

Information Memorandum dated 7 July 2017



**MUNICIPALITY FINANCE PLC
(Kuntarahoitus Oyj)**

**guaranteed by
THE MUNICIPAL GUARANTEE BOARD
(Kuntien takauskeskus)**

**EUR 5,000,000,000
EURO-COMMERCIAL PAPER PROGRAMME**

Arranger
Citigroup

Dealers
**Barclays
BMO Capital Markets
BofA Merrill Lynch
Citigroup
Municipality Finance
Nordea
Rabobank
UBS Investment Bank**

Issue Agent and Paying Agent
Citibank, N.A., London Branch

Ratings of the Programme
**This Programme is rated by Moody's Investors Service Limited and Standard & Poor's
Credit Market Services Europe Limited**

IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated herein or therein by reference, the "**Information Memorandum**") contains summary information provided by Municipality Finance Plc (the "**Issuer**" or "**Municipality Finance**") and the Municipal Guarantee Board (the "**Guarantor**" or "**MGB**") in connection with a euro-commercial paper programme (the "**Programme**") under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the "**Notes**") up to a maximum aggregate amount of EUR 5,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S ("**Regulation S**") of the United States Securities Act of 1933, as amended (the "**Securities Act**") which will have the benefit of a deed of guarantee dated 7 July 2017 and entered into by the Guarantor (the "**Guarantee**").

The Issuer and the Guarantor have, pursuant to a dealer agreement dated 7 July 2017 (the "**Dealer Agreement**"), appointed Citibank Europe plc, UK Branch as arranger for the Programme (the "**Arranger**"), appointed Bank of America Merrill Lynch International Limited, Bank of Montreal, London Branch, Barclays Bank PLC, Citibank Europe plc, UK Branch, Coöperatieve Rabobank U.A., Municipality Finance Plc, Nordea Bank AB (publ) and UBS Limited as dealers for the Notes (together with any additional institution or institutions from time to time appointed as dealers pursuant to the Dealer Agreement, the "**Dealers**") and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to purchasers or potential purchasers of the Notes.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes and the Guarantee have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer and the Guarantor have confirmed to the Arranger and the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes this Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading.

None of the Issuer, the Guarantor, the Arranger and the Dealers accepts any responsibility, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor any offer or sale made on the basis of the information in

this Information Memorandum shall under any circumstances create any implication that this Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or the Guarantor or that there has been no change in the business, financial condition or affairs of the Issuer or the Guarantor since the date thereof.

No person is authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in this Information Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the Arranger nor any Dealer has independently verified the information contained in this Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in this Information Memorandum or in or from any accompanying or subsequent material or presentation.

The information contained in this Information Memorandum is not and should not be construed as a recommendation by the Arranger, the Dealers and the Issuer or the Guarantor that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and the Guarantor and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on this Information Memorandum.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer or the Guarantor during the life of the Programme, nor undertakes to advise any recipient of this Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Guarantor, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Issuer, the Guarantor and the Notes, set out under "*Selling Restrictions*" below.

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 as amended (the "FSMA")) received in connection with the issue or sale of any Notes will only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

Tax

No comment is made or advice given by the Issuer, the Guarantor, the Arranger or any Dealer in respect of taxation matters relating to the Notes and each investor is advised to consult its own professional adviser.

Interpretation

In this Information Memorandum, references to "**euros**", "**EUR**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**U.S. Dollars**" and "**U.S.\$**" are to United States dollars, references to "**Sterling**" and "**£**" denote the lawful currency of the United Kingdom and references to "**Yen**" and "**¥**" are to the lawful currency of Japan.

Where this Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

Documents Incorporated By Reference

The most recently published audited financial statements of the Issuer and the Guarantor and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer and the Guarantor shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in a document incorporated by reference into this Information Memorandum or contained in any supplementary information memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

Except as provided above, no other information, including information on the websites of the Issuer or the Guarantor, is incorporated by reference into this Information Memorandum.

Documents Available For Inspection

For so long as the Programme remains in effect or any Notes are outstanding, copies of the following documents may be inspected during business hours, free of charge, at the offices of the Issuer and Citibank, N.A., London Branch (the "**Issue Agent**" and "**Paying Agent**") as set out in this Information Memorandum:

- (a) audited financial statements of the Issuer and the Guarantor and any subsequently published interim financial statements (whether audited or unaudited) of the Issuer and the Guarantor incorporated by reference in this Information Memorandum from time to time;
- (b) the Guarantee, the text of which is set out in the section of this Information Memorandum headed "*Guarantee*";
- (c) the Deed of Covenant (as defined herein); and

- (d) the issue and paying agency agreement dated 7 July 2017 relating to the Programme between the Issuer, the Guarantor and Citibank, N.A., London Branch as, amongst its other capacities, the Issue Agent and Paying Agent.

Copies of the Issuer's audited financial statements will be available on its website, www.munifin.fi, and copies of the Guarantor's audited financial statements will be available on its website, www.muniguarantee.fi.

Each Dealer will, following receipt of such documentation from the Issuer, provide to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any or all the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the relevant Dealer at its office as set out at the end of this Information Memorandum.

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1. DESCRIPTION OF THE PROGRAMME

- 1.1 Name of the Programme:** Municipality Finance Plc euro-commercial paper programme.
- 1.2 Type of Programme:** Euro-commercial paper programme.
- 1.3 Name of the Issuer:** Municipality Finance Plc (Kuntarahoitus Oyj)
- 1.4 Purpose of the Programme:** The proceeds of each issue of Notes will be used by the Issuer only in accordance with the (Finnish) Act on the Municipal Guarantee Board (487/1996, as amended) (in Finnish: *Laki Kuntien takauskuksesta*) (the "**MGB Act**").
- 1.5 Programme size (ceiling):** The outstanding principal amount of the Notes will not exceed EUR 5,000,000,000 (or its equivalent in other currencies) at any time. The maximum amount of the Programme may be increased from time to time in accordance with the Dealer Agreement.
- 1.6 Characteristics and form of the Notes:** The Notes will be in bearer form. The Notes will initially be in global form ("**Global Notes**") which may be in new global note ("**NGN**") form if so indicated on the face of the applicable Global Note. A Global Note will be exchangeable into definitive notes ("**Definitive Notes**") only in the circumstances set out in that Global Note.
- 1.7 Yield basis:** The Notes may be issued at a discount or at a premium. Interest may accrue at a fixed rate or at a floating rate based upon the London or the Eurozone interbank offered rate (LIBOR and EURIBOR respectively) or another reference rate, as agreed between the Issuer and the relevant Dealer(s).
- 1.8 Currencies of issue of the Notes:** Notes may be denominated in euros, U.S. Dollars, Sterling, Yen or any other currency, subject to compliance with any applicable legal and regulatory requirements.
- 1.9 Maturity of the Notes:** The tenor of the Notes shall be not less than one day or more than 364 days from (and including) the date of issue to (but excluding) the maturity date, subject to compliance with any applicable legal and regulatory requirements.
- 1.10 Minimum denomination of the Notes:** Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements. The initial minimum denominations

for Notes are U.S.\$500,000, €500,000, £100,000 and ¥100,000,000, or such other conventionally accepted denominations in those currencies or such other currency as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and **provided that** the equivalent of that denomination in Sterling as at the relevant issue date is not less than £100,000. Minimum denominations may be changed from time to time.

- 1.11 Status of the Notes:** The Issuer's obligations under the Notes will rank at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer but (in the event of insolvency) only to the extent permitted by Finnish law relating to creditors' rights.
- 1.12 Governing law that applies to the Notes:** The Notes, the Guarantee and any non-contractual obligations arising out of or in connection with any of them are governed by English law.
- 1.13 Listing:** The Notes will not be listed on any stock exchange. No application has been made to apply for the STEP label in accordance with the Short-Term European Paper (STEP) initiative.
- 1.14 Settlement system:** The Notes will be settled through Euroclear Bank SA/NV ("**Euroclear**"), Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other securities clearance and/or settlement system(s) as may be agreed between the Issuer, the relevant Dealer(s) and the Issue Agent and Paying Agent (together, the "**Relevant Clearing Systems**").
- 1.15 Ratings of the Programme:** The Programme has been assigned ratings by Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
- 1.16 Guarantor:** The Municipal Guarantee Board (Kuntien takauskeskus).
- The Notes will have the benefit of the Guarantee from the Guarantor. The obligations of the Guarantor under the Guarantee will constitute

unsubordinated obligations of the Guarantor.

- 1.17 Issuing and Paying Agent:** Citibank, N.A., London Branch
- 1.18 Arranger:** Citibank Europe plc, UK Branch
- 1.19 Dealers:** Bank of America Merrill Lynch International Limited
Bank of Montreal, London Branch
Barclays Bank PLC
Citibank Europe plc, UK Branch
Coöperatieve Rabobank U.A.
Municipality Finance Plc
Nordea Bank AB (publ)
UBS Limited
- 1.20 Selling restrictions:** Offers and sales of Notes and the distribution of this Information Memorandum and other information relating to the Issuer, the Guarantor and the Notes are subject to certain restrictions, details of which are set out under "*Selling Restrictions*" below.
- 1.21 Taxation:** All payments in respect of the Notes and the Guarantee shall be made without withholding or deduction for or on account of any taxes imposed by Finland, unless such withholding or deduction is required by law. If such withholding or deduction is required by law, the Issuer or the Guarantor, as the case may be, shall, subject to certain exceptions, be required to pay such additional amounts as shall result in receipt by the holder of such amounts as would have been received by it had no such withholding or deduction been required.
- 1.22 Contact details:** Attention: Treasury
Telephone: +358 9 68035666
- 1.23 Deed of Covenant:** Account holders in the Relevant Clearing Systems will, in respect of Global Notes, have the benefit of a deed of covenant executed by the Issuer dated 7 July 2017 (the "**Deed of Covenant**").
- 1.24 Redemption:** The Notes will be redeemed at par.
- 1.25 Delivery:** The relevant Global Note will be delivered to a common safekeeper for the Relevant Clearing Systems (if the relevant Global Note is a NGN) or to a common depositary for the Relevant Clearing Systems (if the relevant Global Note is not a NGN). The interests of individual noteholders in each

Global Note that is a NGN will be represented by the records of the Relevant Clearing Systems.

Definitive Notes (if any are printed) will be available in London for collection or for delivery to a Relevant Clearing System.

1.26 Potential eligibility of Notes for collateral purposes in credit operations of the central banking system for the euro (the "Eurosystem"):

As of the date of this Information Memorandum, no Notes issued under the Programme are intended to be held in a manner which would allow Eurosystem eligibility.

1.27 Independent auditors of the issuer, who have audited the accounts of the Issuer's annual report:

As more fully described in the Issuer's Annual Report, the annual report and consolidated financial statements of the Issuer have been audited by:

KPMG Oy Ab
Töölönlahdenkatu 3A
FI-00101 Helsinki
Finland

2. INFORMATION CONCERNING THE ISSUER AND GUARANTOR

2a. Information concerning the Issuer

- 2a.1 Legal name:** Municipality Finance Plc (Kuntarahoitus Oyj)
- 2a.2 Legal form/status:** A public limited company incorporated under the laws of Finland.
- 2a.3 Date of incorporation/ establishment:** The Issuer was established on 1 May 2001, when the old Municipality Finance Plc (established in 1989) and Municipal Housing Finance Plc (established in 1993) were merged to form a new company, Municipality Finance Plc, a credit institution referred to in the (Finnish) Credit Institutions Act (610/2014, as amended, in Finnish: *laki luottolaitostoiminnasta*).
- 2a.4 Registered office or equivalent (legal address):** P.O. Box 744, Jaakonkatu 3A (5th Floor), FIN-00101 Helsinki, Finland.
- 2a.5 Registration number, place of registration:** Registered in Finland under the corporate code 1701683-4.
- 2a.6 Issuer's mission:** The Issuer and the Guarantor are the main participants in the joint funding system of the municipal sector in Finland.
- The Issuer's objective is to provide municipalities, municipality controlled entities and non-profit entities (designated by the state and engaging in the renting or production and maintenance of housing on social grounds) with market funding by obtaining funds on capital markets at competitive rates.
- 2a.7 Brief description of current activities:** The Issuer provides funding for the Finnish municipal sector, which consists of municipalities, municipal federations and a range of organisations owned or controlled by municipalities, and corporations designated by state authorities engaging in housing on social grounds, as described under "*Issuer's Mission*" above.
- 2a.8 Capital or equivalent:** The Issuer's fully paid-up capital was approximately EUR 43 million and its own consolidated funds amounted to approximately EUR 1,124.1 million at 31 December 2016.
- 2a.9 List of main shareholders:** The Issuer's five largest shareholders at 31 December 2016 were Keva (formerly named "The Local Government Pensions Institution") (30.66

per cent.), the Republic of Finland (16.00 per cent.), City of Helsinki (10.41 per cent.), City of Espoo (3.96 per cent.) and VAV Asunnot Oy (City of Vantaa) (2.47 per cent.).

- 2a.10 Listing of the shares of the Issuer:** None.
- 2a.11 Composition of governing bodies and supervisory bodies:** As at the date of this Information Memorandum, the members of the Board of Directors of the Issuer are as follows:
- Chairman*
Helena Walldén
- Vice Chairman*
Tapani Hellstén
- Board members*
Fredrik Forssell
Minna Helppi
Teppo Koivisto
Jari Koskinen
Vivi Marttila
Tuula Saxholm
- 2a.12 Accounting Method:** International Financial Reporting Standards, as they have been endorsed by the European Commission (EU IFRS).
- 2a.13 Accounting Year:** Starting on 1 January, ending on 31 December.
- 2a.14 Ratings of the Issuer:** Rated by Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
- 2a.15 Other short term programmes of the Issuer:** Finnish law-governed EUR 4,000,000,000 Euro-Commercial Paper Programme.
- 2a.16 Additional information on the Issuer:** See documents incorporated by reference in this Information Memorandum.
- 2b. Information concerning the Guarantor**
- 2b.1 Legal name:** The Municipal Guarantee Board (Kuntien takauskeskus)
- 2b.2 Legal form/status:** The Municipal Guarantee Board is an institution

		under public law established by the MGB Act.
2b.3	Date of incorporation/ establishment:	1 July 1996
2b.4	Registered office or equivalent (legal address):	Yrjönkatu 11A 1, FIN-00120 Helsinki, Finland.
2b.5	Registration number, place of registration:	Registered in Finland under business identity code 1075583-7.
2b.6	Guarantor's mission:	<p>The main purpose of the Guarantor is to safeguard and develop the joint funding of the Finnish municipal sector and secure that such funding is raised at preferential terms, based on the joint creditworthiness of the entire municipal sector.</p> <p>To implement its objective, the Guarantor can grant guarantees of funding obtained by the municipal sector's credit institutions that will be used for lending to the municipal sector or to non-profit organisations designated by the state that engage in the renting, construction or maintenance of social housing.</p>
2b.7	Brief description of current activities:	<p>The Guarantor can, under the MGB Act, grant guarantees to support the raising of funds by the Issuer to be used for lending to the Finnish municipal sector or to Government designated non-profit organisations that engage in the construction, renting, management or maintenance of social housing in Finland.</p> <p>The MGB Act sets out the terms and conditions as well as the specific requirements for the permissible use of the funds raised with the support of the Guarantee. The joint funding system of the Finnish municipal sector was established and is operated under the terms and conditions of the MGB Act and essentially forms part of the internal government administration in Finland.</p>
2b.8	Capital or equivalent:	Not applicable.
2b.9	List of main shareholders:	The membership of the Guarantor consists of 295 Finnish municipalities, representing 100 per cent. of the population of Finland (excluding the Province of Åland).
2b.10	Listing of the shares of the Guarantor:	None.

- 2b.11 Composition of governing bodies and supervisory bodies:** The managing bodies of MGB consist of the Council and the Board of Directors.
- As at the date of this Information Memorandum, the members of the Council of the Guarantor are as follows:
- Chairman*
Mika Munkki
- Deputy Chairmen*
Reijo Vuorento
Matti Kankare
- Other members*
Kimmo Behm
Markku Forss
Pekka Heikkinen
Hilkka Hiltunen
Erkki Kukkonen
Anni Laihanen
Maarita Mannelin
Terhi Päivärinta
Ossi Sandvik
Riikka Slunga-Poutsalo
Jaakko Stenhäll
Virpi Ylitalo
- As at the date of this Information Memorandum, the members of the Board of Directors of the Guarantor are as follows:
- Chairman*
Jari Blom
- Deputy Chairman*
Janne Laine
- Other Board members*
Paula Aikio-Tallgren
Pekka Alanen
Sari Innanen
Jaana Karrimaa
Jaakko Niinistö
- 2b.12 Accounting Method:** Finnish Accounting Principles.
- 2b.13 Accounting Year:** Starting on 1 January, ending on 31 December.
- 2b.14 Ratings of the Guarantor:** Rated by Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited. A rating is not a recommendation to buy,

sell or hold securities and may be subject to suspension reduction or withdrawal at any time by the relevant rating agency.

2b.15 Other short term programmes of the Guarantor:

Finnish law-governed Euro-Commercial Paper Programme.

2b.16 Additional information on the Guarantor:

See documents incorporated by reference in this Information Memorandum.

4. GUARANTEE

THIS DEED OF GUARANTEE is made on 7 July 2017

BY

- (1) **THE MUNICIPAL GUARANTEE BOARD (Kuntien takauskeskus)** (the "**Guarantor**")

IN FAVOUR OF

- (2) **THE HOLDERS** for the time being and from time to time of the Notes referred to below (each a "**Noteholder**" or the "**holder**" of a Note); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Noteholders, the "**Beneficiaries**").

WHEREAS

- (A) Municipality Finance Plc (Kuntarahoitus Oyj) (the "**Issuer**") and the Guarantor have established a euro commercial paper programme (the "**Programme**") for the issuance of notes (the "**Notes**"), in connection with which they have entered into a dealer agreement dated 7 July 2017 (the "**Dealer Agreement**") and an issue and paying agency agreement dated 7 July 2017 (the "**Agency Agreement**") and the Issuer has executed a deed of covenant dated 7 July 2017 (the "**Deed of Covenant**").
- (B) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of the Notes and to Accountholders in respect of the Deed of Covenant.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

All terms and expressions which have defined meanings in the Dealer Agreement, the Agency Agreement or the Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 Clauses

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Dealer Agreement, the Agency Agreement and the Deed of

Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, restated, extended, replaced or novated from time to time.

1.4 **Legislation**

Any reference in this Deed of Guarantee to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 **Benefit of Deed of Guarantee**

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. **GUARANTEE AND INDEMNITY**

2.1 **Guarantee**

The Guarantor hereby unconditionally and irrevocably guarantees:

2.1.1 *The Notes:* to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of the relevant Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, in the manner and currency prescribed by such Note for payments by the Issuer in respect of such Note, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Note and which the Issuer has failed to pay; and

2.1.2 *The Direct Rights:* to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, in the manner and currency prescribed by the Notes for payments by the Issuer in respect of the Notes, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Notes and which the Issuer has failed to pay.

2.2 **Indemnity**

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time from and against any loss, liability or cost incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Note, the Deed of Covenant or any provision thereof being

or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Notes for payments by the Issuer in respect of the Notes. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

3. TAXES AND WITHHOLDINGS

All payments in respect of the Notes and Direct Rights under this Deed of Guarantee shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"), unless the withholding or deduction of Taxes is required by law. In that event, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by any Beneficiary after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:

- (a) to a Beneficiary which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of the Note or the Direct Rights; or
- (b) in respect of any Note presented for payment more than 15 days after the Maturity Date or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the Beneficiary would have been entitled to such additional amounts if it had presented the Note on the last day of such period of 15 days.

4. PRESERVATION OF RIGHTS

4.1 Principal obligor

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 Continuing obligations

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes and under the Deed of Covenant have been paid, and all other

actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 **Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- 4.3.1 *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;
- 4.3.2 *Illegality*: any of the obligations of the Issuer under or in respect of any Note or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- 4.3.3 *Indulgence*: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note or the Deed of Covenant;
- 4.3.4 *Amendment*: any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note or the addition of any new obligation for the Issuer under the Deed of Covenant; or
- 4.3.5 *Analogous events*: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

4.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

4.5.1 *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Note;

4.5.2 *Take action*: to take any action or obtain judgment in any court against the Issuer; or

4.5.3 *Claim or proof*: to make or file any claim or proof in a winding up or dissolution of the Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Note.

4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

4.6.1 *Indemnity*: to be indemnified by the Issuer;

4.6.2 *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note or the Deed of Covenant; or

4.6.3 *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note or the Deed of Covenant by any Beneficiary.

4.7 ***Pari passu***

The Guarantor undertakes that its obligations hereunder will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, but (in the event of insolvency) only to the extent permitted by Finnish law relating to creditors' rights.

5. **DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Issue Agent for so long as the Programme remains in effect and thereafter until the date which is one year after the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

6. **STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. **BENEFIT OF DEED OF GUARANTEE**

7.1 **Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 **Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

7.3 **Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. **NOTICES**

9.1 **Address for notices**

All notices and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

Yrjönkatu 11 A 1
FIN-00120 Helsinki
Finland

Fax: +358 9 622 728 82
Attention: Managing Director

or to such other address or fax number or for the attention of such other person or

department as the Guarantor has notified to the Beneficiaries.

9.2 **Effectiveness**

Every notice or other communication sent in accordance with Clause 9.1 (*Address for notices*) shall be effective upon receipt by the Guarantor; *provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

10. **LAW AND JURISDICTION**

10.1 **Governing law**

This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it are governed by English law.

10.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Deed of Guarantee (including a dispute relating to the existence, validity or termination of this Deed of Guarantee or any non-contractual obligation arising out of or in connection with this Deed of Guarantee) or the consequences of its nullity.

10.3 **Appropriate forum**

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

10.4 **Rights of the Beneficiaries to take proceedings outside England**

Clause 10.2 (*English courts*) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 10 (*Law and Jurisdiction*) prevents the Beneficiaries from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

10.5 **Service of process**

The Guarantor agrees that the process by which any Proceedings in England and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Jordans Trust Company Limited at Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB or, if different, its registered office for the time being or at any other address of the Guarantor in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Guarantor, the Guarantor shall, on the written demand of any Beneficiary addressed and delivered to the Guarantor, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Guarantor

and delivered to the Guarantor. The Guarantor agrees that failure by a process agent to notify it of any process will not invalidate the relevant Proceedings. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

10.6 Consent to enforcement, etc.

The Guarantor consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

10.7 Waiver of immunity

To the extent that the Guarantor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Guarantor or its assets or revenues, the Guarantor agree not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)
by **THE MUNICIPAL GUARANTEE BOARD**)
(**Kuntien takauskeskus**))
acting by)

5. SELLING RESTRICTIONS

5a. General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute this Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

5b. United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes and the Guarantee constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S.

Each Dealer has also represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has offered and sold the Notes and the Guarantee, and will offer and sell the Notes and the Guarantee (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "**distribution compliance period**"), only in accordance with Rule 903 of Regulation S.

Each Dealer has also agreed (and each further Dealer appointed under the Programme will be required to agree) that, at or prior to confirmation of sale of Notes and the Guarantee, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes and the Guarantee from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes and the Guarantee, and that it and they have complied and will comply with the offering restrictions requirement of

Regulation S.

Terms used above have the meanings given to them by Regulation S.

5c. United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a)
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer or the Guarantor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

5d. Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

5e. Switzerland

Each Dealer has acknowledged and agreed (and each further Dealer appointed under the Programme will be required to acknowledge and agree) that (i) the Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland, (ii) neither this Information Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations and (iii) neither this Information Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

5f. The Netherlands

Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam N.V. admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. (*toegelaten instelling*) in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations and must either be:

- (a) between individuals or legal entities who or which trade or invest in securities in the conduct of a profession or trade (which includes banks, dealers, insurance companies, pension funds, other institutional investors and commercial enterprises which regularly, as an ancillary activity, invest in securities); or, in any other case
- (b) recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of such Note.

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with.

As used herein, "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

6. FORMS OF NOTE

Form of Multicurrency Global Note (Interest Bearing/Discounted/Premium)

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

MUNICIPALITY FINANCE PLC *(incorporated in Finland)*

guaranteed by
THE MUNICIPAL GUARANTEE BOARD
(incorporated in Finland)

No: _____

Series No.: _____

Issued in London on: _____

Maturity Date:¹ _____

Specified Currency: _____

Denomination:² _____

Nominal Amount: _____
(words and figures if a Sterling Note)

Fixed Interest Rate:³ _____ % per annum

¹ Not to be more than 364 days from (and including) the date of issue to (but excluding) the maturity date.

² Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements and **provided that** the equivalent of that denomination in Sterling as at the issue date is not less than £100,000.

³ Complete for fixed rate interest bearing Notes only.

Floating Reference Rate:⁴ _____ month(s) LIBOR / EURIBOR / Other:

Margin:⁵ _____ %

Reference Rate Screen Page:⁶ _____

Interest Determination Date:⁷ _____

Relevant Time:⁸ _____

Day Count Fraction:⁹ _____

Interest Payment Dates:¹⁰ _____

Calculation Agent:¹¹ _____

New Global Note form:¹² Yes / No

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the Issue Date, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with Euroclear Bank SA/NV or Clearstream Banking S.A. as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met

⁴ Complete/delete as appropriate.

⁵ Complete for floating rate interest bearing Notes only.

⁶ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 13(a) and (b).

⁷ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 13(a) and (b).

⁸ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 13(a) and (b).

⁹ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 13(a) and (b).

¹⁰ Complete for interest bearing Notes.

¹¹ Complete for floating rate interest bearing Notes only.

¹² Select "Applicable" or "Not Applicable" as relevant.

1. For value received, **MUNICIPALITY FINANCE PLC** (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date the Nominal Amount together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 7 July 2017 (as amended, restated or supplemented as of the date of issue of the Notes) between, amongst others, the Issuer and Citibank, N.A., London Branch as, amongst its other capacities, issue agent and paying agent (the "**Issue Agent**" and "**Paying Agent**", respectively), a copy of which is available for inspection at the offices of the Issue Agent and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Paying Agent by transfer to an account denominated in the Specified Currency maintained by the bearer with (a) a bank in the principal financial centre in the country of the Specified Currency or (b) if this Global Note is denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. Payments to the bearer of this Global Note shall not be made to an address or a bank account maintained within the United States, the Notes may not be presented for payment within the United States, and demand for payments under the Notes may not be made within the United States.

2. If this Global Note is not a New Global Note, this Global Note is issued in representation of an issue of Notes in the aggregate Nominal Amount.
3. If this Global Note is a New Global Note, this Global Note is issued in representation of an issue of Notes in an aggregate Nominal Amount as from time to time entered in the records of both Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other securities clearance and/or settlement system(s) as may be agreed between the Issuer and the Issue Agent and Paying Agent (each an "**ICSD**" and together, the "**ICSDs**"). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD), shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSDs at that time.
4. All payments in respect of this Global Note by or on behalf of the Issuer or the Guarantor shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"), unless the withholding or deduction of Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such

deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
 - (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days.
5. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

"Payment Business Day" means any day other than a Saturday or Sunday which is either (i) if the Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency or (ii) if the Specified Currency is euro, a day which is a TARGET Business Day; and

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 18 not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

6. The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, but (in the event of insolvency) only to the extent permitted by Finnish law relating to creditors' rights.

7. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof) and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
8. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date) only:
 - (a) if the clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention to, or does in fact, permanently cease to do business; or
 - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issue Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

9. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a deed of covenant dated 7 July 2017 (as amended, restated or supplemented as of the date of issue of the Notes) entered into by the Issuer.
10. This Global Note has the benefit of a guarantee issued by the Municipal Guarantee Board on 7 July 2017 (as amended, restated or supplemented as of the date of issue of the Notes), a copy of which is available for inspection during normal business hours at the office of the Issue and Paying Agent referred to above.
11. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of:
 - (i) this Global Note (if this Global Note is not a New Global Note) the Schedule hereto shall be duly completed by the Paying Agent to reflect

such payment;

- (ii) this Global Note (if the Global Note is a New Global Note) details of such payment shall be entered pro rata in the records of the ICSDs;
 - (c) payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in paragraph (b) above shall not affect such discharge; and
 - (d) if no Interest Payment Dates are specified on the face of this Global Note, the Interest Payment Date shall be the Maturity Date.
12. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
13. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Global Note which specifies LIBOR as the Floating Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second

London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Floating Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Floating Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Global Note in relation to the Floating Reference Rate;

- (c) in the case of a Global Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Global Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon;
- (d) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or at the Relevant Time on each other specified Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period.

As used in this Global Note, "**Rate of Interest**" the rate which is determined in accordance with the provisions of paragraph 13(a), (b) or (c). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual

number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 or the relevant Day Count Fraction and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (e) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
 - (f) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph 13; and
 - (g) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published in accordance with paragraph 18 as soon as practicable after the determination of the Rate of Interest.
14. If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
15. Instructions for payment must be received at the offices of the Paying Agent together with this Global Note as follows:
- (a) if this Global Note is denominated in Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Global Note is denominated in Euro, United States dollars or Sterling, on or prior to the relevant payment date; and
 - (c) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency.

16. If this Global Note is a New Global Note, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
17. This Global Note shall not be validly issued unless manually authenticated by the Issue Agent.
18. Any notices in connection with this Global Note will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 8, will be delivered to the bearer(s) of each definitive Note or, if that is not practicable, published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
19. This Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.
 - (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Global Note (including a dispute relating to the existence, validity or termination of this Global Note or any non-contractual obligation arising out of or in connection with this Global Note) or the consequence of its nullity.
 - (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England:* Paragraph 19(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 19 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Jordans Trust Company Limited at Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB or at any other address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any bearer of a Note addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any bearer of a Note shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant Proceedings. Nothing in this paragraph shall affect the right of any bearer of a Note to serve process in any other manner permitted

by law. This clause applies to proceedings in England and to Proceedings elsewhere.

- (e) *Consent to enforcement etc.:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
- (f) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

20. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A., LONDON BRANCH
without recourse, warranty or liability and for
authentication purposes only

Signed on behalf of:
MUNICIPALITY FINANCE PLC

By:
(*Authorised Signatory*)

By:
(*Authorised Signatory*)

SCHEDULE
Payments of Interest

The following payments of interest in respect of this Global Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Form of Multicurrency (Non-Sterling) Definitive Note
(Interest Bearing/Discounted/Premium)**

THE SECURITIES REPRESENTED BY THIS NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

[Unless between individuals not acting in the conduct of a business or profession, each transaction regarding this Note which involves the physical delivery thereof within, from or into The Netherlands, must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended)) through the mediation of the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. and must either be:

- between individuals or legal entities who or which trade or invest in securities in the conduct of a profession or trade (which includes banks, dealers, insurance companies, pension funds, other institutional investors and commercial enterprises which regularly, as an ancillary activity, invest in securities); or, in any other case
- recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Note.]¹³

MUNICIPALITY FINANCE PLC
(*incorporated in Finland*)

guaranteed by
THE MUNICIPAL GUARANTEE BOARD
(*incorporated in Finland*)

ISIN: _____

Issue Date: _____

Maturity Date:¹⁴ _____

¹³ This legend should be placed on zero coupon or discounted Notes and Notes on which interest only becomes due at maturity and which are (a) not listed on the Official Segment of Euronext Amsterdam N.V.'s stock market and (b) issued within The Netherlands, or issued outside The Netherlands but distributed within The Netherlands in the course of initial distribution or immediately thereafter.

Specified Currency: _____

Denomination:¹⁵ _____

Nominal Amount: _____

Fixed Interest Rate:¹⁶ _____ % per annum

Floating Reference Rate:¹⁷ _____ month(s) LIBOR/EURIBOR/Other:

Margin:¹⁸ _____ %

Reference Rate Screen
 Page:¹⁹ _____

Interest Determination
 Date:²⁰ _____

Relevant Time:²¹ _____

Day Count Fraction:²² _____

Interest Payment Date(s):²³ _____

Calculation Agent:²⁴ _____

¹⁴ Not to be more than 364 days from (and including) the date of issue to (but excluding) the maturity date.

¹⁵ Notes may have any denomination, subject to compliance with any applicable legal and regulatory requirements and **provided that** the equivalent of that denomination in Sterling as at the issue date is not less than £100,000.

¹⁶ Complete for fixed rate interest bearing Notes only.

¹⁷ Complete/delete as appropriate.

¹⁸ Complete for floating rate interest bearing Notes only.

¹⁹ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 8(a) and (b).

²⁰ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 8(a) and (b).

²¹ Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 8(a) and (b).

²² Complete for floating rate interest bearing Notes only if a Reference Rate other than LIBOR or EURIBOR is specified. If the specified Reference Rate is LIBOR or EURIBOR, leave blank as these provisions are covered in paragraph 8(a) and (b).

²³ Complete for interest bearing Notes if interest is payable before the Maturity Date.

²⁴ Complete for all floating rate interest bearing Notes.

1. For value received, **MUNICIPALITY FINANCE PLC** (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date the Nominal Amount together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an issue and paying agency agreement dated 7 July 2017 between, amongst others, the Issuer and Citibank, N.A., London Branch as, amongst its other capacities, issue agent and paying agent (the "**Issue Agent**" and "**Paying Agent**", respectively), a copy of which is available for inspection at the offices of the Issue Agent and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Paying Agent by transfer to an account denominated in the Specified Currency maintained by the bearer with (a) a bank in the principal financial centre in the country of the Specified Currency or (b) if this Note is denominated or payable in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union. Payments to the bearer of this Note shall not be made to an address or a bank account maintained within the United States, the Notes may not be presented for payment within the United States, and demand for payments under the Notes may not be made within the United States.

2. All payments in respect of this Note by or on behalf of the Issuer or the Guarantor shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"), unless the withholding or deduction of Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:
 - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
 - (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days.
3. If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of

this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

"Payment Business Day" means any day other than a Saturday or Sunday which is both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (B) either (i) if the Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency or (ii) if the Specified Currency is euro, a day which is a TARGET Business Day; and

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Paying Agent determines with the agreement of the Issuer that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 12 not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Paying Agent may determine.

4. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, but (in the event of insolvency) only to the extent permitted by Finnish law relating to creditors' rights.
5. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof) and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
6. If this is an interest bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment;

- (c) payments due in respect of Notes for the time being represented by this Note shall be made to the bearer of this Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in paragraph (b) above shall not affect such discharge; and
 - (d) if no Interest Payment Dates are specified on this Note, the Interest Payment Date shall be the Maturity Date.
7. If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days at the Fixed Interest Rate with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
8. If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Note which specifies LIBOR as the Floating Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note:

"**LIBOR**" shall be equal to the rate defined as LIBOR-BBA in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Floating Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Floating Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note:

"**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Floating Reference Rate;

- (c) in the case of a Note which specifies any other Reference Rate on its face, the Rate of Interest will be the aggregate of such Reference Rate and the Margin (if any) above or below such Reference Rate. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the Day Count Fraction specified hereon. As used in this Note, the Reference Rate shall be equal to the Reference Rate which appears on the relevant Screen Page as at the Relevant Time on the Interest Determination Date as each such term is specified hereon;
- (d) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date, 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date or at the Relevant Time on each other specified Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period.

As used in this Note, "**Rate of Interest**" means the rate which is determined in accordance with the provisions of paragraph 8(a), (b) or (c). The Amount of Interest shall be calculated by applying the Rate of Interest to the Nominal Amount of one Note of each denomination, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 or the relevant Day Count Fraction and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount

of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (e) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
 - (f) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
 - (g) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published in accordance with paragraph 12 as soon as practicable after the determination of the Rate of Interest.
9. This Note has the benefit of a guarantee issued by the Municipal Guarantee Board on 7 July 2017 (as amended, restated or supplemented as of the date of issue of the Notes), a copy of which is available for inspection during normal business hours at the office of the Issue and Paying Agent referred to above.
10. Instructions for payment must be received at the offices of the Paying Agent together with this Note as follows:
- (a) if this Note is denominated in Japanese Yen, at least two Business Days prior to the relevant payment date;
 - (b) if this Note is denominated in Euro or United States dollars at least one Business Day prior to the relevant payment date; and
 - (c) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
 - (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency.
11. This Note shall not be validly issued unless manually authenticated by the Issue Agent.
12. Any notices in connection with this Note will be delivered to the bearer of this Note or, if that is not practicable, published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

13. This Note and any non-contractual obligations arising out of or in connection with it are governed by English law.
- (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Note (including a dispute relating to the existence, validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequence of its nullity.
 - (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England:* Paragraph 13(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this Paragraph 13 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Jordans Trust Company Limited at Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB or at any other address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any bearer of a Note addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any bearer of a Note shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant Proceedings. Nothing in this paragraph shall affect the right of any bearer of a Note to serve process in any other manner permitted by law. This clause applies to proceedings in England and to Proceedings elsewhere.
 - (e) *Consent to enforcement etc.:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
 - (f) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be

attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

14. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A., LONDON BRANCH
without recourse, warranty or liability and for
authentication purposes only

Signed on behalf of:
MUNICIPALITY FINANCE PLC

By:
(*Authorised Signatory*)

By:
(*Authorised Signatory*)

SCHEDULE
Payments of Interest

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent

**Form of Sterling Definitive Note
(Interest Bearing/Discounted/Premium)
(for use where the Issuer accepts the proceeds of the issue in the United Kingdom)**

THE SECURITIES REPRESENTED BY THIS NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

[Unless between individuals not acting in the conduct of a business or profession, each transaction regarding this Note which involves the physical delivery thereof within, from or into The Netherlands, must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21 May 1985 (as amended)) through the mediation of the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V. and must either be:

- between individuals or legal entities who or which trade or invest in securities in the conduct of a profession or trade (which includes banks, dealers, insurance companies, pension funds, other institutional investors and commercial enterprises which regularly, as an ancillary activity, invest in securities); or, in any other case
- recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Note.]²⁵

MUNICIPALITY FINANCE PLC
(*incorporated in Finland*)

guaranteed by
THE MUNICIPAL GUARANTEE BOARD
(*incorporated in Finland*)

Serial Number: _____

Issue Date: _____

²⁵ This legend should be placed on zero coupon or discounted Notes and Notes on which interest only becomes due at maturity and which are (a) not listed on the Official Segment of Euronext Amsterdam N.V.'s stock market and (b) issued within The Netherlands, or issued outside The Netherlands but distributed within The Netherlands in the course of initial distribution or immediately thereafter.

Maturity Date:²⁶ _____

Specified Currency: British pounds sterling

Nominal Amount:²⁷ _____
(words and figures)

Denomination:²⁸ _____

Floating Reference Rate: _____ month(s) LIBOR

Margin:²⁹ _____ %

Fixed Interest Rate:³⁰ _____ % per annum

Interest Payment Date(s):³¹ _____

Calculation Agent:³² _____

1. For value received, **MUNICIPALITY FINANCE PLC** (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date the Nominal Amount together with interest thereon at the rate and at the times (if any) specified on the reverse of this Note.

All such payments shall be made in accordance with an issue and paying agency agreement dated 7 July 2017 between, amongst others, the Issuer and Citibank, N.A., London Branch as, amongst its other capacities, issue agent and paying agent (the "**Issue Agent**" and "**Paying Agent**", respectively), a copy of which is available for inspection at the offices of the Issue Agent and Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Paying Agent by transfer to a sterling account maintained by the bearer in London.

2. All payments in respect of this Note by or on behalf of the Issuer or the Guarantor shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Finland or any political subdivision or taxing authority of or in any of the foregoing ("**Taxes**"), unless the withholding or deduction of Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, to the extent permitted by

²⁶ Not to be more than 364 days from (and including) the date of issue to (but excluding) the maturity date.

²⁷ The Nominal Amount shall be not less than £100,000.

²⁸ The Denomination shall be not less than £100,000.

²⁹ Complete for floating rate interest bearing Notes only.

³⁰ Complete for fixed rate interest bearing Notes only.

³¹ Complete for interest bearing Notes if interest is payable before the Maturity Date.

³² Complete for all floating rate interest bearing Notes.

applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:

- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
- (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days.

If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a London Business Day payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following London Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding London Business Day) and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment. "**London Business Day**" means any day other than a Saturday or Sunday which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London.

3. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct and unsecured obligation of the Issuer ranking at least *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations mandatorily preferred by law applying to companies generally.
4. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof free (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof) and clear of any equity, set-off or counterclaim on the part of the Issuer against any previous bearer hereof.
5. This Note has the benefit of a guarantee issued by the Municipal Guarantee Board on 7 July 2017 (as amended, restated or supplemented as of the date of issue of the Notes), a copy of which is available for inspection during normal business hours at the office of the Issue and Paying Agent referred to above.
6. Instructions for payment must be received at the offices of the Paying Agent referred to above together with this Note at least one London Business Day prior to the relevant payment date.
7. This Note shall not be validly issued unless manually authenticated by the Issue Agent.

8. Any notices in connection with this Note will be delivered to the bearer of this Note or, if that is not practicable, published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).
9. This Note and any non-contractual obligations arising out of or in connection with it are governed by English law.
 - (a) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with this Note (including a dispute relating to the existence, validity or termination of this Note or any non-contractual obligation arising out of or in connection with this Note) or the consequence of its nullity.
 - (b) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
 - (c) *Rights of the bearer to take proceedings outside England:* Paragraph 9(a) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 9 prevents the bearer from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
 - (d) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Jordans Trust Company Limited at Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB or at any other address of the Issuer in Great Britain at which service of process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of any bearer of a Note addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any bearer of a Note shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Issue Agent and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant Proceedings. Nothing in this paragraph shall affect the right of any bearer of a Note to serve process in any other manner permitted by law. This clause applies to proceedings in England and to Proceedings elsewhere.
 - (e) *Consent to enforcement etc.:* The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

(f) *Waiver of immunity:* To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

10. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

AUTHENTICATED by
CITIBANK, N.A., LONDON BRANCH
without recourse, warranty or liability and for
authentication purposes only

Signed on behalf of:
MUNICIPALITY FINANCE PLC

By:
(*Authorised Signatory*)

By:
(*Authorised Signatory*)

By:
(*Authorised Signatory*)

[On the reverse:]

- (A) If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day;
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Paying Agent to reflect such payment;
 - (c) payments due in respect of Notes for the time being represented by this Note shall be made to the bearer of this Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to in paragraph (b) above shall not affect such discharge; and
 - (d) if no Interest Payment Dates are specified on this Note, the Interest Payment Date shall be the Maturity Date.
- (B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Fixed Interest Rate with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).
- (C) If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) the Rate of Interest will be the aggregate of LIBOR and the Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days.

As used in this Note:

"**LIBOR**" shall be equal to the rate defined as GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date

of this Note (the "**ISDA Definitions**") as at 11.00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified on the face of this Note in relation to the Floating Reference Rate;

- (b) the Calculation Agent will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period.

As used in this Note, "**Rate of Interest**" means the rate which is determined in accordance with the provisions of sub-paragraph (a) above. The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (c) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period shall be conclusive and binding as between the Issuer and the bearer hereof;
- (d) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph (C); and
- (e) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published in accordance with paragraph 8 above as soon as practicable after the determination of the Rate of Interest.

SCHEDULE
Payments of Interest

The following payments of interest in respect of this Note have been made:

Date Made	Payment From	Payment To	Amount Paid	Notation on behalf of Paying Agent

7. PROGRAMME PARTICIPANTS

ISSUER

Municipality Finance Plc

Jaakonkatu 3A, 5th floor
P.O. Box 744
FIN-00101 Helsinki
Finland

Telephone: +358 9 68035666

Fax: +358 9 6803 5669

Attention: Treasury

GUARANTOR

The Municipal Guarantee Board

Yrjönkatu 11 A 1
FIN-00120 Helsinki
Finland

Telephone: +358 9 622 728 80

Fax: +358 9 622 728 82

Attention: Managing Director

ARRANGER

Citibank Europe plc, UK Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Telephone: +44 (0)20 7986 9070

Fax: +44 (0)20 7986 6837

Attention: Short-Term Fixed Income Desk

DEALERS

Bank of America Merrill Lynch

International Limited

2 King Edward Street
London EC1A 1HQ
United Kingdom

Telephone: +44 (0)20 7996 8904

Fax: +44 (0)20 7995 0048

Attention: ECP Desk

Bank of Montreal, London Branch

95 Queen Victoria Street
London EC4V 4HG
United Kingdom

Telephone: +44 (0)20 7628 8000

Fax: +44 (0)20 7664 8109

Attention: DCM & Syndicate Desk

Barclays Bank PLC

5 North Colonnade
London E14 4BB
United Kingdom

Telephone: +44 (0)20 7773 9075

Fax: +44 (0)20 7516 7548

Email: ecp@barclays.com

Attention: ECP Trading Desk

Citibank Europe plc, UK Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Telephone: +44 (0)20 7986 9070

Fax: +44 (0)20 7986 6837

Attention: Short-Term Fixed Income Desk

Coöperatieve Rabobank U.A.

Croeselaan 18
3521 CB Utrecht
The Netherlands

Telephone: +31 30 21 69 777

Fax: +31 30 21 69 220

Contact: Origination and Syndication

Municipality Finance Plc

Jaakonkatu 3A, 5th floor
P.O. Box 744
FIN-00101 Helsinki
Finland

Telephone: +358 9 6803 5627

Fax: +358 9 6803 5669

Attention: Legal Department

Nordea Bank AB (publ)

c/o Nordea Bank AB (publ), Finnish Branch
Satamaradankatu 5
FI-00020 NORDEA
Helsinki
Finland

Telephone: +358 9 369 50118

Fax: +358 9 726 1282

Attention: FX/MM Sales & Solutions

UBS Limited

5 Broadgate
London EC2M 2QS
United Kingdom

Telephone: +44 (0)20 7567 2324

Attention: ECP Desk

ISSUE AGENT AND PAYING AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Telephone: +353 1 622 2238

Fax: +353 1 622 4029

Attention: ECP Issuance Desk