispute or claim shall be brought before and decided by the Greenland and Danish courts with jurisdiction in Nuuk, Greenland, which shall have exclusive jurisdiction in relation to any such dispute or claim unless other courts of Greenland and Denmark have exclusive jurisdiction under Greenland law and Danish law, as applicable in Greenland from time to time. A decision by any such court may be appealed according to the rules thereon.

12. Language, coming into force and effective date

- 12.1. The Guarantee and these Standard Terms have been drawn up in the English language. Any translation of the Guarantee or these Standard Terms shall have no validity.

- 12.2. The Guarantee shall come into force when it has been signed by the Guarantor and the Greenland Government. The Guarantee shall have effect on the Effective Date stated and defined in the Guarantee. This also applies if the Effective Date stated and defined in the Guarantee is earlier or later than the day the Guarantee is signed by the Guarantor and the Greenland Government and comes into effect.

- 12.3. An addendum to the Guarantee shall come into force when the addendum has been signed by the Guarantor and the Greenland Government. Subject to clause 2.5, third sentence, the addendum shall have effect on the Effective Date stated and defined in the addendum. This also applies if the

Effective Date stated and defined in the addendum is earlier or later than the day the addendum is signed by the Guarantor and the Greenland Government and comes into effect.

Schedule 1

[Letterhead of the Greenland Government]

Place:

Date:

To: *[Name and address of the Guarantor]*

Cc: *[Name and address of the Licensee]*

Re: Guarantee dated *[date]* for Licence no. [...]

Reference is made to the Guarantee dated *[date]* for Licence no. [...] ("**Guarantee**"), a copy of which is enclosed with this letter. All words and terms defined in the Guarantee, including the Standard Terms, shall have the meanings thereby attributed to them.

With reference to clause 3 of the Standard Terms, the Greenland Government hereby instructs you to pay an amount of DKK *[amount in numbers]* (*[amount in words]*) under the Guarantee and transfer the said amount to the bank account in (*[name of bank]*) with reg. no. [...] and account no. [...] and with the Greenland Government or Naalakkersuisut as account holder.

For and on behalf of the Greenland Government:

Government of Greenland
(in Danish: *Naalakkersuisut*)

Name:

Position:

Place of signing:

Date of signing: