VERŻJONI ELETTRONIKA

A 1142

I assent.

(L.S.) GEORGE ABELA
President

18th October, 2011

ACT No. XVIII of 2011

AN ACT to amend the Participation and Guarantees under the European Financial Stability Facility Act (Cap. 505) and to amend the Government Borrowing and the Granting of Loans to the Hellenic Republic Act (Cap. 502).

BE IT ENACTED by the President, by and with the advice and consent of the House of Representatives, in this present Parliament assembled, and by the authority of the same, as follows:-

Short title.

1. The short title of this Act is the Participation and Guarantees under the European Financial Stability Facility and the Government Borrowing and the Granting of Loans to the Hellenic Republic (Amendment) Act, 2011, and this Act shall be read and construed as one with the Participation and Guarantees under the European Financial Stability Facility Act and the Government Borrowing and the Granting of Loans to the Hellenic Republic Act, hereinafter referred to as "the principal Act".

Cap. 505.
Cap. 502.

Amendment of article 2 of the principal Act.

2. The definition "the European Financial Stability Facility Framework Agreement" in article 2 of the principal Act shall be substituted by the following new definition:

" "the European Financial Stability Facility Framework Agreement" means the agreement entered into in Luxembourg on the 7th June 2010, which is reproduced in the First Schedule, between the Euro Area Member States and the European Financial Stability Facility regarding the terms and conditions upon which the European Financial Stability Facility may make loans to Euro Area Member States who are in financial difficulties, finance such loans backed up by guarantees issued by the other Euro Area Member States, and other matters regulated therein, as amended by the European Financial Stability Facility Framework Agreement signed in Malta by the Minister of Finance on the 6th September, 2011, which Agreement is reproduced in the Second Schedule. Both agreements being reproduced in the English language;".

Amendment of article 4 of the principal Act.

3. Article 4 of the principal Act is to be amended as follows:

(a) in the Maltese version of the marginal note thereof, for the words "Ħlas u ġruġ ta' garanziji" there shall be substituted the words "Ħlas u ħruġ ta' garanziji"; and

(b) in the proviso to subarticle (1) thereof, for the words "Euro 398.44 million" there shall be substituted the words "Euro 704.33 million".

Addition of new Schedules to the principal Act.

4. Immediately after article 4 of the principal Act, there shall be added the following new Schedules:

A 1144

"FIRST SCHEDULE

The European Financial Stability Facility Framework Agreement entered into in Luxembourg on the 7th June 2010

Execution Version

EFSF FRAMEWORK AGREEMENT
between
KINGDOM OF BELGIUM
FEDERAL REPUBLIC OF GERMANY
IRELAND
KINGDOM OF SPAIN
FRENCH REPUBLIC
ITALIAN REPUBLIC
REPUBLIC OF CYPRUS
GRAND DUCHY OF LUXEMBOURG
REPUBLIC OF MALTA
KINGDOM OF THE NETHERLANDS
REPUBLIC OF AUSTRIA
PORTUGUESE REPUBLIC
REPUBLIC OF SLOVENIA
SLOVAK REPUBLIC
REPUBLIC OF FINLAND
HELLENIC REPUBLIC
AND
EUROPEAN FINANCIAL STABILITY FACILITY

7 June 2010

EFSF FRAMEWORK AGREEMENT (the "**Agreement**") is made by and between:

(A) Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic, Republic of Finland and the Hellenic Republic (the "**euro-area Member States**" or "**EFSF Shareholders**"); and

(B) European Financial Stability Facility ("**EFSF**"), a *société anonyme* incorporated in Luxembourg, with its registered office at 3, rue de la Congrégation, L-1352 Luxembourg (the euro-area Member States and EFSF referred to hereafter as the "**Parties**").

PREAMBLE

Whereas:

(1) On 9 May 2010 a comprehensive package of measures has been decided including (a) a Council Regulation establishing the European Financial Stabilisation Mechanism ("**EFSM**") based on Article 122(2) of the Treaty on the functioning of the European Union and (b) the EFSF in order to financially support euro-area Member States in difficulties caused by exceptional circumstances beyond such Member States' control. It is envisaged that financial support to euro-area Member States shall be provided by EFSF in conjunction with the IMF and shall be on comparable terms to the stability support loans advanced by euro-area Member States to the Hellenic Republic.

(2) EFSF has been incorporated on 7 June 2010 for the purpose of making stability support to euro-area Member States in the form of loan facility agreements ("**Loan Facility Agreements**") and loans ("**Loans**") made thereunder of up to EUR 440 billion within a limited period of time. The availability of such Loan Facility Agreements will be conditional upon the relevant euro-area Member States which request such loans entering into memoranda of understanding (each an "**MoU**") with the European Commission, acting on behalf of the euro-area Member States, in relation to budgetary discipline and economic policy guidelines and their compliance with the terms of such MoU. With respect to each Loan Facility Agreement, the relevant beneficiary euro-area Member State shall be referred to as the "**Borrower**".

(3) By a decision of the representatives of the governments of the 16 euro-area Member States dated 7 June 2010, acting on the basis of the conclusions of the 27 Member States of 9 May 2010, the Commission was tasked with carrying out certain duties and functions as contemplated by the terms of this Agreement.

(4) EFSF shall finance the making of such loans by issuing or entering into bonds, notes, commercial paper, debt securities or other financing arrangements ("**Funding Instruments**") which are backed by irrevocable and unconditional guarantees (each a "**Guarantee**") of the euro-area Member States which shall act as guarantors in respect of such Funding Instruments as contemplated by the terms of this Agreement. The guarantors (the "**Guarantors**") of Funding Instruments issued or entered into by EFSF shall be comprised of each euro-area Member State (excluding any euro-area Member State which is or has become a Stepping-Out Guarantor under Article 2(7) prior to the issue of such Funding Instruments).

(5) A political decision has been taken by all euro-area Member States to provide Guarantee Commitments (as defined in Article 2(3)) pursuant to the terms of this Agreement.

(6) The euro-area Member States and EFSF have entered into this Agreement to set out the terms and conditions upon which EFSF may make Loans

to euro-area Member States, finance such Loans by issuing or entering into Funding Instruments backed by Guarantees issued by the Guarantors, the terms and conditions on which the Guarantors shall issue Guarantees in respect of the Funding Instruments issued by or entered into by EFSF, the arrangements entered into between them in the event that a Guarantor is required to pay under a Guarantee more than its required proportion of liabilities in respect of a Funding Instrument and certain other matters relating to EFSF.

Now, therefore, the Parties have agreed as follows:

1. ENTRY INTO FORCE

(1) This Agreement (with the exception of the obligation of euro-area Member States to issue Guarantees under this Agreement) shall, upon at least five (5) euro-area Member States comprising at least two-thirds (2/3) of the total guarantee commitments set out in Annex 1 (the "**Total Guarantee Commitments**") providing written confirmation substantially in the form of Annex 3 to EFSF that they have concluded all procedures necessary under their respective national laws to ensure that their obligations under this Agreement shall come into immediate force and effect (a "**Commitment Confirmation**"), enter into force and become binding between EFSF and the euro-area Member Sates providing such Commitment Confirmations.

(2) The obligation of euro-area Member States to issue Guarantees under this Agreement shall enter into force and become binding between EFSF and the euro-area Member States which have provided Commitment Confirmations only when Commitment Confirmations have been received by EFSF from euro-area Member States whose Guarantee Commitments represent in aggregate ninety per cent (90%) or more of the Total Guarantee Commitments. Any euro-area Member State which applies for stability support from the euro-area Member States or which benefits from financial support under a similar programme or which is already a Stepping-Out Guarantor shall be excluded in computing whether this ninety per cent (90%) threshold of the Total Guarantee Commitments is satisfied.

(3) This Agreement and the obligation to provide Guarantees in accordance with the terms of this Agreement shall enter into force and become binding on any remaining euro-area Member States (which have not provided their Commitment Confirmations at the time the Agreement or the obligation to provide Guarantees comes into force pursuant to Article 1(1) or 1(2)) at the time when such euro-area Member States provide their Commitment Confirmation to EFSF copies of which should be addressed to the Commission.

2. GRANT OF LOANS, FUNDING INSTRUMENTS AND ISSUANCE OF GUARANTEES

(1) The euro-area Member States agree that in the event of a request made by a euro-area Member State to the other euro-area Member States for a stability

support loan (i) the Commission (in liaison with the ECB and the IMF) shall be hereby authorised to negotiate the MoU with the relevant Borrower which shall be consistent with a decision the Council may adopt under Article 136 of the Treaty on the functioning of the European Union following a proposal of the Commission and the Commission shall be hereby authorised to finalise the terms of such MoU and to sign such MoU with the Borrower on behalf of the euro-area Member States once such MoU has been approved by the Eurogroup Working Group (unless an MoU has been already entered into between the Borrower and the Commission under the EFSM which MoU has been approved by all euro-area Member States in which case this latter MoU shall apply, provided that it covers both EFSM and EFSF stability support); (ii) following such approval of the relevant MoU, the Commission, in liaison with the ECB, shall make a proposal to the Eurogroup Working Group of the main terms of the Loan Facility Agreement to be proposed to the Borrower based on its assessment of market conditions and provided that the terms of such Loan Facility Agreement contain financial terms compatible with the MoU and the compatibility of maturities with debt sustainability; (iii) following a decision of the Eurogroup Working Group, EFSF (in conjunction with the Eurogroup Working Group) shall negotiate the detailed, technical terms of the Loan Facility Agreements under which Loans will, subject to the terms and conditions set out therein, be made available to the relevant Borrower, provided that such Loan Facility Agreements shall be substantially in the form of a template Loan Facility Agreement which shall be approved by the euro-area Member States for the purpose of this Agreement and the financial parameters of such Loan Facility Agreements shall be based on the financial terms proposed by the Commission, in liaison with the ECB, and approved by the Eurogroup Working Group and (iv) EFSF shall collect, verify and hold in safe custody the conditions precedent to such Loan Facility Agreements and the executed versions of all related documents. The terms of Article 3(2) set out the basis upon which decisions shall be made in relation to Loans to be made under an existing Loan Facility Agreement. Given that EFSF is not a credit institution, Borrowers shall represent and warrant in each Loan Facility Agreement that no regulatory authorisation is required for EFSF to grant Loans to such Borrower under its applicable national law or that an exemption to such regulatory authorisation requirement exists under applicable national law. The Guarantors hereby authorise EFSF to sign such Loan Facility Agreements, subject to the prior unanimous approval by all of them participating in the relevant votes of Guarantors.

(2) In respect of each Loan Facility Agreement and the Loans to be made thereunder, the euro-area Member States agree that EFSF (in consultation with the Eurogroup Working Group) shall be authorised to structure and negotiate the terms on which EFSF may issue or enter into Funding Instruments on a stand-alone basis or pursuant to a debt issuance programme or programmes or facility (each an "**EFSF Programme(s)**") to finance the making of Loans to Borrowers. So long as market conditions permit and save as otherwise stated in this Agreement, such Funding Instruments shall have substantially the same financial profile as the related Loans (provided that (x) for operational reasons there will need to be

delays between issue dates and payment dates to facilitate the transfers of funds and calling Guarantees and (y) notwithstanding the liability of each Guarantor to pay any amounts of interest and principal due but unpaid under the Funding Instruments, the recourse of investors against EFSF under the Funding Instruments shall be limited to the assets of EFSF including, in particular, the amounts it recovers in respect of the Loans. The interest rate which will apply to each Loan is intended to cover the cost of funding incurred by EFSF and shall include a margin (the "**Margin**") which shall provide remuneration for the Guarantors. The Service Fee may be used to cover the operational costs of EFSF and any costs and fees directly related to the issuance of Funding Instruments which have not otherwise been charged to the relevant Borrower.

(3) In respect of Funding Instruments issued or entered into under an EFSF Programme or on a stand-alone basis, each Guarantor shall be required to issue an irrevocable and unconditional Guarantee in a form to be approved by the Guarantors for the purpose of this Agreement and in an amount equal to the product of (a) the percentage set out next to each Guarantor's name in the third column (the "**Contribution Key**") in Annex 2 (as such percentage is adjusted from time to time in accordance with the terms of this Agreement and/or to reflect any euro-area Member State not yet having provided its Commitment Confirmation during the implementation period pursuant to Article 1 and notified in writing by EFSF to the Guarantors) (the "**Adjusted Contribution Key Percentage**"), (b) 120%, and (c) the obligations of EFSF (in respect of principal, interest or other amounts due) in respect of the Funding Instruments issued or entered into by EFSF on a stand-alone basis or under an EFSF Programme. If EFSF issues Funding Instruments under an EFSF Programme, each Guarantor shall issue its Guarantee to guarantee all Funding Instruments issued or entered into pursuant to the relevant EFSF Programme. The Offering Materials or contractual documentation for each issue or contracting of Funding Instruments made under an EFSF Programme shall confirm which Guarantors have Guarantees which cover the relevant Funding Instruments or issue or series thereof. EFSF may also request the Guarantors to issue Guarantees under this Agreement for other purposes which are closely-linked to an issue of Funding Instruments and which facilitates the obtaining and maintenance of a high quality rating for Funding Instruments issued by EFSF and efficient funding by EFSF. The decision to issue Guarantees for such other purposes in connection with an EFSF Programme or a stand-alone issue of or entry into Funding Instruments shall be taken by a unanimous decision of the Guarantors. No Guarantor shall be required to issue Guarantees which would result in it having a Guarantee Exposure in excess of its aggregate guarantee commitment (its "**Guarantee Commitment**") set out alongside its name in Annex 1. For the purposes of this Agreement a Guarantor's "**Guarantee Exposure**" is equal to the aggregate of (i) the amount of Guarantees which it has issued but which are undrawn and (ii) the amount it has paid and not been reimbursed under Guarantees it has issued under this Agreement. Accordingly, if an outstanding, undrawn Guarantee expires or if an amount drawn under a Guarantee is reimbursed this will reduce a Guarantor’s Guarantee Exposure and replenish its

capacity to issue Guarantees under this Agreement.

(4) (a) The Guarantees shall irrevocably and unconditionally guarantee the due payment of scheduled payments of interest and principal due on Funding Instruments issued by EFSF. In the case of EFSF Programmes, the Guarantors shall issue Guarantees which guarantee all series of Funding Instruments issued from time to time under the relevant EFSF Programme. The Offering Materials and/or contractual documentation of each series shall confirm which Guarantees cover that series, in particular, if a Guarantor under the relevant EFSF Programme has subsequently become a Stepping-out Guarantor and no longer guarantees further issues or series under such EFSF Programme.

(b) The Guarantees may be issued to a bond trustee or other representative of bondholders or creditors (a "**Noteholder Representative**") who shall be entitled to make demands under the Guarantees on behalf of holders of Funding Instruments and enforce the claims of holders of Funding Instruments so as to facilitate the management of making demands on the Guarantees. The detailed terms and conditions of each issue of Funding Instruments and the Guarantees relating thereto shall be agreed by EFSF, subject to the approval of the Guarantors, and shall be as described in the relevant Offering Materials (as defined in Article 4(1) applicable thereto) and applicable contractual documentation.

(5) A Guarantor shall only be required to issue a Guarantee in accordance with this Agreement if:

(a) it is issued in respect of Funding Instruments issued or entered into under an EFSF Programme or on a stand-alone basis and such Funding Instruments finance the making of Loan(s) approved in accordance with the terms of this Agreement and the Articles of Association of EFSF or it is issued for such other closely-linked purpose as are approved under Article 2(3);

(b) the Guarantee is issued to facilitate the financing under Loan Facility Agreements entered into on or prior to 30 June 2013 (including the financing of Loans made pursuant to an existing Loan Facility Agreement after such date and any related issue of bonds or debt securities related thereto) and the Guarantee is in any event issued on or before 30 June 2013;

(c) the Guarantee is in the form approved by euro-area Member States for the purpose of this Agreement and the EFSF Programme;

(d) the liability of the Guarantor under such Guarantee is for a maximum amount which complies with the terms of Article 2(3); and

(e) it is denominated in euros or such other currency as is approved by the Guarantors for the purpose of this Agreement.

(6) The Guarantee Commitment of each Guarantor to provide Guarantees is

irrevocable and firm and binding. Each Guarantor will be required, subject to the terms of this Agreement, to issue Guarantees up to its Guarantee Commitment for the amounts to be determined by EFSF and at the dates specified by EFSF in order to facilitate the issuance or entry into of Funding Instruments under the relevant EFSF Programme or stand-alone Funding Instrument in each case in accordance with the EFSF funding strategy.

(7) If a euro-area Member State encounters financial difficulties such that it makes a demand for a stability support loan from EFSF, it may by written notice together with supporting information satisfactory to the other Guarantors request the other Guarantors (with a copy to the Commission, the Eurogroup Working Group Chairman) to accept that the Guarantor in question does not participate in issuing a Guarantee in respect of any further debt issuance by EFSF. The decision of the euro-area Member States in relation to such a request is to be made at the latest when they decide upon making any further Loan Facility Agreements or further Loans.

(8) An up-front service fee (the "**Service Fee**") calculated as being 50 basis points on the aggregate principal amount of each Loan shall be charged to each Borrower and deducted from the cash amount to be remitted to the Borrower in respect of each such Loan. In addition, the net present value (calculated on the basis of the internal rate of return of the Funding Instruments financing such Loan (or such other blended internal rate of return as is deemed appropriate in case of a Diversified Funding Strategy), the "**Discount Rate**") of the anticipated Margin that would accrue on each Loan to its scheduled maturity date shall be deducted from the cash amount to be remitted to the Borrower in respect of such Loan. The Service Fee and the net present value of the anticipated Margin, together with such other amounts as EFSF decides to retain as an additional cash buffer, will be deducted from the cash amount remitted to Borrower in respect of each Loan (such that on the disbursement date (the "**Disbursement Date**") the Borrower receives the net amount (the "**Net Disbursement Amount**")) but shall not reduce the principal amount of such Loan that the Borrower is liable to repay and on which interest accrues under the relevant Loan. These retained amounts shall be retained to provide a cash reserve to be used as credit enhancement and otherwise as described in Article 5 below. The "**Cash Reserve**" shall include these retained amounts together with all income and investments earned by investment of these amounts. The Cash Reserve shall be invested in accordance with investment guidelines approved by the board of directors of EFSF.

(9) If, following the repayment of all Loans made under Loan Facility Agreements and all Funding Instruments issued by or entered into by EFSF, there remain amounts in the Cash Reserve (including amounts representing interest or investment income earned by investment of the Cash Reserve), these amounts shall be paid to the Guarantors as consideration for the issuance of their Guarantees. EFSF shall maintain ledger accounts and other records of the amounts of Service Fee and anticipated Margin retained in respect of each Loan Facility Agreement and the amount of all Guarantees issued by each Guarantor pursuant to this

Agreement. These ledger accounts and records shall permit EFSF to calculate the consideration due to each Guarantor in respect of the Guarantees issued under this Agreement which shall be payable on a pro rata proportional basis to each Guarantor by reference to its participation in all the Guarantees issued under this Agreement.

(10) Euro-area Member States which are potential Borrowers may only request and enter into Loan Facility Agreements in the period commencing on the date this Agreement enters into force and ending on 30 June 2013 (provided that Loans may be disbursed after this date under Loan Facility Agreements entered into prior to this date).

(11) Following the execution of this Agreement, the Parties shall agree upon forms of (i) the Guarantees, (ii) the Loan Facility Agreements, (iii) the documentation for the Funding Instruments, (iv) the arrangements in respect of the appointment of Noteholder Representatives, (v) the dealer and subscription agreements for Funding Instruments and (vi) any agency or service level agreement with EIB or any other agency, institution or person.

3. PREPARATION AND AUTHORISATION OF LOAN DISBURSEMENTS

(1) Before each disbursement of a Loan under a Loan Facility Agreement, the Commission will, in liaison with the ECB, present a report to the Eurogroup Working Group analysing compliance by the relevant Borrower with the terms and the conditions set out in the MoU and in the Council Decision (if any) relating to it. The Guarantors will evaluate such compliance and will unanimously decide on whether to permit disbursement of the relevant Loan. The first Loan to be made available to a Borrower under a Loan Facility Agreement is released following the initial signature of the relevant MoU and will not be the object of such a report.

(2) Following a request for funds (a "**Request for Funds**") from a Borrower complying with the terms of the relevant Loan Facility Agreement and requesting a Loan thereunder, the Guarantors shall (other than in respect of the first Loan) consider the report of the Commission regarding the Borrower’s compliance with the MoU and the relevant Council decision (if any). If, acting unanimously, the Guarantors consider that the Borrower has complied with the conditions to drawdown under the Loan Facility Agreement and are satisfied with its compliance with the terms and conditions of the MoU then the Eurogroup Working Group Chairman shall request in writing EFSF to make a proposal of detailed terms of the Loan it would recommend to make to the Borrower within the parameters of the Loan Facility Agreement, the MoU, taking into account debt sustainability and the market situation for bond issuance. The EFSF proposal shall specify the amount which EFSF is authorised to make available by way of a Loan under the Loan Facility Agreement and on what terms including as to the amount of the Loan, the Net Disbursement Amount, the term, the redemption schedule and the interest rate (including the Margin) in relation to such Loan. If the Eurogroup

Working Group accepts this proposal the Eurogroup Working Group Chairman shall request EFSF to communicate an acceptance notice (an "**Acceptance Notice**") to the Borrower confirming the terms of the Loan.

(3) At the latest following the signature of a Loan Facility Agreement, EFSF shall commence the process for the issuance of or entry into Funding Instruments under the EFSF Programme(s) or otherwise and, to the extent necessary, shall request the Guarantors to issue Guarantees in accordance with Article 2 (above) such that EFSF has sufficient funds when needed to make disbursements under the relevant Loan.

(4) If applicable, and prior to the delivery of any Acceptance Notice, the Eurogroup Working Group Chairman shall communicate to the Commission and EFSF whether any Guarantor has notified it that the circumstances described in Article 2(7) apply to it and the decision of the euro-area Member States relating thereto. The Eurogroup Working Group Chairman shall communicate the decisions of the Guarantors to EFSF, the Commission and the euro-area Member States at least thirty (30) Business Days prior to the date of any related issue of or entry into Funding Instruments.

(5) On the relevant Disbursement Date, EFSF shall make the relevant Loan available to the Borrower by making available the Net Disbursement Amount through the accounts of EFSF and the relevant Borrower opened for the purpose of the Loan Facility Agreement with the ECB.

4. ISSUANCE OF OR ENTRY INTO FUNDING INSTRUMENTS

(1) In compliance with its funding strategy, EFSF may issue or enter into Funding Instruments benefitting from the Guarantees on a stand-alone basis or shall establish one or more EFSF Programme(s) for the purpose of issuing Funding Instruments benefitting from Guarantees which shall finance the making of Loans in accordance with the terms of this Agreement. EFSF may establish a base prospectus (the "**Base Prospectus**") for each EFSF Programme with each individual issue of Funding Instruments being issued pursuant to final terms ("**Final Terms**") setting out the detailed financial terms of each issue. Alternatively, EFSF may establish information memoranda (the "**Information Memoranda**") for the purpose of issuing Funding Instruments (which would not be prospectuses for the purposes of the Prospectus Directive 2003/71/EC). Any Base Prospectus, Final Terms, prospectus, Information Memorandum or related materials relating to the placement or syndication of Funding Instruments shall be referred to as "**Offering Materials**". It shall also enter into relevant contractual documentation relating to such Funding Instruments.

(2) EFSF shall devise standard terms and conditions for the Funding Instruments issued or entered into by EFSF. These may include provisions for the calling of Guarantees either by EFSF if it anticipates a shortfall prior to a scheduled payment date or by the relevant Noteholder Representative (if EFSF has

failed to make a scheduled payment of interest or principal under a Funding Instrument when due). The standard terms and conditions shall clarify that there is no acceleration of Funding Instruments in the event that the Loan(s) financed by such Funding Instruments are accelerated or pre-paid for whatever reason.

(3) In connection with the structuring and negotiation of Funding Instruments on a stand-alone basis or under EFSF Programme(s) ESFS may:

(a) appoint, liaise and negotiate with arranging banks, lead managers and bookrunners;

(b) appoint, liaise and negotiate with rating agencies and rating agency advisers and supply them with such data and documentation and make such presentations as necessary to obtain requisite ratings;

(c) appoint, liaise and negotiate with paying agents, listing agents, Noteholder Representative, lawyers and other professional advisers;

(d) appoint, liaise and negotiate with common depositaries and clearing systems such as Euroclear and/or Clearstream for the settlement of Funding Instruments;

(e) attend investor presentations and road shows to assist in the placement or syndication of Funding Instruments pursuant to the EFSF Programme(s);

(f) negotiate, execute and sign all legal documentation related to the Funding Instruments and any EFSF Programme(s); and

(g) generally do such other things necessary for the successful structuring and implementation of the EFSF Programme(s) and the issuance of or entry into Funding Instruments.

(4) EFSF shall, subject to market conditions and the terms of this Article 4, fund Loans by the issuance of or entry into Funding Instruments on a matched funding basis such that the Funding Instruments financing a Loan have substantially the same financial profile as to amount, time of issue, currency, repayment profile, final maturity and interest basis, provided that, to the extent feasible, the scheduled payment dates for Loans shall be at least fourteen (14) Business Days prior to the scheduled payment dates under the related Funding Instruments to permit processing of payments.

(5) If, due to market condition or the volume of Funding Instruments to be issued or entered into by EFSF under the EFSF Programme(s) it is not practicable or feasible to issue or enter into Funding Instruments on a strict matched-funding basis, EFSF may request the Guarantors to permit EFSF certain flexibilities as to funding such that its funding is not matched to the Loans it makes, in particular as to (a) currency of Funding Instruments, (b) timing for the issue or entry into of Funding Instruments, (c) interest rate bases and/or (d) maturity and repayment

profile of the Funding Instruments to be issued or entered into (including the possibility of issuing short term debt instruments, commercial paper or other financing arrangements supported by Guarantees) and (e) the possibility of pre-funding of Loans under an existing Loan Facility Agreement. The Guarantors, acting unanimously, may permit EFSF to use a degree of funding flexibility and shall specify within which parameters and limits EFSF may adopt a non-matched funding strategy (a "**Diversified Funding Strategy**").

(6) Given that a Diversified Funding Strategy would require the management of transformation and basis risks, in the event that a Diversified Funding Strategy is authorised in relation to EFSF it may delegate the management of such funding activities, related asset and liability management activities and the conclusion of any related currency, interest rate or maturity mis-match hedging instruments to one or more debt management agencies of euro-area Member State or such other agencies or institutions as are approved unanimously by the Guarantors which shall be entitled to be compensated at an arm's length commercial rate for the provision of such services which remuneration shall constitute an operating cost for EFSF.

5. CREDIT ENHANCEMENT, LIQUIDITY AND TREASURY

(1) The credit enhancement for the EFSF Programme shall include the following elements:

(a) the Guarantees and, in particular, the fact that the participation of each Guarantor in issuing Guarantees shall be made on the basis of the Adjusted Contribution Key Percentage and that the Guarantee issued by each Guarantor is for 120% of its Adjusted Contribution Key Percentage of the amounts of the relevant Funding Instruments;

(b) the Cash Reserve shall act as a cash buffer. The Cash Reserve shall, pending its use, be invested in high quality liquid debt instruments. Upon repayment of all Loans made by EFSF and Funding Instruments issued by EFSF, the balance of the Cash Reserve shall be used firstly to repay any amounts paid by Guarantors which have not been repaid out of recoveries from the relevant underlying Borrowers and secondly, shall be paid to the Guarantors as consideration for their issuance of Guarantees under this Agreement as described in Article 2(9); and

(c) such other credit enhancement mechanisms as may be approved under this Article 5.

(2) In the event that there is a delay or failure to pay by a Borrower of a payment under a Loan and accordingly there is a shortfall in funds available to meet a scheduled payment of interest or principal under a Funding Instrument issued by EFSF then EFSF shall:

(a) first, make a demand on a *pro rata pari passu* basis on the Guarantors which have guaranteed such Funding Instrument up to 120% of their respective Adjusted Contribution Key Percentage of the amount due but unpaid;

(b) second, if the steps taken in Article 5(2)(a) do not fully cover the shortfall, to release an amount from the Cash Reserve to cover such shortfall; and

(c) third, take such other steps as may be available in the event that additional credit enhancement mechanisms have been approved under Article 5(3).

(3) The euro-area Member States may by unanimous decision approve and adopt such other credit enhancement mechanisms as they consider appropriate or, as the case may be, modify the existing credit enhancement mechanisms in order to enhance or to maintain the creditworthiness of the Funding Instruments issued or contracted by EFSF or to enhance the efficiency of funding of EFSF. Such other credit enhancement measures might include, amongst other techniques, the provision of subordinated loans, warehousing arrangements, liquidity lines or backstop facilities to EFSF or the issuance by EFSF of subordinated notes.

(4) If a Guarantor has failed to make a payment which is due and payable in respect of a Guarantee and, as a consequence EFSF makes a withdrawal from the Cash Reserve to cover the shortfall pursuant to Article 5(2)(b) then such Guarantor shall reimburse such amount to EFSF on first written demand together with interest on such amount at a rate equal to one month EURIBOR plus 500 basis points from the date the amount is withdrawn from the Cash Reserve to the date such Guarantor reimburses such amount to EFSF together with such accrued interest. EFSF shall apply such reimbursed amounts (and the interest accrued thereon) to replenish the Cash Reserve.

(5) In order to facilitate the availability of adequate liquidity for the funding needs of EFSF:

(a) each euro-area Member State will ensure that EFSF will be eligible for receiving a counterparty limit for cash management operations of the debt management operations of the debt management agency of such euro-area Member State; and

(b) each euro-area Member State shall co-operate to assist EFSF to ensure that its Funding Instruments comply with applicable criteria to be eligible as collateral in Eurosystem operations.

(6) In order to minimise any negative-carry costs in the event of any Diversified Funding Strategy EFSF shall be entitled to make deposits or other placements which, in accordance with the investment strategy agreed by the board of directors of EFSF, minimise the risk of a funding mis-match or negative-carry costs.

A 1156

6. CLAIMS UNDER A GUARANTEE

(1) If EFSF becomes aware that it has not received in full a scheduled payment under a Loan and such shortfall will give rise to a shortfall in available funds to make a scheduled payment of principal or interest under Funding Instruments issued by EFSF or scheduled payment due from EFSF under any other instrument or agreement which benefits from a Guarantee issued under this Agreement, it shall immediately notify in writing the Chairman of the Eurogroup Working Group, the Commission and each Guarantor and inform each Guarantor of its share of the shortfall under the terms of this Agreement and the relevant Guarantee and demand in writing each Guarantor to remit to EFSF its share of such shortfall on the date (the "**Guarantee Payment Date**") which is at least two (2) Business Days prior to the scheduled date for payment of the relevant amounts by EFSF (an "**EFSF Guarantee Demand**").

(2) Each Guarantor shall remit to EFSF (or, if so specified in the relevant documentation, to the paying agent of the relevant Funding Instrument) its share of the amount demanded in the EFSF Guarantee Demand addressed to it by EFSF in cleared funds on the Guarantee Payment Date.

(3) In the event that EFSF fails to pay a scheduled payment of interest or a scheduled payment of principal on a date when such amount is due and payable under a Funding Instrument issued by EFSF then the relevant Noteholder Representative shall be entitled to demand in writing (a "**Noteholder Representative Guarantee Demand**") the Guarantors (with a copy to EFSF) to pay the unpaid amount of such scheduled payment of interest and/or such scheduled payment of principal. Similarly, in the event of a failure by EFSF to pay a scheduled payment under any other instrument or agreement entered into between EFSF and a counterparty (a "**Counterparty**") which benefits from a Guarantee issued under this Agreement (which has been issued for a purpose closely-linked to an issue of Funding Instruments pursuant to Article 2(3)) the relevant Counterparty shall be entitled to demand in writing (a "**Counterparty Guarantee Demand**") the Guarantors (with a copy to EFSF) the unpaid amount of such scheduled payment. In the event of receipt by the Guarantors and EFSF of a Noteholder Representative Guarantee Demand or a Counterparty Guarantee Demand each Guarantor shall in accordance with the terms of its Guarantee remit in cleared funds its share of the amount duly demanded in such Noteholder Representative Guarantee Demand or, as the case may be such Counterparty Guarantee Demand. The detailed payment mechanics for co-ordinating payments under the Guarantees shall be set out in the documentation for the issue of Funding Instruments and the related Guarantees.

(4) In the event that a shortfall of receipts under a Loan gives rise both to an EFSF Guarantee Demand and a Noteholder Representative Guarantee Demand (or Counterparty Guarantee Demand) the relevant Guarantors shall only be liable to make one payment under their respective Guarantees, without double counting.

(5) The Parties acknowledge and agree that each Guarantor shall be entitled to make payment in respect of any EFSF Guarantee Demand, Noteholder Representative Guarantee Demand or Counterparty Guarantee Demand which appears to be valid on its face without any reference by it to EFSF or any other Party or any other investigation or enquiry. EFSF irrevocably authorises each Guarantor to comply with any Guarantee Demand.

(6) EFSF and each of the other Parties acknowledges and agrees that each Guarantor:

(i) is not obliged to carry out any investigation or seek any confirmation prior to paying a claim;

(ii) is not concerned with:

(1) the legality of a claim or any underlying transaction or any setoff, defence or counterclaim which may be available to any person;

(2) any amendment to any underlying document; or

(3) any unenforceability, illegality or invalidity of any document or security.

(7) EFSF shall be liable to reimburse each Guarantor in respect of any claim paid in respect of a Guarantee and shall indemnify each Guarantor in respect of any loss or liability incurred by a Guarantor in respect of a Guarantee. EFSF's reimbursement obligation is subject to and limited to the extent of funds actually received from the underlying Borrowers in respect of the Loans which gave rise to a shortfall of funds.

(8) In addition to the reimbursement obligation of EFSF under Article 6(5), if a Guarantor makes a payment under its Guarantee, EFSF shall assign and transfer to the relevant Guarantor an amount of EFSF's rights and interests under the relevant Loan corresponding to the shortfall in payments made by the Borrower and the related payment made by the Guarantor under the Guarantee. EFSF shall remain servicer of such portion of the Loan which has been assigned and transferred to the relevant Guarantor so as to facilitate the co-ordinated management of the Loan and the treatment of all Guarantors on a *pari passu* basis.

(9) All Guarantors shall rank equally and *pari passu* amongst themselves, in particular in respect of reimbursement of amounts paid by them under their Guarantees provided that, if a Guarantor owes sums to EFSF pursuant to Article 5(4) or sums to the other Guarantors pursuant to Article 7(1), sums recovered from underlying Borrowers which would otherwise be due from EFSF to such Guarantor shall be applied to repaying the amount due under 5(4) or paying the amount due to other Guarantors under Article 7(1) in priority to being applied to reimburse such Guarantor.

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7. CONTRIBUTION BETWEEN GUARANTORS

(1) (a) If a Guarantor meets claims or demands in respect of any Guarantee it has issued or incurs costs, losses, expenses or liabilities in connection therewith ("**Guarantee Liabilities**"), and the aggregate amount of Guarantee Liabilities it makes or incurs exceeds its Required Proportion for the given Guarantee then it shall be entitled to be indemnified and receive contribution, upon first written demand, from the other Guarantors, in respect of such Guarantee Liabilities such that each Guarantor ultimately bears only its Required Proportion of such aggregate Guarantee Liabilities, provided that if the aggregate Guarantee Liabilities of any Guarantor in respect of any Guarantee is not reduced to its Required Proportion within three (3) Business Days, the other Guarantors (excluding Stepping-Out Guarantors) shall indemnify such Guarantor in an amount such that the excess over the Required Portion is allocated to each of the Guarantors (excluding Stepping-Out Guarantors) on a *pro rata* basis. The "**Required Proportion**" is equal to the Adjusted Contribution Key Percentage applicable to the relevant Guarantee. Any indemnity or contribution payment from one Guarantor to another under this Article 7 shall bear interest at a rate equal to one month EURIBOR plus 500 basis points which shall accrue from the date of demand of such payment to the date such payment is received by such Guarantor.

(b) The provisions of this Article 7 shall apply *mutatis mutandis* if a euro-area Member State issues any Guarantees according to an Adjusted Contribution Key Percentage in excess of that which would apply to it once 100% Total Guarantee Commitments have been obtained provided that the term "Guarantor" shall include any euro-area Member State which has not yet provided its Commitment Confirmation prior to EFSF issuing or entering into the relevant Funding Instrument.

(2) The obligations of each Guarantor to make contributions or indemnity payments under this Article are continuing obligations which extend to the ultimate balance of sums due regardless of any intermediate payment or discharge in whole or in part.

(3) The indemnity and contribution obligations of any Guarantor under this Article will not be affected by any act, omission, matter or thing which, but for this Article, would reduce, release or prejudice any of its obligations under this Article (without limitation and whether or not known to it or any other person) including:

(i) any time, waiver or consent granted to, or composition with, any person;

(ii) the release of any person under the terms of any composition or arrangement;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over

assets of, any person; or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

(v) any amendment (however fundamental) or replacement of any Loan Facility Agreement, Loan or any document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any document or security; or

(vii) any insolvency or similar proceedings.

8. CALCULATIONS AND ADJUSTMENT OF THE GUARANTEES

(1) The Parties agree that EFSF may appoint EIB (or such other agency, institution, EU institution or financial institution as is approved unanimously by the Guarantors) with the task of making the calculations for the purposes of this Agreement, each Loan Facility Agreement, the financing of EFSF by issuing or entering into Funding Instruments (or otherwise) and the Guarantees. If EIB (or such other agency, institution, EU institution or financial institution) accepts such appointment, it shall calculate the interest rate for each Loan in accordance with the terms of the relevant Loan Facility Agreement, calculate the amounts payable on each interest payment date and notify the relevant Borrower and EFSF thereof and make all such other calculations and notifications as are necessary for the purposes of this Agreement, the Guarantees and the Funding Instruments.

(2) In the event that a Guarantor experiences severe financial difficulties and requests a stability support loan or benefits from financial support under a similar programme, it (the "**Stepping-Out Guarantor**") may request the other Guarantors to suspend its commitment to provide further Guarantees under this Agreement. The remaining Guarantors, acting unanimously and meeting via the Eurogroup Working Group may decide to accept such a request and in this event, the Stepping-Out Guarantor shall not be required to issue its Guarantee in respect of any further issues of or entry into Funding Instruments by EFSF and any further Guarantees to be issued under this Agreement shall be issued by the remaining Guarantors and the Adjusted Contribution Key Percentage for the issuance of further Guarantees shall be adjusted accordingly. Such adjustments shall not affect the liability of the Stepping-Out Guarantor under existing Guarantees. It is acknowledged and agreed that the Hellenic Republic is deemed to be a Stepping-Out Guarantor with effect from the entry into force of this Agreement.

9. BREACH OF OBLIGATIONS UNDER A LOAN FACILITY AGREEMENT AND AMENDMENTS AND/OR WAIVERS

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(1) If EFSF becomes aware of a breach of an obligation under a Loan Facility Agreement, it shall promptly inform the Guarantors (through the Eurogroup Working Group Chairman), the Commission and the ECB about this situation and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Guarantors and will inform EFSF, the Commission and the ECB of the decision taken. EFSF will thereafter implement the decision in accordance with the relevant Loan Facility Agreement.

(2) If EFSF becomes aware of a situation where amendments, a restructuring and/or waivers relating to any Loan made under a Loan Facility Agreement may become necessary, it shall inform the Guarantors through the Eurogroup Working Group Chairman, the Commission and the ECB about this situation and shall propose how to react to it. The Eurogroup Working Group Chairman will coordinate the position of the Guarantors and will inform EFSF, the Commission and the ECB of the decision taken. EFSF will thereafter implement the decision and, following instructions of the Guarantors, negotiate and sign a corresponding amendment, a restructuring or waiver or a new loan agreement with the relevant Borrower or any other arrangement needed.

(3) In other cases than those referred to in Article 9(1) and 9(2), if EFSF becomes aware of a situation where there is a need for the Guarantors to express an opinion or take an action in relation to a Loan Facility Agreement, it shall inform the Guarantors through the Eurogroup Working Group Chairman about this situation, and shall propose how to react to it. The Eurogroup Working Group Chairman will coordinate the position of the Guarantors and will inform EFSF, the Commission and the ECB of the decision taken. EFSF will thereafter implement the decision taken in whichever form is needed.

(4) In the event that the euro-area Member States consent to the modification of any MoU entered into with a Borrower, the Commission shall be authorised to sign the amendment(s) to such MoU on behalf of the euro-area Member States.

10. EFSF, INTER-GUARANTOR DECISIONS, DIRECTORS AND GOVERNANCE

(1) EFSF shall have a board of directors consisting of as many directors as there are EFSF Shareholders. Each EFSF Shareholder shall be entitled to propose for nomination one person to act as a director of EFSF and the other EFSF Shareholders hereby irrevocably undertake that they shall use their votes as shareholders of EFSF in the relevant general meetings to approve as a director the person proposed by such euro-area Member State. They shall equally use their votes as EFSF Shareholders to remove a person as director of EFSF if this is so requested by the euro-area member State which proposed such director for nomination.

(2) Each EFSF Shareholder shall propose for nomination to the board of

directors of EFSF its representative in the Eurogroup Working Group from time to time (or such person's alternate as representative on such group). The Commission and ECB shall each be entitled to appoint an observer who may take part in the meetings of the board of directors and may present its observations, without however having the power to vote. The board of directors may permit other institutions of the European Union to appoint such observers.

(3) In the event of a vacancy of a member of the board of directors each euro-area Member State shall ensure that the member of the Board nominated upon its proposal approves as a replacement director the person proposed for nomination by the relevant euro-area Member State which does not have a director nominated upon its proposal.

(4) The euro-area Member States acknowledge and agree that, in the event of a vote of the board of directors of EFSF, each director which has been proposed for nomination by a euro-area Member State shall have a weighted number of the total number of votes which corresponds to the number of shares which his/her nominating euro-area Member State holds in the issued share capital of EFSF.

(5) The Guarantors agree that the following matters affecting their roles and liabilities as Guarantors shall require to be approved by them on a unanimous basis:

(a) decisions in relation to the grant of a Loan Facility Agreement to a euro-area Member State including the approval of the relevant MoU and Loan Facility Agreement;

(b) decisions regarding the disbursement of Loans under an existing Loan Facility Agreement in particular as to whether conditionality criteria for a disbursement are satisfied on the basis of a report of the Commission;

(c) any modification to this Agreement including as to the availability period to grant Loan Facility Agreements;

(d) any modification to the following terms of any Loan Facility Agreement: aggregate principal amount of a Loan Facility Agreement, availability period, repayment profile or interest rate of any outstanding Loan;

(e) the terms of the EFSF Programme, the programme size and the approval of any Offering Materials;

(f) any decision to permit an existing Guarantor to cease to issue further guarantees;

(g) significant changes to the credit enhancement structure;

(h) the funding strategy of each EFSF Programme and any decision to permit a Diversified Funding Strategy (including the manner in which EFSF

allocates its operating costs and the funding costs of Funding Instruments to Loans and Loan Facility Agreements if a Diversified Funding Strategy is adopted); or

(i) any increase in the aggregate amount of Guarantees which might be issued under this Agreement.

For the purpose of this Article 10(5) and any other provision of this Agreement which requires a unanimous decision of the Guarantors, unanimity means a positive or negative vote of all those Guarantors which are present and participate (by voting positively or negatively) in the relevant decision (ignoring any abstentions or absences) provided that any Guarantor which is no longer issuing new Guarantees (in particular, the Stepping-Out Guarantors) shall not be entitled to vote on any decision to make a new Loan Facility Agreement, a new Loan or a new issuance of Funding Instruments which are not guaranteed by it provided that it shall continue to have the right to vote on decisions in relation to Loans or Funding Instruments in respect of which it has issued a Guarantee which remains outstanding. It is a condition precedent to the validity of any such vote that a quorum of a majority of Guarantors able to vote whose Guarantee Commitments represent no less than 2/3 of the Total Guaranteed Commitments are present at the meeting.

(6) The Guarantors agree that all matters which are not reserved to unanimity decision of the Guarantors pursuant to Article 10(5) (above) or unanimity decision of the euro-area Member States pursuant to Article 10(7) (below) and, in particular, the following matters affecting their roles and liabilities as Guarantors shall be decided by a majority of Guarantors (excluding however the Stepping-Out Guarantors) (i) whose Guarantee Commitments represent 2/3 of the Total Guarantee Commitments (in the event that no Guarantees have been issued) or (ii) if Guarantees have been issued, 2/3 of the aggregate maximum face amount of Guarantees which have been issued and remain outstanding provided that, in calculating the satisfaction of this threshold the face amount of Guarantees of a Guarantor which is a Stepped-Out Obligor or which has failed to pay under a Guarantee shall not be taken into account (a "**2/3 Majority**"):

(a) all decisions in relation to existing Loan Facility Agreements or Loans which are not specifically reserved to unanimity pursuant to Article 10(5) including decisions on breaches, waivers, restructurings and whether to declare defaults in relation to Loan Facility Agreements or Loans;

(b) issuances under an existing EFSF Programme (which programme has been approved unanimously by the Guarantors);

(c) operational matters in relation to debt issuance (including appointment of arrangers, lead managers, rating agents, trustees etc);

(d) detailed implementation of an approved Diversified Funding Strategy;

(e) detailed implementation of any additional credit enhancement approved pursuant to Article 10(5).

The proviso to Article 10(5) relating to euro-area Member States which no longer issue new Guarantees and/or are Stepping-Out Guarantors shall apply to votes on decisions within the scope of this Article 10(6).

(7) The following corporate matters in relation to EFSF shall require the unanimous decision of all euro-area Member States:

- increases in authorized and/or issued and paid-up share capital;
- increase in the level of commitments to subscribe for share capital;
- reductions in share capital;
- dividends;
- employment of the CEO of the EFSF;
- approving accounts;
- prolonging duration of company;
- liquidation;
- changes to the Articles of Association;
- any other matter not specifically dealt with in the Articles of Association or in this Agreement.

(8) The Guarantors or the euro-area Member States (as the case may be) shall take the decisions affecting the Guarantors and EFSF contemplated by Articles 10(5), (6) and (7) at meetings within the framework of the Eurogroup with the possibility to delegate the decision-making to the Eurogroup Working Group. All their decisions shall be communicated in writing by the Eurogroup Working Group Chairman to EFSF. For such decision-making, the Commission provides input on matters relating, in particular, to the MoU and the terms and conditions of the Loan Facility Agreements and other policy issues. The EFSF shall provide input relating, in particular, to the implementation of the Loan Facility Agreements, the issue of or entry into Financial Instruments and its general corporate matters.

(9) Each euro-area Member State hereby undertakes to the other euro-area Member States that it shall vote as shareholder of EFSF consistently with the decisions taken by the requisite majority of Guarantors or euro-area Member States (as the case may be) within the framework of such Eurogroup meetings and that it shall ensure that the director which has been proposed for nomination to the

board of EFSF by it acts consistently with such decisions.

(10) Any decisions by the euro-area Member States to approve any MoU relating to a Loan Facility Agreement and Borrower and regarding any proposed modification to an MoU shall be taken by them acting unanimously.

(11) Euro-area Member States may, to the extent permissible under their national laws, provide indemnities to the persons proposed by them to be nominated as directors of EFSF.

(12) In the event that euro-area Member States agree unanimously to increase the issued paid-up capital of EFSF, each euro-area Member State shall subscribe and pay in full a percentage of such increase in paid up capital equal to its Contribution Key percentage of such increase in paid-up capital on or prior to the date specified by EFSF.

(13) Matters referred to decisions by euro-area Member State or Guarantors under this Agreement shall be decided as soon as reasonably practicable and necessary. In due course, operational guidelines may be adopted which may set out timelines for decisions to be taken in relation to this Agreement.

11. TERM AND LIQUIDATION OF EFSF

(1) This Agreement shall remain in full force and effect so long as there are amounts outstanding under any Loan Facility Agreements or Funding Instruments issued by EFSF under an EFSF Programme or under any reimbursement amounts due to Guarantors.

(2) The euro-area Member States undertake that they shall liquidate EFSF in accordance with its Articles of Association on the earliest date after 30 June 2013 on which there are no longer Loans outstanding to a euro-area Member State and all Funding Instruments issued by EFSF and any reimbursement amounts due to Guarantors have been repaid in full.

(3) In the event that there are any residual liabilities of EFSF on its liquidation the euro-area Member States shall in a final meeting of shareholders decide on what basis these may be divided between the euro-area Member States.

(4) In the event there is a surplus on liquidation of EFSF it shall be distributed to its shareholders on a pro rata basis calculated by reference to their participation in the share capital of EFSF.

Prior to the determination of whether there is such a surplus:

(a) the credit balance of the Cash Reserve shall be paid to the Guarantors as described in Article 2(9); and

(b) any operating profit or surplus derived by EFSF which results from its

issuance of Funding Instruments guaranteed by the Guarantors shall be paid as additional remuneration to the Guarantors by reference to their respective Adjusted Contribution Key Percentage.

12. APPOINTMENT OF EIB, ECB, OUTSOURCING AND DELEGATION

(1) EFSF may appoint EIB (or such other agencies, institution, EU institution, financial institution or other persons as is approved unanimously by the euro-area Member States) for the purpose of:

(a) managing the receipt of funds from investors following the issue of bonds or securities under an EFSF Programme, the management of the transmission of these funds to Borrowers in the form of Loans and the receipt of funds from Borrowers and the application of such funds to meet scheduled payments of principal and interest under the bonds and debt securities and, following the making of payments under a Guarantee, the management of funds received from Borrowers and the distribution of reimbursement amounts to the Guarantors;

(b) the related management of the treasury of EFSF including in particular the Cash Reserve and any funds received by way of early repayment or prepayment of Loans pending the application of such funds to repay Funding Instruments;

(c) such other related cash and treasury management tasks as may be delegated from time to time;

(d) providing legal services, accounting services, human resources services, facilities management, procurement services, internal audit and such other services as require outsourcing and/or logistical support.

These appointments may be effected pursuant to a Service Level Contract between EFSF and EIB (or the relevant agency or institution).

(2) EFSF may contract the ECB to act as its paying agent. EFSF may appoint ECB (or another agency, institution, EU institution, financial institution or other persons approved unanimously by the Guarantors) to maintain its bank and securities accounts.

(3) EFSF shall, in the event of the adoption of a Diversified Funding Strategy and subject to the unanimous approval of the Guarantors (other than Stepping-Out Guarantors), be entitled to and may delegate asset and liability management functions and the other activities and functions described in Article 4(6) to one or more debt management agencies of a euro-area Member State or such other agencies, institutions, EU institutions or financial institutions as are approved unanimously by the Guarantors.

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(4) EFSF shall be entitled to delegate and/or outsource on arm's length commercial terms to any agency, institution, EU institution, financial institution or other persons such other functions as its board of directors consider desirable for the efficient discharge of its functions.

13. ADMINISTRATIVE PROVISIONS

(1) The operating and out-of-pocket costs of EFSF shall be paid by EFSF out of its general revenues and resources. Fees and expenses directly related to funding may be re-invoiced to the relevant Borrowers (as appropriate).

(2) Upon the incorporation of EFSF it shall assume full responsibility for all costs and expenses incurred in its setting-up and incorporation. In addition, it shall assume all liabilities and obligations (including indemnity obligations) under contracts and arrangements entered into on its behalf and for its benefit (whether by a shareholder or a third party) prior to its incorporation.

(3) EFSF shall report to the euro-area Member States and the Commission on the outstanding claims and liabilities under the Loan Facility Agreements, EFSF Funding Instrument issues and the Guarantees on a quarterly basis.

(4) EFSF will report to the Guarantors and request instructions from the Eurogroup Working Group Chairman regarding unsettled claims and liabilities or any other issues that may arise under this Agreement or in connection with any Guarantee.

(5) The Parties shall not assign or transfer any of their rights or obligations under this Agreement without the prior written consent of all the other Parties to this Agreement.

(6) (a) The euro-area Member States hereby agree that the shares they hold in EFSF cannot be transferred by any EFSF Shareholder during a period of 10 (ten) years from the date of acquisition of the shares by the relevant EFSF Shareholder except with the unanimous consent of all EFSF Shareholders. Such restriction does not apply to (i) the initial transfer by the sole founding shareholder (if any) to the other euro-area Member States and (ii) proportionate transfers by each EFSF Shareholder to any new euro-area Member State which adopts the Euro as its currency after the incorporation of the Company.

(b) In the event that a euro-area Member State wishes to dispose of its shares in EFSF after expiry of the lock-up period in Article 6.4 of the Articles of Association of EFSF, it shall offer such shares to be purchased by the other shareholders of EFSF on a pro rata basis to their shareholdings in EFSF. Any shares which are not purchased by a shareholder to whom they are offered may be offered to and acquired by any other EFSF Shareholder. If no EFSF Shareholder wishes to purchase such shares then, to the extent it has funds available for this purpose, EFSF may acquire such shares at their fair market value.

(7) In the event that a new country becomes a euro-area Member State, the Parties hereto shall permit such new euro-area Member State to become a shareholder of EFSF by receiving a transfer of shares from other shareholders of EFSF such that its aggregate percentage holding of shares in EFSF corresponds with its Contribution Key and to adhere to the terms of this Agreement. The Parties shall negotiate in good faith as to the basis upon which such new adhering euro-area Member State shall accede to this Agreement.

(8) In the event that one euro-area Member State incorporates EFSF, it shall promptly upon execution and entry into force of this Agreement transfer shares to the other euro-area Member States such that their respective percentage holdings of shares in EFSF corresponds with their respective Contribution Keys.

(9) The terms:

- "**Business Day**" means a day on which Target 2 is open for settlement of payments in Euro.

- "**Target 2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

14. COMMUNICATIONS

All notices in relation to this Agreement shall be validly given if in writing and sent to the addresses and contact details to be set out in the operating guidelines which shall be adopted by the Parties for the purpose of this Agreement.

15. MISCELLANEOUS

(1) If any one or more of the provisions contained in this Agreement should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement.

(2) The Preamble to this Agreement forms an integral part of this Agreement.

(3) Each of the Parties hereby irrevocably and unconditionally waives all immunity to which it is or may become entitled, in respect of itself or its assets or revenues, from legal proceedings in relation to this Agreement, including, without limitation, immunity from suit, judgment or other order, from attachment, arrest, detention or injunction prior to judgment, and from any form of execution and enforcement against it, its assets or revenues after judgment to the extent not prohibited by mandatory law.

(4) A person who is not a party to this Agreement shall not be entitled under the Contracts (Rights of Third Parties) Act 1999 to enforce or enjoy the benefit of any term of this Agreement.

(5) This Agreement may be amended by the Parties in writing.

16. GOVERNING LAW AND JURISDICTION

(1) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.

(2) Any dispute arising from or in the context of this Agreement shall be settled amicably. In the absence of such amicable agreement, the euro-area Member States agree that to the extent it constitutes a dispute between them only, it shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union. To the extent there is a dispute between one or more euro-area Member States and EFSF, the Parties agree to submit the dispute to the exclusive jurisdiction of the Courts of the Grand Duchy of Luxembourg.

17. EXECUTION OF THE AGREEMENT

This Agreement may be executed in any number of counterparts signed by one or more of the Parties. The counterparts each form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

EFSF is authorised to promptly after the signature of this Agreement supply conformed copies of the Agreement to each of the Parties.

18. ANNEXES

The Annexes to this Agreement shall constitute an integral part thereof:

1. List of Guarantors with their respective Guarantee Commitments;

2. Contribution Key; and

3. Template Commitment Confirmation.

Signed in Luxembourg on 7 June 2010

For the euro-area Member States,

Kingdom of Belgium,

represented by Vice Prime Minister and Minister of Finance

- signed -

Didier Reynders

Federal Republic of Germany,

represented by Minister Dr. Wolfgang Schäuble

- *signed* -

Ireland,

represented by Mr. Brian Lenihan, T.D., Minister for Finance

- *signed* -

Kingdom of Spain,

represented by Minister of Economy and Finance

- *signed* -

Elena Salgado Mendez

French Republic,

represented by Minister Christine Lagarde

Ministre de l’Economie, de l’Industrie et de l’Emploi

- *signed* -

Italian Republic,

represented by Minister Giulio Tremonti, Ministro dell'economia e delle finanze

- *signed* -

Minister Giulio Tremonti

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Republic of Cyprus,

represented by Minister of Finance

- *signed* -

Mr. Charilaos Stavrakis

Grand Duchy of Luxembourg,

represented by Minister

- *signed* -

Luc Frieden

Republic of Malta,

represented by Minister Tonio Fenech

Minister for Finance the Economy and Investment

- *signed* -

Kingdom of the Netherlands,

represented by Minister of Finance

- *signed* -

Mr. drs. J.C. de Jager

Republic of Austria,

represented by Federal Minister of Finance

- *signed* -

Josef Pröll

Portuguese Republic,

represented by Minister of State and Finance, Fernando Teixeira dos Santos

- *signed* -

Republic of Slovenia,

represented by Minister of Finance

- *signed* -

Franc Križanic

Slovak Republic,

represented by Minister Ján Pociatek

- *signed* -

Republic of Finland,

represented by Minister of Finance

- *signed* -

Jyrki Katainen

Hellenic Republic

Represented by Minister of Finance

- *signed* -

Minister Giorgos Papakonstantinou

For the EFSF

EUROPEAN FINANCIAL STABILITY FACILITY

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Represented by its sole Director

- *signed* -

M Georges Heinrich

ANNEX 1

LIST OF GUARANTOR EURO-AREA MEMBER STATES WITH THEIR RESPECTIVE GUARANTEE COMMITMENTS

Member State	ECB Capital subscription key %
Kingdom of Belgium	2.4256
Federal Republic of Germany	119,390.07
Ireland	7,002.40
Kingdom of Spain	52,352.51
French Republic	89,657.45
Italian Republic	78,784.72
Republic of Cyprus	863.09
Grand Duchy of Luxembourg	1,101.39
Republic of Malta	398.44
Kingdom of the Netherlands	25,143.58
Republic of Austria	12,241.43
Portuguese Republic	11,035.38
Republic of Slovenia	2,072.92
Slovak Republic	4,371.54
Republic of Finland	7,905.20
Hellenic Republic	12,387.70
Total Guarantee Commitments	440,000.00

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ANNEX 2

CONTRIBUTION KEY

Member State	ECB Capital subscription key %	Contribution Key
Kingdom of Belgium	2.4256	3,475494866853410%
Federal Republic of Germany	18.9373	27,134106588911300%
Ireland	1.1107	1,591454546757130%
Kingdom of Spain	8.3040	11,898297070560200%
French Republic	14.2212	20,376693436879900%
Italian Republic	12.4966	17,905618879089900%
Republic of Cyprus	0.1369	0,196155692312101%
Grand Duchy of Luxembourg	0.1747	0,250317015682425%
Republic of Malta	0.0632	0,090555440132394%
Kingdom of the Netherlands	3.9882	5,714449467342010%
Republic of Austria	1.9417	2,782143957358700%
Portuguese Republic	1.7504	2,508041810249100%
Republic of Slovenia	0.3288	0,471117542967267%
Slovak Republic	0.6934	0,993530730819656%
Republic of Finland	1.2539	1,796637126297610%
Hellenic Republic	1.9649	2,815385827787050%
Total	67.8266	100,000000000000000%

ANNEX 3

TEMPLATE FOR COMMITMENT CONFIRMATION

[Letter-head of Authorities of Euro Area Member State]

By fax followed by registered mail:

European Financial Stability Facility

[●]

Fax: [●]

Copy to:

[●]

[●]

Fax: [●]

Re: European Financial Stability Facility ("EFSF") – Confirmation Commitment

Dear Sirs,

We refer to the EFSF Framework Agreement between the Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic, Republic of Finland, the Hellenic Republic and EFSF

(the "**Parties**") signed on [●] 2010.

We hereby notify you that we are duly authorised under our national laws to permit us to be bound by the above mentioned Agreement with effect from [date].

Yours faithfully,

[**Name of euro-area Member State**]

[●] [●]

A 1176

SECOND SCHEDULE

European Financial Stability Facility Framework Agreement signed in Malta by the Minister of Finance on the 6th September, 2011

Execution Version

AMENDMENT TO THE EFSF FRAMEWORK AGREEMENT

Between

KINGDOM OF BELGIUM
FEDERAL REPUBLIC OF GERMANY
REPUBLIC OF ESTONIA
IRELAND
HELLENIC REPUBLIC
KINGDOM OF SPAIN
FRENCH REPUBLIC
ITALIAN REPUBLIC
REPUBLIC OF CYPRUS
GRAND DUCHY OF LUXEMBOURG
REPUBLIC OF MALTA
KINGDOM OF THE NETHERLANDS
REPUBLIC OF AUSTRIA
PORTUGUESE REPUBLIC
REPUBLIC OF SLOVENIA
SLOVAK REPUBLIC
REPUBLIC OF FINLAND
AND
EUROPEAN FINANCIAL STABILITY FACILITY

THIS AMENDMENT (the "Amendment") TO THE EFSF FRAMEWORK AGREEMENT

is made by and between:

(A) Kingdom of Belgium, Federal Republic of Germany, Republic of Estonia, Ireland, Hellenic Republic, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland (the "**euro-area Member States**" or "**EFSF Shareholders**"); and

(B) European Financial Stability Facility ("**EFSF**"), a *société anonyme* incorporated in Luxembourg, with its registered office at 43, avenue John F. Kennedy, L-1855 Luxembourg (R.C.S. Luxembourg B153.414) (the euro-area Member States and EFSF referred to hereafter as the "**Parties**").

PREAMBLE

Whereas:

(1) The euro-area Member States and EFSF have entered into a framework agreement to set out the terms and conditions upon which EFSF may make Loans to euro-area Member States, finance such Loans by issuing or entering into Funding Instruments backed by Guarantees issued by the Guarantors, the terms and conditions on which the Guarantors shall issue Guarantees in respect of the Funding Instruments issued by or entered into by EFSF, the arrangements entered into between them in the event that a Guarantor is required to pay under a Guarantee more than its required proportion of liabilities in respect of a Funding Instrument and certain other matters relating to EFSF (hereinafter referred to as the "**Framework Agreement**").

(2) The euro-area Member States have by a unanimous decision on 11 March 2011 decided that EFSF may provide stability support to euro-area Member States by arranging for the purchase of bonds of such euro-area Member States on the primary market as financial assistance.

(3) In accordance with Article 13(8) of the Framework Agreement, the Republic of Estonia shall become a party to the Framework Agreement with effect from the Effective Date of the Amendments (as defined in Article 3(1) of this Amendment) by adhering to the Framework Agreement and entering into this Amendment.

(4) In a statement dated 21 July 2011 the Heads of State or Government of the euro area and EU institutions stated their intention to improve the effectiveness of EFSF and address contagion and that they had agreed to increase the flexibility of EFSF linked to appropriate conditionality. As a consequence, whilst originally financial assistance was provided solely by way of loan facility agreements, financial assistance may now be granted in the form of financial assistance facility agreements ("**Financial Assistance Facility Agreements**", each a "**Financial Assistance Facility Agreement**") to provide financial assistance by way of loan disbursements, precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State (through loans to the governments of such Member States including in non-programme countries), facilities for the purchase of bonds in the secondary markets on the basis of an ECB analysis recognizing the existence of exceptional financial market circumstances and risks to financial stability or facilities for the purchase of bonds in the primary market (each such utilization of a Financial Assistance Facility Agreement being a "**Financial Assistance**") with the Financial Assistance to be made under all Financial Assistance Facility Agreements being financed with the benefit of guarantees in an amount of up to EUR 779,783.14 million to be used within a limited period of time. This is intended to result in an effective capacity for EFSF to provide Financial Assistance of EUR 440,000 million.

A 1178

(5) The euro-area Member States and EFSF have agreed that the Framework Agreement shall be amended on the terms set out in this Amendment and that such amendments shall take effect prospectively on the Effective Date of the Amendments (as defined in Article 3(1) of this Amendment).

Now, therefore, the Parties have agreed as follows:

1. AMENDMENTS TO THE FRAMEWORK AGREEMENT

With effect from the Effective Date of the Amendments (as defined below), the Framework Agreement shall be amended as follows:

(1) The Republic of Estonia shall be listed in the list of euro-area Member States set out on the cover page and in paragraph (A) of the list of parties to the Framework Agreement and the Hellenic Republic shall be moved in the list of parties and signature pages to be listed after Ireland.

(2) In paragraph (B) of the list of parties the registered address of EFSF will be replaced as "43, avenue John F. Kennedy, L-1855, Luxembourg".

(3) Paragraph (1) of the preamble of the Framework Agreement shall be amended as follows:

(a) the words "euro-area" shall be added after the words "beyond such";

(b) the words "with the aim of safeguarding the financial stability of the euro area as a whole and of its Member States" shall be added at the end of the first sentence;

(c) the words "on 8 May 2010 or on such other terms as may be agreed" are added after "the Hellenic Republic".

(4) Paragraph (2) of the preamble of the Framework Agreement shall be deleted and replaced by the following paragraphs (2) and (2)(a):

"EFSF has been incorporated on 7 June 2010 for the purpose of making stability support to euro-area Member States. In a statement dated 21 July 2011 the Heads of State or Government of the euro area and EU institutions stated their intention to improve the effectiveness of EFSF and address contagion and they had agreed to increase the flexibility of EFSF linked to appropriate conditionality. As a consequence, whilst originally financial assistance was provided solely by way of loan facility agreements, financial assistance may now be granted in the form of financial assistance facility agreements ("**Financial Assistance Facility Agreements**", each a "**Financial Assistance Facility Agreement**") to provide financial assistance by way of loan disbursements, precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State

(through loans to the governments of such Member States including in non-programme countries), facilities for the purchase of bonds in the secondary markets on the basis of an ECB analysis recognizing the existence of exceptional financial market circumstances and risks to financial stability or facilities for the purchase of bonds in the primary market (each such utilization of a Financial Assistance Facility Agreement being a "**Financial Assistance**") with the Financial Assistance to be made under all Financial Assistance Facility Agreements being financed with the benefit of guarantees in an amount of up to EUR 779,783.14 million to be used within a limited period of time. This is intended to result in an effective capacity for EFSF to provide Financial Assistance of EUR 440,000 million. The availability of such Financial Assistance Facility Agreements will be conditional upon the relevant euro-area Member States which request such Financial Assistance Facility Agreements entering into memoranda of understanding (each an "**MoU**") with the European Commission, acting on behalf of the euro-area Member States, including conditions such as budgetary discipline and economic policy guidelines and their compliance with the terms of such MoU. With respect to each Financial Assistance Facility Agreement, the relevant beneficiary euro-area Member State shall be referred to as the "**Beneficiary Member State**". If Financial Assistance is in the form of facilities for the purchase of bonds in the primary or secondary market, the nature and terms, including as to pricing, policy conditionality, conditions to utilization and documentation of such arrangements shall be in accordance with guidelines adopted by the board of directors of EFSF acting unanimously pursuant to Article 2(1)(b). Similarly, if Financial Assistance is in the form of precautionary facilities and facilities to finance the recapitalisation of financial institutions of a euro-area Member State, the board of directors of EFSF acting unanimously shall adopt guidelines under Article 2(1)(c) in relation to such arrangements. The terms of an MoU shall impose appropriate policy conditionality for the full duration of a Financial Assistance Facility Agreement and not just limited to the period in which Financial Assistance is made available. The conditions attached to the provision of Financial Assistance by EFSF as well as the rules which apply to monitoring compliance must be fully consistent with the Treaty on the Functioning of the European Union and the acts of EU law.

(2) (a) On 20 June 2011, euro area Finance Ministers agreed that the pricing structure for EFSF loan facility agreements should be as follows:

"(a) EFSF Cost of Funding; plus

(b) the Margin.

The margin shall be equal to 200 basis points with such Margin being increased to 300 basis points in respect of any Loan which remains outstanding after the third anniversary of the date of disbursement.

In respect of fixed rated Loans with a scheduled maturity which exceeds three (3) years, the Margin shall be equal to the weighted average of 200 basis points for the first three (3) years and 300 basis points for the period from (and including) the third anniversary of its drawdown and ending on (but excluding) the scheduled maturity date of such Loan."

Subsequently, on 21 July 2011, Heads of State or Government of the euro area stated:

"We have decided to lengthen the maturity of future EFSF loans to Greece to the maximum extent possible from the current 7.5 years to a minimum of 15 years and up to 30 years with a grace period of 10 years. In this context, we will ensure adequate post programme monitoring. We will provide EFSF loans at lending rates equivalent to those of the Balance of Payments facility (currently approx. 3.5%), close to, without going below, the EFSF funding cost. We also decided to extend substantially the maturities of the existing Greek facility. This will be accompanied by a mechanism which ensures appropriate incentives to implement the programme."

They also stated:

"The EFSF lending rates and maturities we agreed upon for Greece will be applied also for Portugal and Ireland." "

(5) Paragraph (3) of the preamble of the Framework Agreement shall be amended by adding the words "European Union" after the words "the 27".

(6) Paragraph (4) of the preamble of the Framework Agreement shall be amended as follows:

(a) the words "such loans" in the first line shall be replaced by the term "Financial Assistance"; and

(b) the words "It is not anticipated that a request under Article 2(7) of this Agreement would be made by a euro-area Member State which has requested Financial Assistance in the form of a precautionary facility, so long as such facility is not drawn or utilised, a facility to finance the recapitalisation of financial institutions in such Member State by way of a loan made to such Member State or a facility for the purchase of bonds of such Member State in the secondary market." shall be added at end of the paragraph.

(7) Paragraph (6) of the preamble to the Framework Agreement shall be amended as follows:

(a) the words "enter into Financial Assistance Facility Agreements" shall be added after the words "the terms and conditions upon which EFSF may";

(b) in line three the word "Loans" is replaced by the words "Financial Assistance available";

(c) after the words "finance such", the word "Loans" is deleted and replaced by "Financial Assistance".

(8) The Title of Article 2 shall be deleted and replaced by the words "Financial Assistance Facility Agreements, Grant of Financial Assistance, Funding Instruments and issuance of Guarantees".

(9) Article 2(1) shall be amended by:

(a) adding "(a)" after "2(1)";

(b) in sub-paragraph (a), the words "stability support loan" falling after the words "made by a euro-area Member State to the other euro-area Member States for a" and prior to the words "(i) the Commission" shall be deleted and replaced by "Financial Assistance Facility Agreement";

(c) in sub-paragraph (a) the reference to "Article 136" shall be replaced by a reference to "Article 136(1)".

(d) in sub-paragraph (a), each occurrence of the words "Loan Facility Agreement" or "Loan Facility Agreements" shall be replaced by the words "Financial Assistance Facility Agreement" or "Financial Assistance Facility Agreements", and each occurrence of the word "Borrower" shall be replaced by the term "Beneficiary Member State";

(e) in sub-paragraph (a), the words "(each adapted to the particular form of financial assistance being provided to the relevant euro-area Member State)" shall be added after the words "shall be substantially in the form of template Financial Assistance Facility Agreements" and the word "a" prior to the word "template" shall be deleted and prior to the words "which shall be approved by the euro-area Member State for the purpose of this Agreement and the financial parameters of such";

(f) in sub paragraph (a) the word "available" shall be added after the phrase "The terms of Article 3(2) set out the basis upon which decisions shall be made in relation to Financial Assistance to be made";

(g) in sub-paragraph (a), the words "subject to any other procedures which may be adopted pursuant to guidelines adopted by the board of directors of EFSF pursuant to Articles 2(1)(b) or 2(1)(c)" shall be added after the words "The terms of Article 3(2) set out the basis upon which decisions shall be made in relation to Financial Assistance to be made under an existing Financial Assistance Facility Agreement" and prior to the full stop;

(h) adding a sub-paragraph (b) as follows: "(b) Financial Assistance

to a euro-area Member State may consist of facilities for the purchase of bonds in the secondary market to avoid contagion, on the basis of an ECB analysis recognising the existence of exceptional financial market circumstances and risks to financial stability or by way of facilities for the purchase of bonds in the primary market. The nature and terms, including as to pricing, conditions to and procedures for disbursement or utilisation, administration, documentation and monitoring of compliance with policy conditionality of such arrangements shall be in accordance with guidelines adopted by the board of directors of EFSF acting with unanimity. Bonds purchased by EFSF in the primary or secondary markets can either be held to maturity or sold in accordance with the applicable guidelines";

(i) adding a sub-paragraph (c) as follows: "To improve the effectiveness of EFSF and address contagion, Financial Assistance Facility Agreements to a euro-area Member State may consist of precautionary facilities or facilities to finance the re-capitalisation of financial institutions in a euro-area Member State by way of a loan to the government of such Member State (whether or not it is a programme country). If a Financial Assistance Facility Agreement covers such Financial Assistance, the nature and terms of such agreement, including as to pricing, conditions to and procedures for disbursement or utilisation, compliance with policy conditionality, administration, documentation and monitoring of compliance with policy conditionality shall be in accordance with guidelines to be adopted by the board of directors of EFSF acting with unanimity."

(10) Article 2(2) shall be amended as follows:

(a) the words "Loan Facility Agreement" falling after the words "In respect of each" and prior to the words "and the Loans to be made thereunder, the euro-area Member States agree that EFSF" shall be deleted and replaced by "Financial Assistance Facility Agreement";

(b) the words "Loans to Borrowers" shall be deleted and replaced by the words "Financial Assistance to Beneficiary Member States";

(c) the word "Loans" which appears after the words "substantially the same financial profile as the related and after the phrase "the amounts it recovers in respect of" and the word "Loan" after the phrase "the interest rate which will apply to each" shall all be replaced by the term "Financial Assistance";

(d) the third sentence shall be deleted and replaced by the following sentence:

"The pricing which will apply to each Loan is intended to cover the cost of funding and operations incurred by EFSF and shall include a margin (the "**Margin**").";

(e) the following sentences shall be added as fourth and fifth sentences prior to the words "The Service Fee":

"This shall provide remuneration for the Guarantors and shall be specified in the relevant Financial Assistance Facility Agreement. The EFSF shall review periodically the pricing structure applicable to its Financial Assistance Facility Agreements and any changes thereto shall be agreed by the Guarantors acting unanimously in accordance with Article 10(5)."

(f) in the final sentence, the words "retained in respect of Financial Assistance disbursed prior to the Effective Date of the Amendments" shall be added after the words "The Service Fee";

(g) in the final sentence, the word "Borrower" shall be replaced by "Borrower Member State".

(11) In Article 2(3):

(a) after the words "the percentage set out next to each Guarantor's name in the third column (the "**Contribution Key**") in Annex 2", a footnote is added drafted as follows "In respect of Funding Instruments issued or entered into prior to the Effective Date of the Amendments the Contribution Key and Adjusted Contribution Key Percentage shall be determined by the terms of this Agreement (including Annex 2) prior to the amendments.";

(b) in item (b), "120%" shall be replaced by "up to 165% (the **"Over-Guarantee Percentage"**) in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments";

(c) in item (b), a footnote shall be added after "(b)" drafted as follows "The percentage of 120% shall continue to apply to Funding Instruments issued or entered into prior to the Effective Date of the Amendments.";

(d) after the words "No Guarantor shall be required to issue Guarantees which would result in it", the words "having a Guarantee Exposure in excess of its aggregate guarantee commitment (its "**Guarantee Commitment**") set out alongside its name in Annex 1 or" shall be deleted and shall be replaced by the words "having a Guarantee Notional Exposure in excess of its guarantee commitment ("**Guaranteed Commitment**") set alongside its name in Annex 1. For the purposes of this Agreement, a Guarantor's **"Guarantee Notional Exposure"** is equal to the aggregate of: (i) the principal amount of Funding Instruments issued or entered into (including Funding Instruments issued or entered into pursuant to any Diversified Funding Strategy approved pursuant to Article 4(5), and other principal amounts guaranteed under Guarantees issued for other purposes pursuant to Article 2(3)) which benefit from Guarantees issued under this

Agreement and which remain outstanding; and (ii) without double counting, the aggregate amounts paid by the Guarantors following demands made under Guarantees issued under this Agreement which paid amounts have not been reimbursed to the Guarantors.";

(e) in the final paragraph, the words "Guarantor's Guarantee Exposure" shall be replaced by the words "Guarantor's Guarantee Notional Exposure"; and

(f) a new paragraph is added after the final paragraph, drafted as follows "It is acknowledged and agreed that the amendments to this Article 2(3) apply to Funding Instruments issued or entered into on or after the Effective Date of the Amendments. These amendments do not in any respect affect or reduce the liability of Guarantors (including any Guarantors which became Stepping-Out Guarantors) under Guarantees which guarantee Funding Instruments issued or entered into prior to the Effective Date of the Amendments in respect of which the Contribution Key and Adjusted Contribution Key Percentage and Guarantee Commitment of each Guarantor is that which applied on the date of issue of or entry into the relevant Funding Instrument.".

(12) In Article 2(5)(a), the term "Loan(s)" shall be replaced by the term "Financial Assistance".

(13) In Article 2(5)(b), each occurrence of the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement".

(14) In Article 2(5)(d), after the phrase "the liability of the Guarantor under such Guarantee", the following words are added "gives rise to a Guarantee Notional Exposure" and the words "is for a maximum amount" are deleted.

(15) Article 2(7) shall be amended as follows:

(a) the words "stability support" falling after the words "If a euro-area Member State encounters financial difficulties such that it makes a demand for a" and prior to the words "loan from EFSF," shall be deleted and replaced by the following: "Financial Assistance Facility Agreement";

(b) the words "or incurring new liabilities as a Guarantor" shall be added after the words "to accept that the Guarantor in question does not participate in issuing a Guarantee"; and

(c) the words "Loan Facility Agreements or further Loans" falling after the words "The decision of the euro-area Member States in relation to such a request is to be made at the latest when they decide upon making any further" shall be deleted and replaced by the following: "Financial Assistance

Facility Agreements or make available further Financial Assistance".

(16) Article 2(8) shall be amended by:

(a) adding the words "In respect of Financial Assistance disbursed prior to the Effective Date of the Amendments," prior to the words "an upfront service fee (the "**Service Fee**") calculated as being";

(b) each occurrence of the word "Borrower" shall be replaced by "Borrower Member State" and each occurrence of the word "Loan" shall be replaced by the term "Financial Assistance";

(c) adding the words "(the "**Prepaid Margin**")" after the words "of the anticipated Margin that would accrue on each Financial Assistance to its scheduled maturity date" and before the words "shall be deducted from the cash amount to be remitted to the Borrower";

(d) replacing the words "net present value of the anticipated" with the word "Prepaid"; and

(e) adding the phrase "the amounts credited to the Cash Reserve under Article 2(9)" after the phrase "The **"Cash Reserve"** shall include these retained amounts".

(17) A new Article 2(9) shall be added after Article 2(8) (the "**New Article 2(9)**"), and the previous Article 2(9) shall become the new Article 2(10) (the "**New Article 2(10)**"). The New Article 2(9) shall be drafted as follows:

"In respect of Financial Assistance disbursed after the Effective Date of the Amendments, if on the date of disbursement of such Financial Assistance, the Notes issued to finance such Loan obtain the highest credit ratings (without any additional credit enhancement), then, unless otherwise agreed:

(a) subject to Article 2(9)(c), the Margin shall be payable on such Financial Assistance in arrear at the end of each interest period;

(b) an amount calculated as being 50 basis points on the aggregate principal amount of each Financial Assistance shall be charged to the Borrower as an advance payment of a portion of the Margin on such Financial Assistance (the **"Advance Margin"**) and shall be deducted from the cash amount to be remitted to the Beneficiary Member State in respect of such Financial Assistance;

(c) on the first (and/or subsequent) interest payment date(s) of a Financial Assistance the amount payable in respect of Margin shall be reduced by an amount equal to the Advance Margin and the interest cost related to the funding of the Advance Margin; and

(d) the only deduction from the cash amount of the Financial Assistance shall be the amount of the Advance Margin and any fees and costs incurred in connection with the issue of Funding Instruments to finance such Financial Assistance and any adjustment for Funding Instruments being issued for an issue price less than par value (**"Issuance Costs"**) and the Net Disbursement Amount shall be equal to the principal amount of the Financial Assistance less (i) the amount of Advance Margin and (ii) the Issuance Costs.

The deduction of an amount equal to the Issuance Costs and the amount of Advance Margin shall not reduce the principal amount of a Financial Assistance that the Borrower is liable to repay and on which interest accrues.

Advance Margin and Margin amounts retained or received in respect of a Financial Assistance shall be credited to the Cash Reserve.

If, on the date of disbursement of a Financial Assistance, the Notes issued to finance such Loan would not obtain the highest quality credit ratings (without any additional credit enhancement), then the euro-area Member States may adopt additional credit enhancement mechanisms under Article 5(3) of this Agreement and make consequent modifications to the relevant Financial Assistance Facility Agreement.".

(18) The New Article 2(10) shall be amended by:

(a) replacing each occurrence of the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement" and each reference to the term "Loans" by "Financial Assistance";

(b) adding the phrase "then, unless otherwise agreed" prior to the phrase "these amounts shall be paid to the Guarantors as consideration for the issuance of their Guarantees"; and

(c) adding after the words "anticipated Margin retained in respect of each Loan Facility Agreement" the words "and the amounts credited to the Cash Reserve under Article 2(9) and the".

(19) In Article 2(11), each occurrence of the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement", the word "Loan" shall be replaced by the term "Financial Assistance" and the word "Borrower" by "Beneficiary Member State".

(20) In Article 2(12), the words "Loan Facility Agreement" falling after the words "(i) the Guarantees, (ii) the" and prior to the words ", (iii) the documentation for the Funding Instruments" shall be deleted and replaced by the following: "Financial Assistance Facility Agreements (adapted as appropriate pursuant to

guidelines adopted by the board of directors of EFSF under Articles 2(1)(b) or 2(1)(c))";

(21) The word "Loan" shall be deleted from the title to Article 3.

(22) Article 3(1) shall be amended as follows:

(a) the words "Loan Facility Agreement" falling after the words "Before each disbursement of a Loan under a" and prior to the words "the Commission will, in liaison with the ECB," shall be deleted and replaced by the following:

"Financial Assistance Facility Agreement, unless otherwise agreed or unless otherwise specified in guidelines adopted by the board of directors of EFSF pursuant to Articles 2(1)(b) or 2(1)(c) and applicable to the relevant category of Financial Assistance Facility Agreement";

(b) in the third sentence, the words "Loan Facility Agreement" falling after the words "The first Loan to be made available to a Borrower under a" shall be replaced by the following words "Financial Assistance Facility Agreement";

(c) each occurrence of the word "Borrower" shall be replaced by "Beneficiary Member State" and the word "Loan" replaced by "Financial Assistance";

(d) in the third sentence, the word "is" falling after the words "Loan Facility Agreement" and prior to the words "released following the initial signature" shall be replaced by the words "shall be";

(e) in the third sentence, the words "or utilised" shall be added after the word "released"; and

(f) a last sentence shall be added as follows: "The board of directors of EFSF shall adopt guidelines under Article 2(1)(b) and 2(1)(c) regarding the conditions to and procedures for the disbursement and on-going monitoring of compliance with policy conditionality of Financial Assistance in the form of precautionary facilities, facilities for the re-capitalisation of financial institutions in a Member State and facilities for the purchase of bonds in the primary or secondary markets.".

(23) Article 3(2) shall be amended as follows:

(a) the first word "Following" shall be deleted;

(b) the words "Unless otherwise specified in the relevant Financial Assistance Facility Agreement (in accordance with guidelines adopted by the

board of directors of EFSF under Articles 2(1)(b) or 2(1)(c) and applicable to the relevant category of Financial Assistance Facility Agreement)," shall be added in the first sentence prior to the words "following a request for";

(c) the words "funds (a "**Request for Funds**")" shall be replaced by "financial assistance (a "**Request for Financial Assistance**")";

(d) the words "and requesting a Loan thereunder" shall be deleted; and

(e) each occurrence of the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement" each occurrence of the word "Loan" shall be replaced by "Financial Assistance" and the word "Borrower" by the term "Beneficiary Member State".

(24) Article 3(3) shall be amended as follows:

(a) the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement"; and

(b) the word "Loan" falling prior to the full stop shall be replaced by the words "Financial Assistance".

(25) Article 3(5) shall be amended as follows:

(a) the words "unless otherwise specified in the relevant Financial Assistance Facility Agreement (in accordance with guidelines adopted by the board of directors of EFSF under Articles 2(i)(b) or 2(i)(c) and applicable to the relevant category of Financial Assistance Facility Agreement)" shall be added after the words "On the relevant Disbursement Date," and prior to the words "EFSF shall make the relevant Loan available to the Beneficiary Member State": and

(b) the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement", the word "Loan" by "Financial Assistance" and the word "Borrower" by "Beneficiary Member State".

(26) In Article 4(1) the words "(including the Over-Guarantee Percentage applicable to such issue of Funding Instruments)" shall be added after the words "setting out the detailed financial terms of each issue" and the term "Loans" shall be replaced by "Financial Assistance".

(27) In Article 4(2) the term "Loan(s)" shall be replaced by "Financial Assistance".

(28) In Article 4(3) the term "ESFS" shall be replaced by "EFSF" and the

term "bookrunners" by "book-runners".

(29) In Articles 4(4) and 4(5) the terms "Loans" shall be replaced by the words "Financial Assistance" and in Article 4(5), the words "under an existing Loan Facility Agreement" shall be replaced by the following words "under Financial Assistance Facility Agreements".

(30) In Article 5(1)(a), the term "120%" shall be deleted and replaced with "an Over-Guarantee Percentage of up to 165% (as required to ensure the highest credit-worthiness for Funding Instruments issued or entered into by EFSF on the date of issue) in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments".

(31) Article 5(1)(b) shall be amended by:

(a) adding the words "(retained in respect of Financial Assistance disbursed prior to the Effective Date of the Amendments)" after the words "the Cash Reserve" and prior to the words "shall act as a cash buffer",

(b) the word "Loans" be replaced by "Financial Assistance" and the word "Borrowers" by "Beneficiary Member States"; and

(c) replacing the words "Article 2(9)" by the words "Article 2(10)".

(32) In the opening sentence of Article 5(2), the term "Borrower" shall be replaced by "Beneficiary Member State" and the term "Loan" by "Financial Assistance".

(33) In Article 5(2)(a), "120%" shall be replaced with "the applicable Over-Guarantee Percentage".

(34) Article 5(2)(b) shall be amended by adding the words "(provided that EFSF may not use any amounts credited to the Cash Reserve prior to the Effective Date of the Amendments to cover shortfalls arising in respect of Financial Assistance Facility Agreements entered into after such date)" after the words "an amount from the Cash Reserve".

(35) Article 5(3) shall be amended by adding the phrase "and/or the adoption of available credit enhancement mechanisms used by EFSF in relation to Financial Assistance disbursed prior to the Effective Date of the Amendments" in the final sentence.

(36) A new Article 5(7) shall be added after Article 5(6) as follows: "In respect of Financial Assistance disbursed after the Effective Date of the Amendments:

(a) the Beneficiary Member States shall cover Issuance Costs (as described in Article 2(9));

(b) EFSF shall cover costs and expenses incurred in relation to a Financial Assistance Facility Agreement out of the Cash Reserve; Provided that, EFSF may not use any of the Cash Reserve established prior to the Effective Date of the Amendments to cover costs or expenses incurred in relation to Financial Assistance Facility Agreements entered into after such date unless the Cash Reserve is no longer required to serve as credit enhancement; and

(c) This Article 5(7) shall be without prejudice to any undertaking of the Borrower under the Financial Assistance Facility Agreement to cover costs and expenses of EFSF."

(37) A new Article 5(8) shall be added after the new Article 5(7) as follows:

"The euro-area Member States may, by a decision made pursuant to Article 10(6), agree that EFSF may use part of the sums credit to the Cash Reserve under Article 2(9) to cover the general non-loan specific operating expenses or exceptional costs of EFSF. Provided that, EFSF may not release any Prepaid Margin which has been credited to the Cash Reserve to constitute credit enhancement prior to the Effective Date of the Amendments to cover such operating or exceptional costs so long as such portion of the Cash Reserve is needed to constitute credit enhancement."

(38) A new Article 5(9) shall be added "It is acknowledged and agreed that the provisions of Article 5(7) and 5(8) are without prejudice to the general budgetary procedures of EFSF."

(39) Article 6(1) shall be amended by replacing the term "Loan" by "Financial Assistance".

(40) Article 6(4) shall be amended by replacing the words "under a Loan" by the phrase "in respect of a Financial Assistance".

(41) In Articles 6(7), 6(8) and 6(9) the words "Borrower" and "Borrowers" shall be replaced respectively by "Beneficiary Member State" or "Beneficiary Member States".

(42) In Articles 6(7) and 6(8) the terms "Loan" and "Loans" shall be replaced by the term "Financial Assistance".

(43) In Article 6(7) the words "or otherwise recovered by EFSF" shall be added after the words "actually received from the underlying Beneficiary Member States".

(44) Article 7(1) shall be amended by adding the words "as it applies to the relevant guaranteed obligation of EFSF. For the avoidance of doubt, in respect of the Republic of Estonia, it is only required to make or to receive contributions under this Article 7 in respect of Funding Instruments issued or entered into after

the Effective Date of the Amendments." after the words "The "**Required Proportion**" is equal to the Adjusted Contribution Key Percentage applicable to the relevant Guarantee" and prior to the words "Any indemnity or contribution payment from one Guarantor to another".

(45) Article 7(3)(v) shall be amended by replacing the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement" and replacing the word "Loan" by "Financial Assistance".

(46) Article 8(1) shall be amended by replacing each occurrence of the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement", replacing the word "Loan" by "Financial Assistance" and replacing the word "Borrower" by "Beneficiary Member State".

(47) Article 8(2) shall be amended by:

(a) adding the words "or incur any new liabilities as Guarantor" after the words "the Stepping-Out Guarantor shall not be required to issue its Guarantee";

(b) adding the words "or any new liabilities to be incurred as Guarantor" after the words "and any further Guarantees to be issued under this Agreement";

(c) adding the words "and/or incurred" after the words "shall be issued" and prior to the words "by the remaining Guarantors";

(d) adding the words "or incurrence of any new liabilities as Guarantor" after the words "and the Adjusted Contribution Key Percentage for the issuance of further Guarantees"; and

(e) adding the words "Ireland became a Stepping-Out Guarantor with effect from 3 December 2010 and Portugal, with effect from 16 May 2011" after the words "Stepping-Out Guarantor with effect from the entry into force of this Agreement".

(48) In Article 9:

(a) the Title of Article 9 shall be amended by replacing the words "Loan Facility Agreement" by the words "Financial Assistance Facility Agreement"; and

(b) each occurrence of the words "Loan Facility Agreement" shall be replaced by the following words "Financial Assistance Facility Agreement", each occurrence of the word "Loan" by "Financial Assistance" and each occurrence of the word "Borrower" by "Beneficiary Member State".

(49) Article 10(5) shall be amended by:

(a) replacing each occurrence of the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement" and each occurrence of the word "Loan" by "Financial Assistance";

(b) in sub-paragraph (a), adding the words ", any decisions to change the pricing structure applicable to Financial Assistance Facility Agreements, and any decisions to include in a Financial Assistance Facility Agreement the faculty of providing Financial Assistance by way of the purchase of bonds in the primary markets or the purchase of bonds in the secondary markets based on an ECB analysis recognising the existence of exceptional financial market circumstance and risk to financial stability";

(c) in sub-paragraph (b), deleting the words "on the basis of a report of the Commission" and by adding the sentence "For secondary market purchases, the Financial Assistance Facility Agreement for the purchase of bonds in the secondary market adopted on the basis of Article 10(5)(a) may provide for alternative procedures for the technical implementation of individual bond purchases under such Financial Assistance Facility Agreement, in line with guidelines referred to in Article 2(1)(b)" after the words "are satisfied";

(d) adding a new sub-paragraph as follows: "(j) any transfer of rights, obligations and/or liabilities of EFSF to ESM pursuant to Article 13(10)"; and

(e) adding a new sub-paragraph as follows: "(k) the adoption and the amendment of any guideline referred to in Article 2(1)(b) or 2(1)(c).".

(50) Article 10(6) shall be amended by replacing each occurrence of the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement, each occurrence of the word "Loan" by "Financial Assistance" and by adding the word "and" between sub-paragraphs (d) and (e)".

(51) Article 10(8) shall be amended by replacing each occurrence of the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement".

(52) Article 10(10) shall be amended by replacing the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement" and the word "Borrower" by "Beneficiary Member State".

(53) Article 11(1) shall be amended by replacing the words "Loan Facility Agreement" by the following words "Financial Assistance Facility Agreement", by replacing the term "Loans" by "Financial Assistance" and by replacing the words "Article 2(9)" by the words "Article 2(10)".

(54) Article 12 shall be amended by replacing each occurrence of the word "Borrowers" by the words "Beneficiary Member States" and the word "Loans" by "Financial Assistance".

(55) Article 13(1) shall be amended by replacing the word "Borrowers" by "Beneficiary Member States".

(56) Article 13(3) shall be amended by replacing the words "Loan Facility Agreements" by the following words: "Financial Assistance Facility Agreements".

(57) In Article 13(9) is added " - The terms "Financial Assistance Facility Agreement" and "Financial Assistance" shall apply respectively to "Loan Facility Agreements" and "Loans" entered into or disbursed by EFSF prior to the Effective Date of the Amendments."

(58) A new Article 13(10) shall be added as follows:

> "Following the constitution of the European Stability Mechanism (the "**ESM**"), EFSF may, with the approval of a decision of the euro-area Member States acting with unanimity and after obtaining any requisite consents from investors in Funding Instruments, transfer all and any of its rights, obligations and liabilities, including under Financial Instruments, Financial Assistance Facility Agreements and/or Financial Assistance, to ESM.".

(59) Annex 1 (*List of Guarantor euro-area Member States with their respective Guarantee Commitments*) shall be amended as from the Effective Date of the Amendments as set out in Annex 1 to this Amendment in respect of Financial Instruments issued as from the Effective Date of the Amendments.

(60) Annex 2 (*Contribution Key*) shall be amended as from the Effective Date of the Amendments as set out in Annex 2 to this Amendment in respect of Financial Instruments issued as from the Effective Date of the Amendments.

(61) All other Articles and Annexes remain unchanged.

2. GOVERNING LAW AND JURISDICTION

(1) This Amendment and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.

(2) Any dispute arising from or in the context of this Amendment shall be settled amicably. In the absence of such amicable agreement, the euro-area Member States agree that to the extent it constitutes a dispute between them only, it shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union. To the extent there is a dispute between one or more euroarea Member States and EFSF, the Parties agree to submit the dispute to the exclusive jurisdiction of the Courts of the Grand Duchy of Luxembourg.

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3. ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS

(1) The Parties agree that the amendments to the Framework Agreement shall enter into force and become binding between EFSF and the Parties on the date (the "**Effective Date of the Amendments**") all of the Parties have provided written confirmation to EFSF substantially in the form of Annex 3 that they have concluded all procedures necessary under their national laws to ensure that their obligations under this Amendment shall come into full force and effect (an "**Amendment Confirmation**").

(2) It is acknowledged and agreed that the amendments to the Framework Agreement shall not alter or affect the rights and obligations of the Parties in relation to any Funding Instruments issued by EFSF with the benefit of a Guarantee issued under the Agreement prior to the Effective Date of the Amendments (the "**Existing Funding Instruments**"). The rights and obligations between the parties in relation to such Existing Funding Instruments shall continue to be governed by the terms and conditions of the Framework Agreement which applied prior to the Effective Date of the Amendments.

(3) It is acknowledged and agreed that the amendments to the Framework Agreement shall not alter or affect the rights and obligations of the Parties in relation to any Loans disbursed prior to the Effective Date of the Amendments (the "**Existing Loans**"). The rights and obligations between the parties in relation to such Existing Loans shall continue to be governed by the terms and conditions of the Framework Agreement which applied prior to the Effective Date of the Amendments.

(4) It is acknowledged and agreed that EFSF did not receive Amendment Confirmations from all of the Parties in relation to the agreement to amend the EFSF Framework Agreement signed between the parties in July 2011 (the **"July Amendment Agreement"**). Accordingly, the July Amendment Agreement did not enter into force and the parties agree that it shall be cancelled and of no legal effect.

(5) It is acknowledged and agreed that the Amendment Confirmation of a Member State may be of provisional application in accordance with the laws and legislation of the relevant Member State.

4. EXECUTION OF THE AMENDMENT

This Amendment may be executed in any number of counterparts signed by one or more of the Parties. The counterparts each form an integral part of the original Amendment and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Amendment.

EFSF shall promptly after the signature of this Amendment supply

conformed copies of the Amendment to each of the Parties, together with consolidated versions of the Framework Agreement including the amendments effected under this Amendment.

5. ANNEXES

The Annexes to this Amendment shall constitute an integral part hereof:

1. List of Guarantors with their respective Guarantee Commitments;

2. Contribution Key; and

3. Template for Amendment Confirmation.

For the euro-area Member States,

Kingdom of Belgium

Represented by:

Name:

Title:

Date:

Federal Republic of Germany

Represented by:

Name:

Title:

Date:

Republic of Estonia

Represented by:

Name:

Title:

Date:

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Ireland

Represented by:

Name:

Title:

Date:

Hellenic Republic

Represented by:

Name:

Title:

Date:

Kingdom of Spain

Represented by:

Name:

Title:

Date:

French Republic

Represented by:

Name:

Title:

Date:

Italian Republic

Represented by:

Name:

Title:

Date:

Republic of Cyprus

Represented by:

Name:

Title:

Date:

Grand Duchy of Luxembourg

Represented by:

Name:

Title:

Date:

Republic of Malta

Represented by:

Name:

Title:

Date:

Kingdom of the Netherlands

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Represented by:

Name:

Title:

Date:

Republic of Austria

Represented by:

Name:

Title:

Date:

Portuguese Republic

Represented by:

Name:

Title:

Date:

Republic of Slovenia

Represented by:

Name:

Title:

Date:

Slovak Republic

Represented by:

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Name:

Title:

Date:

Republic of Finland

Represented by:

Name:

Title:

Date:

For the EFSF

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by:

Name:

Title:

Date:

A 1200

ANNEX 1

LIST OF GUARANTOR EURO-AREA MEMBER STATES WITH THEIR RESPECTIVE GUARANTEE COMMITMENTS AS FROM THE EFFECTIVE DATE OF THE AMENDMENTS

Country	Guarantee Commitments EUR (millions)	
Kingdom of Belgium	27,031.99	
Federal Republic of Germany	211,045.90	
Ireland	12,378.15	*
Kingdom of Spain	92,543.56	
French Republic	158,487.53	
Italian Republic	139,267.81	
Republic of Cyprus	1,525.68	
Grand Duchy of Luxembourg	1,946.94	
Republic of Malta	704.33	
Kingdom of the Netherlands	44,446.32	
Republic of Austria	21,639.19	
Portuguese Republic	19,507.26	*
Republic of Slovenia	3,664.30	
Slovak Republic	7,727.57	
Republic of Finland	13,974.03	
Hellenic Republic	21,897.74	*
Republic of Estonia	1,994.86	
Total Guarantee Commitments	779,783.14	

** The Hellenic Republic, Ireland and the Portuguese Republic have become Stepping-Out Guarantors. Portugal remains liable as Guarantor in respect of Notes issued prior to the time it became a Stepping-Out Guarantor. The Republic of Estonia is only a Guarantor in respect of Notes issued after the Effective Date of the Amendments.*

This means that as of the Effective Date of the Amendments the aggregate of the active Guarantee Commitments for the Guarantors which are not Stepping-Out Guarantors is EUR 726,000.00 million.

ANNEX 2

CONTRIBUTION KEY IN RESPECT OF FUNDING INSTRUMENTS ISSUED OR ENTERED INTO AS FROM THE EFFECTIVE DATE OF THE AMENDMENTS

Member State	ECB Capital subscription key %	Contribution Key
Kingdom of Belgium	2.4256	3.4666%
Federal Republic of Germany	18.9373	27.0647%
Republic of Estonia	0.1790	0.2558%
Ireland*	1.1107	1.5874%
Hellenic Republic*	1.9649	2.8082%
Kingdom of Spain	8.3040	11.8679%
French Republic	14.2212	20.3246%
Italian Republic	12.4966	17.8598%
Republic of Cyprus	0.1369	0.1957%
Grand Duchy of Luxembourg	0.1747	0.2497%
Republic of Malta	0.0632	0.0903%
Kingdom of the Netherlands	3.9882	5.6998%
Republic of Austria	1.9417	2.7750%
Portuguese Republic*	1.7504	2.5016%
Republic of Slovenia	0.3288	0.4699%
Slovak Republic	0.6934	0.9910%
Republic of Finland	1.2539	1.7920%
Total	69.9705	100.0000%

** As at the Effective Date of the Amendments, the Hellenic Republic, Ireland and Portugal have become Stepping-Out Guarantors.*

A 1202

ANNEX 3

TEMPLATE FOR AMENDMENT CONFIRMATION

[*Letter-head of Authorities of Euro Area Member State*]

By fax followed by registered mail:

European Financial Stability Facility
43, avenue John F. Kennedy, L-1855 Luxembourg
Fax: +352 260 962 62

Copy to:

Secretariat of the Eurogroup Working Group
DG ECFIN BU-24 03/027, 1049 Brussels, Belgium
Fax: +32-2-295 68 41

Re: European Financial Stability Facility ("EFSF") - Amendment Confirmation

Dear Sirs,

We refer to (i) the EFSF Framework Agreement between the Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic, Republic of Finland, the Hellenic Republic and EFSF (the "**Parties**"), and (ii) to the Amendment to the EFSF Framework Agreement between the Parties and the Republic of Estonia.

We hereby notify you that we are duly authorised under our national laws to permit us to be bound by the Amendment to the EFSF Framework Agreement with effect from [**date**].

Yours faithfully,

[**Name of euro-area Member State**]

[●] [●]".

Consequential amendments to the Government Borrowing and Granting of Loans to the Hellenic Republic Act. Cap. 502.

5. The Government Borrowing and Granting of Loans to the Hellenic Republic Act shall be amended as follows:

(a) article 2 thereof shall be amended as follows:

(i) the definition "Loan Facility Agreement" shall be substituted by the following new definition:

" "Loan Facility Agreement" means the agreement entered into in Brussels on the 8th May 2010, which is reproduced in the First Schedule, approved by the Euro Area Member States in pursuance of a decision of the Council of the European Union providing for the lending of money to the Hellenic Republic, as amended by the agreement entered into in Brussels on the 14th June, 2011, which agreement is reproduced in the Second Schedule. Both agreements being reproduced are in the English language;"; and

(ii) the definition "Intercreditor Agreement" shall be substituted by the following new definition:

" "Intercreditor Agreement" means the agreement entered into in Brussels on the 8th May 2010, between the Euro Area Member States and the European Commission regarding pooled bilateral loans by Euro Area Member States to the Hellenic Republic, which agreement is reproduced in the Third Schedule. The agreement being reproduced is in the English language;"; and

(b) immediately after article 4 thereof, there shall be added the following new Schedules:

A 1204

"FIRST SCHEDULE

Loan Facility Agreement entered into in Brussels
on the 8th May, 2010

CONFORMED COPY

EUR 80 000 000 000
LOAN FACILITY AGREEMENT

between

THE FOLLOWING MEMBER STATES WHOSE CURRENCY IS THE EURO:

KINGDOM OF BELGIUM, IRELAND, KINGDOM OF SPAIN, FRENCH REPUBLIC, ITALIAN REPUBLIC, REPUBLIC OF CYPRUS, GRAND DUCHY OF LUXEMBOURG, REPUBLIC OF MALTA, KINGDOM OF THE NETHERLANDS, REPUBLIC OF AUSTRIA, PORTUGUESE REPUBLIC, REPUBLIC OF SLOVENIA, SLOVAK REPUBLIC and REPUBLIC OF FINLAND

and

KfW, acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany,

as Lenders

and

THE HELLENIC REPUBLIC
as Borrower

THE BANK OF GREECE
as Agent to the Borrower

8 MAY 2010

THIS LOAN FACILITY AGREEMENT (the "**Agreement**")
is made by and between:

(A) The Following Member States whose currency is the euro: Kingdom of Belgium, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland, represented by the European Commission (hereinafter referred to as the "**Commission**") and **KfW** acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany (hereinafter referred to as the "**Lenders**" and each, a "**Lender**");

(B) The **Hellenic Republic** (hereinafter referred to as **"Greece"** or the "**Borrower**"), represented by the Minister of Finance; and

(C) The **Bank of Greece** acting as agent on behalf of the Borrower (hereinafter referred to as the "**Borrower's Agent**"), represented by the Governor of the Bank of Greece.

PREAMBLE

Whereas:

(1) Greece has on 23 April 2010 requested bilateral loans from the other Member States whose currency is the euro in accordance with the Statement of the Heads of State and Government of the euro area of 25 March 2010 and the Statement of the Eurogroup of 11 April 2010.

(2) Pursuant to that request, the representatives of the Member States whose currency is the euro (the "**Euro Area Member States**"), other than Greece, have decided on 2 May 2010 to provide stability support to Greece in an intergovernmental framework via pooled bilateral loans.

(3) The loans are granted in conjunction with the funding from the International Monetary Fund (the "**IMF**") under a stand-by arrangement (the "**IMF Stand-by Arrangement**").

(4) Representatives of the Member States of the European Union have decided on 5 May 2010 to entrust the Commission with the tasks in relation to the coordination and management of the pooled bilateral loans as set out in an Intercreditor Agreement concluded on 8 May 2010 (the "**Intercreditor Agreement**").

(5) The Lenders in all their functions, rights and obligations under this Agreement act through and are represented by the Commission. The Lenders have agreed to act in a coordinated manner and to channel communications to the Commission through the Euro Working Group Chairman.

(6) Measures concerning the coordination and surveillance of the budgetary discipline of Greece and setting out economic policy guidelines for Greece will be defined in a Council decision on the basis of Articles 126(9) and 136 of the Treaty on the Functioning of the European Union (the "**TFEU**"), and the support granted to Greece is made dependent on compliance by Greece with measures consistent with such decision and laid down in a Memorandum of Economic and Financial Policies, Memorandum of Understanding on Specific Economic Policy Conditionality and Technical Memorandum of Understanding (hereinafter referred to together as the "**MoU**") signed originally on 3 May 2010 by the Commission after approval by all the Euro Area Member States (except Greece), by the Borrower and the Bank of Greece (as may amended and/or supplemented from time to time).

(7) The release of the first Loan shall be conditional upon the signature of the MoU and the entry into force of this Agreement.

(8) The release of Loans subsequent to the first one shall be conditional upon the Euro Area Member States (except Greece) deciding favourably after consultation with the European Central Bank (hereinafter the "**ECB**") on the basis of the findings of verification by the Commission that the implementation of the economic policy of the Borrower accords with the adjustment programme or any other conditions laid down in the Council decision on the basis of Articles 126(9) and 136 TFEU and the MoU.

(9) The Commission shall open an account in the name of the Lenders with the ECB, to be used for processing all payments on behalf of the Lenders and the Borrower in the context of this Agreement.

(10) Greece has designated the Bank of Greece as its agent for the purposes of this Agreement.

(11) Appropriate measures related to the prevention of, and the fight against fraud, corruption and other irregularities which might affect the support granted by this Agreement or the effective use of the funds drawn hereunder shall be taken by the authorities of the Borrower.

(12) The Commission shall have the right to perform on-the-spot checks and inspections, where appropriate.

(13) Given the need for some Lenders to complete national procedures (including, where appropriate, parliamentary authorisation) before being able to commit to participate in the funding of loans to be made under this Agreement, the initial loans may have to be funded by some Lenders only with a subsequent

VERŻJONI ELETTRONIKA

reallocation of participations as and when these procedures have been completed.

(14) The Federal Republic of Germany (**"Germany"**) has designated KfW as Lender on behalf of Germany for the purposes of this Agreement. Accordingly, references to KfW as Lender refer to KfW acting in the public interest, subject to the instructions of and with the benefit of the guarantee of Germany.

Now, therefore, the parties hereto have agreed as follows:

1. THE FACILITY

(1) The Lenders make available to the Borrower a loan facility (hereinafter referred to as the "**Facility**") in euro in an aggregate principal amount of up to EUR 80 000 000 000 (Euro eighty billion), subject to the terms and conditions of the MoU and this Agreement.

(2) The maximum amount that each Lender shall contribute under the Facility is the amount set opposite its name under the heading "Commitment" in Annex 1 as and to the extent increased, cancelled or reduced pursuant to the terms of this Agreement and the Intercreditor Agreement (for each Lender, its "**Commitment**" and the aggregate of their Commitments is equal to the "**Total Commitment**").

(3) The Borrower shall apply all amounts borrowed by it under the Facility in conformity with its obligations under the MoU.

2. LENDERS' RIGHTS AND OBLIGATIONS

(1) The obligations of each Lender under this Agreement shall be several. Failure by a Lender to perform its obligations under this Agreement shall not affect the obligations of any other Lender under this Agreement. No Lender shall be responsible for the obligations of any other Lender under this Agreement.

(2) The rights of each Lender under or in connection with this Agreement shall be separate and independent rights and any debt arising under this Agreement to a Lender from the Borrower shall be a separate and independent debt. The Borrower shall not give priority to one Lender over the other Lenders.

(3) The Lenders and the Borrower shall not assign or otherwise transfer any of their rights or obligations (or, with respect to the Lenders, enter into any arrangement with any third party with a view to transferring the whole or part of their exposure to the Borrower or the whole or part of the risks and rewards arising from their participation in this Agreement) without the prior written consent of all Lenders.

(4) Notwithstanding Article 2(3) above, a Lender shall be entitled to assign and/or transfer:

(a) part (but not the whole) of its rights and obligations under a Loan in the context of a re-allocation of the Lenders' Participations (as defined in Article 3(6) below) between themselves as contemplated in Article 6 of the Intercreditor Agreement; or

(b) any of its rights and obligations in respect of a Loan to the Member State which is its guarantor.

(5) Any such assignment and transfer shall comply with the terms of Article 13.

(6) Upon the assignment and transfer of any of its rights or obligations, the Lenders concerned shall promptly notify the Borrower in writing of such assignment and transfer.

3. **DRAWDOWN, NET DISBURSEMENT AMOUNT AND CONDITIONS PRECEDENT**

(1) Subject to the terms and conditions of this Agreement and of the MoU, the Borrower may, after consultation with the Commission, request a disbursement to be made under this Agreement (each such disbursement made or to be made under the Facility or the principal amount thereof outstanding for the time being is hereinafter referred to as a **"Loan"**) by delivery to the Commission of a duly completed request for funds in the form of Annex 2, irrevocably accepting the main terms thereby indicated pursuant to Article 3(3) (hereinafter a **"Request for Funds"**).

(2) For the purposes of this Agreement, "**Business Day**" means a day on which the TARGET2 payment system is open for business. "**Availability Period**" means the period commencing on the date of entry into force of this Agreement and ending on (and including) the date falling on the third anniversary of the date of this Agreement.

(3) A Request for Funds is irrevocable and will not be regarded as having been duly completed unless it at least specifies:

(a) the proposed date of disbursement of the requested Loan (the "**Disbursement Date**") which must be (i) a Business Day, and (ii) a day (other than a Saturday or Sunday) when banks are open for general business in the capital city of each Lender, and (iii) a day which falls during the Availability Period, and (iv) a day not earlier than the fifteenth Business Day after the date of the Request for Funds; notwithstanding the foregoing, point (iv) does not apply to the first Loan;

(b) the amount of the Loan requested which must be a minimum amount of Euro one billion;

(c) the requested grace period for such Loan, if any, during which no repayments of principal have to be made by the Borrower and which may not exceed a period of three years from the Disbursement Date (the "**Grace Period**");

(d) the term of the requested Loan which may not exceed five years from the Disbursement Date of the Loan and the last day of which must be an Interest Payment Date (as defined below) (the "**Term**"); and

(e) the amortisation schedule, which shall provide that the principal repayments shall be made in quarterly payments of equal principal amount by the Borrower on each Interest Payment Date (as defined below) starting on the first Interest Payment Date following the expiry of the Availability Period or (if later) the end of the relevant Grace Period (if any) and ending on the Interest Payment Date falling at the end of that Loan's Term.

(4) Following a Request for Funds in respect of the first Loan, the Lenders' obligation to pay the amount of the Net Participation (as defined in Article 3(6) below) to the Borrower with respect to the first Loan shall be subject to:

(a) the Commission having received a legal opinion satisfactory to the Lenders given by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance in the form set out in Annex 4. Such legal opinion shall be dated not later than the date of the Request for Funds. The Borrower undertakes to inform the Lenders immediately if, between the date of the legal opinion and the Disbursement Date, any event occurs that would render incorrect any statement made in the legal opinion;

(b) the Commission having received from the Minister of Finance of the Borrower an official document indicating the persons authorised to sign the Requests for Funds (and thus validly commit the Borrower) and containing the specimen signatures of these persons;

(c) the signature of the MoU;

(d) the Commission having received, not later than on the Disbursement Date relating to such Loan, Commitment Confirmations of at least five Lenders comprising at least 2/3 of the Total Commitment (a "**Critical Mass of Lenders**");

(e) the Commission having received confirmation from the Lenders (i) that they are satisfied that the conditions to drawdown under this Agreement are satisfied, and (ii) of the terms on which they are willing to make a Loan to the Borrower;

(f) no material adverse change having occurred since the date of this Agreement such as would, in the opinion of the Lenders, after consultation with the Borrower, be likely to prejudice materially the ability of the Borrower to fulfil its payment obligations under this Agreement, *i.e.* to service the Loan to be funded and to repay it; and

(g) no Event of Default having occurred which is continuing.

(5) Following receipt of a Request for Funds in respect of any subsequent Loan, the Lenders' obligation to transfer the Net Participation, as defined in Article 3(6) below, of any such subsequent Loan to the Borrower shall be subject to:

(a) the Borrower confirming that no event has occurred that would render incorrect any statement made in the legal opinion received by the Lenders under Article 3(4)(a);

(b) the remaining in place of Commitments from a Critical Mass of Lenders;

(c) the Commission having received confirmation from the Euro Area Member States (other than Greece) that they are satisfied with the compliance by the Borrower with the terms of the MoU and the conditions laid down in the Council decision on the basis of Articles 126(9) and 136 TFEU; and

(d) the conditions referred to in Paragraphs (e), (f), and (g) of Article 3(4) above being satisfied.

If the conditions in Article 3(4) (in the case of the first Loan) or Article 3(5) above (in the case of subsequent Loans) are satisfied, the Commission shall notify the Borrower by way of a written notice in the form of Annex 3 setting out the amount and the detailed terms (which may or may not differ to those specified in the corresponding Request for Funds) of the Loan that the Lenders are willing to extend to the Borrower under this Agreement (hereinafter the "**Acceptance Notice**"). The Borrower and the Committed Lenders, as defined in Article 3(6) below, shall irrevocably be bound by the terms of the Acceptance Notice, unless the terms of the Loan differ from those specified in the Request for Funds, in which case the Borrower and the Committed Lenders shall only be bound by the terms of the Acceptance Notice if the Borrower notifies the Commission in writing of its consent thereto. In the event of the Borrower's refusal to accept such terms, the Request for Funds and the related Acceptance Notice shall both be cancelled.

(6) If the conditions set out in this Agreement (and in particular Articles 3(4) and 3(5) above) have been met, each Lender who has delivered to the Commission a Commitment Confirmation (each such Lender being a "**Committed Lender**") shall, not later than on the relevant Disbursement Date, transfer to the credit of the Lenders' Account its participation in each Loan (the "**Participation**") (reduced, for the sole purposes of determining and providing for the payment of the Net Disbursement Amount (as defined in Paragraph (8) below), by the amount of the Service Fee (as defined in Article 5(2) below) calculated by reference to the amount of such Participation pursuant to Article 5(2), the "**Net Participation**"), as such Participation shall be determined pursuant to the provisions of the Intercreditor Agreement.

For the avoidance of doubt, for all purposes other than for determining and providing for the payment of the Net Disbursement Amount (*e.g.* for reporting purposes, voting, etc.), only the Participation (not the Net Participation) of the Lenders will be taken into account.

(7) A Committed Lender shall not be required to participate in a Loan if the circumstances in Article 5(7) apply and notwithstanding any measures proposed by the Euro Working Group such Committed Lender can not cover the funding cost of its Commitments under this Agreement.

(8) Provided the ECB shall have received in the Lenders' Account before 11:00 a.m. Brussels time on the Disbursement Date in relation to a Loan the aggregate of the Net Participations of all Committed Lenders in such Loan (hereinafter referred to as the "**Net Disbursement Amount**"), the Lenders shall procure that the Commission will instruct the ECB to transfer the Net Disbursement Amount on the Disbursement Date to the euro account of the Borrower's Agent (SWIFT BIC: BNGRGRAA, IBAN: GR0301000230000000000200659) (Ref.: "Euro Area Stability Support to Greece"), or to such other euro-account as the Borrower's Agent shall advise in writing to the Commission and the ECB with a copy addressed to the Borrower at the latest two Business Days prior to the Disbursement Date.

If, on the Disbursement Date, the Lenders' Account has not been credited with the full amount of all the Net Participations of all of the Committed Lenders in respect of such Loan, then:

(a) where the aggregate of the Net Participations effectively received in relation to such Loan represents at least 90% of the aggregate Net Participations of all of the Committed Lenders in relation to such Loan, then, provided that the Borrower consents, the Net Disbursement Amount will be reduced so as to be equal to the aggregate of the Net Participations effectively received by the ECB and the Lenders shall procure that the Commission shall then instruct the ECB to transfer the Net Disbursement Amount as so reduced to

the Borrower in the manner specified above. Conversely, if the Borrower refuses to receive such lower amount in respect of the Loan the Commission shall not instruct the ECB to transfer such funds (which shall forthwith be returned to the Committed Lenders concerned with no delay) and the Request for Funds and the related Acceptance Notice shall be cancelled automatically. If any part of the shortfall in Net Participations is in fact received within 2 Business Days of the scheduled Disbursement Date then the Commission shall consult with the Borrower as to whether it wishes to receive a remittance of such funds and in such event the parties shall make such adjustments to the terms of the relevant portion of the Loan as are necessary to take into account the late receipt of such funds. Any funds received outside this period of 2 Business Days shall be returned by the Commission to the relevant Lender(s); or

(b) where the aggregate of the Net Participations effectively received in relation to such Loan is lower than 90% of the aggregate Net Participations of all the Committed Lenders in respect of such Loan then the Commission shall not instruct the ECB to transfer to the Borrower the corresponding funds (and the same will remain credited to the Lenders' Account) until the Commission has received further instruction from the Lenders to do so and the Borrower has notified the Commission in writing of its consent to receive the funds. In the event that:

(i) either the Lenders have instructed the Commission not to further proceed with the disbursement; or the Lenders have failed to give instructions to the Commission within two Business Days following the Disbursement Date, or

(ii) either the Borrower has notified the Commission of its refusal to receive the lower sum or the Borrower has not notified the Commission of its consent to receive the funds within two Bussiness Days following the Disbursement Date,

the Commission shall then instruct the ECB to forthwith return the Net Participations credited to the Lenders Account to the Committed Lenders concerned and the Request for Funds and the related Acceptance Notice shall be cancelled; and

(c) any adjustments under Points (a) and (b) shall be without prejudice to the Borrower's rights against the Committed Lenders which failed to fund their portion of a Loan.

(9) The disbursement of a Loan shall under no circumstances commit any of the parties to proceed with the lending and borrowing of any further Loan.

(10) The Borrower's right to request Loans under this Agreement expires at the end of the Availability Period, following which any undisbursed amount of the Facility shall be considered as immediately cancelled.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

(1) Representations

The Borrower represents and warrants to the Lenders on the date of this Agreement and on each Interest Payment Date that:

(a) each Loan shall constitute an unsecured, direct, unconditional, unsubordinated and general obligation of the Borrower and will rank at least *pari passu* with all other present and future unsecured and unsubordinated loans and obligations of the Borrower arising from its present or future Relevant Indebtedness as defined in Article 8(1)(g) below; and

(b) the legal opinion of the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance provided in accordance with Article 3(4)(a) is accurate and correct.

The Borrower confirms having received a copy of the Intercreditor Agreement and acknowledges that it is aware of and understands its terms. In the event of any modification to the Intercreditor Agreement the Lenders shall supply the revised terms thereof to the Borrower for its acknowledgement.

(2) Undertakings

The Borrower undertakes, until such time as all principal under this Agreement has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement have been fully paid:

(a) with the exception of those encumbrances enumerated in paragraphs (1) to (6) below:

(i) not to secure by mortgage, pledge or any other encumbrance upon its own assets or revenues any present or future Relevant Indebtedness and any guarantee or indemnity given in respect thereof, unless the Loans at the same time shares *pari passu* and *pro rata* in such security; and

(ii) not to grant to any other creditor or holder of its sovereign debt any priority over the Lenders.

The grant of the following encumbrances shall not constitute a breach of this Article:

(1) encumbrances upon any property incurred to secure the purchase price of such property and any renewal or extension of any such encumbrance which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing; and

(2) encumbrances on commercial goods arising in the course of ordinary commercial transactions (and expiring at the latest within one year thereafter) to finance the import or export of such goods into or from the country of the Borrower; and

(3) encumbrances securing or providing for the payment of Relevant Indebtedness incurred exclusively in order to provide financing for a specific investment project, provided that the properties to which any such encumbrances apply are properties which are the subject of such project financing, or which are revenues or claims which arise from the project; and

(4) any other encumbrances in existence on the date of the signing of this Agreement, provided that such encumbrances remain confined to the properties presently affected thereby and properties which become affected by such encumbrances under contracts in effect on the date of the signing of this Agreement and provided further that such encumbrances secure or provide for the payment of only those obligations so secured or provided for on the date hereof or any refinancing of such obligations; and

(5) all other statutory encumbrances and privileges which operate solely by virtue of law and which cannot be reasonably avoided by the Borrower; and

(6) encumbrances granted or consented to in relation to a securitization of State assets where the transaction involves (a) (i) the sale, transfer or assignment of State assets to a special purpose company or similar entity or (ii) the grant by the Borrower of security over State assets, where (b) such State assets are used in either case to back or to secure a public issuance of bonds by such special purpose company or similar entity and where the recourse of investors in respect of such bonds is limited to the revenue generated by or the realizable value of such State assets and (c) provided that the terms of such securitization and the use of the proceeds of such transaction are consistent with the policy conditions of the

MoU and accounted for in national accounts in line with ESA 95 principles and Eurostat guidance on securitisations operations undertaken by governments.

As used in this Article, "financing for a specific investment project" means any financing of the acquisition, construction or development of any properties in connection with a project if the providing entity for such financing expressly agrees to look to the properties financed and the revenues to be generated by the operation of, or loss or damage to, such properties as the principal source of repayment for the moneys advanced.

(b) to utilise the Net Disbursement Amounts consistently with the Council decision on the basis of Articles 126(9) and 136 TFEU as in force at the relevant time and in accordance with the MoU.

(c) to only repay the Loans advanced under this Agreement in accordance with the terms of this Agreement on a *pro rata* and *pari passu* basis to each Committed Lender via payments to the Lenders' Account maintained at the ECB and not to deal on a bilateral or preferential basis with individual Lenders in respect of the Loans made under this Agreement;

(d) to obtain and maintain in full force and effect all authorisations necessary for it to comply with its obligations under this Agreement; and

(e) to comply in all respects with applicable laws which might affect its ability to perform this Agreement.

5. **INTEREST, COSTS AND EXPENSES**

(1) Subject to Article 5(7) below, in respect of each outstanding Loan, the Borrower shall pay on each Interest Payment Date interest having accrued on such Loan during the Interest Period ending on such date, at a rate per annum (the "**Interest Rate**") equal to the aggregate of:

(a) the then applicable three-month EURIBOR determined in accordance with Annex 5, or (i) in respect of periods which are equal to or exceed one week and are less than three months, the relevant EURIBOR rate determined (using the EURIBOR rate for the next longest period for which such rates are available) and (ii) in respect of periods of less than one week the applicable EONIA rate for each day with daily capitalisation; and

(b) a margin equal to:

(i) 300 basis points, in respect of any Interest Periods commencing on or after the Disbursement Date of a Loan up to and including the Interest Period ending on the third anniversary of such Disbursement Date or, if this is not an Interest Payment Date, the first Interest Payment Date after the third anniversary of such Disbursement Date; and

(ii) 400 basis points in respect of any subsequent Interest Periods.

For the purposes of this Agreement:

"**Interest Payment Date**" means, in relation to any Loan, any and each of 15 March, 15 June, 15 September and 15 December in each year and the final date of repayment of such Loan if it becomes repayable prior to the end of its scheduled Term; and

"**Interest Period**" means, in relation to a Loan, each three month period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date, except for (i) the first Interest Period in respect of such Loan which shall commence on (and include) the Disbursement Date thereof and end on (but exclude) the first Interest Payment Date following such Disbursement Date and (ii) any broken interest period in the event that a Loan is accelerated or otherwise repaid on a date other than the last day of its scheduled Term.

(2) In order to cover operational costs, the Borrower shall pay to each of the Committed Lenders a non-refundable up-front service fee equal to 50 basis points (the "**Service Fee**") to be calculated on the principal amount of the Participation of each such Committed Lender in each Loan which shall be deducted from each Loan to be disbursed to the Borrower. In the event of any re-allocation of Participations amongst Lenders such Service Fee shall be re-allocated between the Lenders participating in the relevant Loan in accordance with the terms of the Intercreditor Agreement.

(3) The Commission shall inform the Borrower and the Lenders two Business Days before the first day of the relevant Interest Period of the details of the interest calculation for such Interest Period. The EURIBOR setting and the day count convention shall be determined by the Commission in accordance with Annex 5.

(4) The Borrower shall pay the amount of interest due to the Lenders Account referred to in Article 7(3) on the relevant Interest Payment Date and under the conditions as notified to it by the Commission. Interest on a Loan shall accrue from the date on which the respective amounts are transferred to the account at the Borrower's Agent until the date on which the respective repayment are irrevocably credited to the Lenders Account.

(5) If the Borrower fails to pay any sum payable under this Agreement on its due date, the Borrower shall pay in addition default interest on such sum (or, as the case may be, the amount thereof for the time being due and unpaid) to the Lenders from the due date to the date of actual payment in full, calculated by reference to successive interest periods (each of such length as the Lenders may from time to time select, the first period beginning on the relevant due date and, wherever possible, the length of such period shall be that of one week) at a rate per annum on such overdue amount which is 200 basis points over the Interest Rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan.

So long as the failure to pay continues, such rate shall be refixed in accordance with the provisions of this Article 5(5) on the last day of each such interest period and unpaid interest under this Article concerning previous interest periods shall be added to the amount of interest due at the end of each such interest period. The default interest shall be due and payable from time to time on demand by the Commission.

(6) The Borrower undertakes to pay to the Lenders or the Commission all additional interest and all costs and expenses, including legal fees, incurred and payable by the Lenders or the Commission as a result of a breach of any obligation under this Agreement by the Borrower.

(7) If a Lender encounters higher funding costs than those applicable to the Borrower under this Agreement such Lender may inform the other Lenders and the Commission (through the Euro Working Group Chairman) and the Euro Working Group shall take a decision in line with the Intercreditor Agreement and inform the Borrower accordingly.

6. REPAYMENT, EARLY REPAYMENT, MANDATORY REPAYMENT AND CANCELLATION

(1) The Borrower shall repay the principal amount of each Loan on the date(s) (each of which must be an Interest Payment Date) and under the conditions notified to it by the Commission in the relevant Acceptance Notice and related documentation.

(2) The Borrower may, if it gives the Lenders not less than one month's prior written notice and subject to the agreement by the Lenders, prepay the whole or part of any Loan (provided that any prepayment in part shall be of not less than Euro one billion) on an Interest Payment Date.

(3) If more than one Loan is outstanding, the prepayment shall be applied *pari passu* amongst all Loans regardless of their date of maturity, unless the reallocation in accordance with Article 6 of the Intercreditor Agreement has been executed and completed, in which case the Borrower may select which Loan or Loans any prepayment shall be applied against.

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(4) The following restrictions shall apply:

(a) the notice of prepayment shall be irrevocable and shall specify the amount and the date upon which the prepayment is to be made, which must be an Interest Payment Date; and

(b) any prepayment shall be made together with accrued interest on the amount prepaid and subject to the Borrower indemnifying Lenders in respect of any costs, expenses or fees they suffer (including broken funding and broken hedging costs) as a consequence of such prepayment. Accrued interest shall be payable at the Interest Rate determined for the relevant period; and

(c) any partial prepayment shall be applied (after paying any accrued interest, fees or other amounts due in respect of the amount being prepaid) to the scheduled capital repayment amounts *pro rata*; and

(d) any amount which is voluntarily prepaid cannot be re-borrowed.

(5) The Borrower may cancel, on not less than two weeks' prior written notice, the whole or any part (being a minimum of Euro one hundred million) of the undrawn amount of the Facility.

(6) If:

(a) the Court of Justice of the European Union in a final decision decides that this Agreement or the making of the Loans violates European Union law and such violation cannot be remedied then the Facility as a whole (*i.e.* the Commitments of all of the Lenders hereunder) shall immediately and irrevocably be cancelled but this shall not give rise to an acceleration of any outstanding Loans; or

(b) a constitutional court of a Lender or other court with competent jurisdiction in relation to such Lender decides in a final judgment that this Agreement or a Loan is violating the constitution of the Lender and such violation cannot be remedied, then the Commitment of the relevant Lender only shall immediately and irrevocably be cancelled but this shall not give rise to an acceleration of any outstanding Loans.

(7) If financing granted to the Borrower under the IMF Stand-by Arrangement is repaid in advance in whole or in part on a voluntary or mandatory basis a proportional amount of the Loans made under this Agreement shall, unless the Lenders acting unanimously agree otherwise, become immediately due and repayable in an amount based on the initial ratio between the Loans made under this Agreement to financing made under the IMF Stand-by Arrangement.

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7. **PAYMENTS**

(1) All payments to be made by the Borrower shall be paid without set-off or counterclaim, free and clear of, and without deduction for and on account of, any taxes, commissions and any other charges for the entire term of this Agreement.

(2) The Borrower declares that all payments and transfers under this Agreement, as well as the Agreement itself, are not subject to any tax or any other impost in the country of the Borrower and shall not be so subject for the entire term of this Agreement. If nevertheless the Borrower is required by law to make any such deductions, the Borrower shall pay the requisite additional amounts so that the Lenders receive in full the amounts specified by this Agreement.

(3) All payments by the Borrower shall be made via SWIFT message MT202 in TARGET2 on the value date before 11:00 a.m. Brussels time to the TARGET2 participant SWIFT-BIC: ECBFDEFFBAC, in favour of account number 4050992001, account name "Pooled bilateral loans EC/Lenders" with ref.: "Euro Area Stability Support to Greece", or to such other account as the Commission may instruct the Borrower and the Borrower's Agent by written notice at least two Business Days before the relevant Interest Payment Date (the "**Lenders' Account**").

(4) The Commission shall on behalf of the Lenders advise the Borrower and the Borrower's Agent at least fifteen calendar days prior to each Interest Payment Date of the amount of principal and interest due and payable on such date and of the details (interest rate, interest period) on which the interest calculation is based.

(5) The Borrower shall send to the Lenders and ECB a copy of its payment instructions sent to the Borrower's Agent at least two Business Days prior to the relevant Interest Payment Date.

(6) If the Borrower shall pay an amount in relation to any of the Loans which is less than the total amount due and payable under this Agreement, the Borrower hereby waives any rights it may have to make any appropriation of the amount so paid as to the amounts due.

The amount so paid under a Loan shall be applied in or towards satisfaction of payments due under such Loan in the following sequence:

(a) *first* against any fees, expenses and indemnities;

(b) *second* against any interest for late payments as determined under Article 5(5);

(c) *third* against interest; and

(d) *fourth* against principal,

provided that these amounts are due or overdue for payment on that date.

(7) Any calculation and determination by the Commission under this Agreement:

(a) shall be made in a commercially reasonable manner; and

(b) shall, absent manifest error, be binding on all Lenders and the Borrower.

(8) Where a payment falls to be made under this Agreement on a day which is not a Business Day, such payment will instead be made on the immediately preceding Business Day.

8. **EVENTS OF DEFAULT**

(1) The Lenders, may, by written notice (served by the Commission acting on their behalf) (and acting in accordance with the terms of the Intercreditor Agreement) to the Borrower cancel the Facility and/or declare the outstanding principal amount of the Loans to be immediately due and payable, together with accrued interest, if:

(a) the Borrower shall fail to pay any amount of principal or interest under any Loan or any other amounts due under this Agreement on its due date, whether in whole or in part, in the manner as agreed in this Agreement, in respect of any Loan and such default shall continue for a period of thirty calendar days (in relation to a failure to pay any interest amount or any other amount with the exception of principal) or seven calendar days (in relation to a failure to pay any principal amount) after written notice thereof shall have been given to the Borrower by the Lenders; or

(b) the Borrower or its agencies shall default in the performance of any obligation under this Agreement (including the obligation set out in Article 1(3) to apply Loans in accordance with the terms of the MoU but excluding any other obligations under the MoU), and such default shall continue for a period of one month after written notice thereof shall have been given to the Borrower by the Lenders; or

(c) the Borrower's obligations under this Agreement are declared by a court of competent jurisdiction not to be binding on or enforceable against the Borrower or are declared by a court of competent jurisdiction to be illegal; or

(d) (i) it has been established that in relation to this Agreement or the MoU, the Borrower or the Borrower's Agent has engaged in any illegal activity, or any other actions detrimental to the Lenders or

(ii) any representation or warranty made by the Borrower or the Borrower's Agent under this Agreement is inaccurate, untrue or misleading; or

(e) Relevant Indebtedness of the Borrower having an aggregate principal amount in excess of Euro 250 million is the subject of a declaration of default as defined in any instrument governing or evidencing such indebtedness and as a result of such a declaration of default there is an acceleration of such indebtedness or a *de facto* moratorium on payments; or

(f) the Borrower does not make timely repurchases from the IMF in relation to the IMF Stand-by Arrangement; or

(g) the Borrower does not generally pay its Relevant Indebtedness as it falls due or declares or imposes a moratorium on the payment of the Relevant Indebtedness of the Borrower or of Relevant Indebtedness assumed or guaranteed by it.

For the purposes of the foregoing, "**Relevant Indebtedness**" means External Indebtedness and Public Internal Indebtedness.

"**External Indebtedness**" means all indebtedness of the Borrower or the Borrower's Agent (i) which is denominated or payable in a currency other than the lawful currency of the Borrower and (ii) which was not originally incurred or assumed under an agreement or instrument made with or issued to creditors substantially all of who are residents of Greece or entities having their head office or principal place of business with the territory of Greece.

"**Public Internal Indebtedness**" means all indebtedness of the Borrower which (i) is denominated in the lawful currency of the Borrower, (ii) is in the form of or represented by bonds, notes or other securities or any guarantee thereof and (iii) is or may be quoted or listed or ordinarily purchased and sold on any stock exchange, automated trading system, over the counter or other securities market.

(2) The Lenders may, but are not obliged to, exercise their rights under this Article and may also exercise them only in part without prejudice to the future exercise of such rights. In relation to such rights they shall act in accordance with the terms of the Intercreditor Agreement.

(3) The Borrower shall reimburse all costs, expenses, fees and loss of interest incurred and payable by the Lenders or the Commission as a consequence of an early repayment of any Loan under this Article. The loss of interest is the difference (if it is a positive amount) between the interest rate of the Loan and the interest received from the reinvestment of the amounts repaid early, for the period between the date of the early repayment and the date on which the

Loan matures or can be terminated by the Lenders. In addition, the Borrower shall pay default interest, as provided in Article 5(5) above, which shall accrue as from the date when the outstanding principal amount of the Loan has been declared immediately due and payable, until the date of actual payment in full.

9. **INFORMATION UNDERTAKINGS**

(1) The Borrower shall supply to the Commission for distribution to the Lenders:

(a) all documents dispatched by the Borrower to its creditors generally at the same time as they are dispatched;

(b) a regular report on the progress made in fulfilment of the terms of the MoU;

(c) promptly, such further information regarding its fiscal and economic condition, as any Lender or the Commission may reasonably request; and

(d) any information pertaining to any event which could reasonably be expected to cause an Event of Default to occur (and the steps, if any, being taken to remedy it).

(2) The Borrower undertakes to inform the Lenders and the Commission promptly if any event occurs that would render incorrect any statement made in the Borrower's legal opinion referred to in Article 3(4) above.

10. **UNDERTAKINGS RELATING TO INSPECTIONS, FRAUD PREVENTION AND AUDITS**

The Lenders (in accordance with the instructions of the Euro Area Member States (other than Greece)) shall be entitled to monitor the Borrower's compliance with its obligations hereunder and under the MoU and for this purpose the Lenders will be represented by the Commission and in this connection:

(a) The Commission shall have the right to send its own agents or duly authorised representatives to carry out any technical or financial controls or audits that the Commission considers necessary in relation to the management of the Loan.

(b) The Borrower and the Borrower's Agent shall supply relevant information and documents which may be requested for the purpose of such assessments, controls or audits, and take all suitable measures to facilitate the work of persons instructed to carry them out. The Borrower and the Borrower's Agent undertake to give to the persons

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referred to in sub-paragraph (a) access to sites and premises where the relevant information and documents are kept.

(c) The Borrower and the Borrower's Agent shall ensure investigation and satisfactory treatment of any suspected and actual cases of fraud, corruption or any other illegal activity in relation to the management of the stability support. All such cases as well as measures related thereto taken by national competent authorities shall be reported to the Commission without delay.

11. **NOTICES**

(1) All notices in relation to this Agreement shall be validly given if in writing and sent to the addressees listed in Annex 7. Each party will update addressees and notify it to the other parties hereto upon the same being amended from time to time.

(2) All notices shall be given by registered mail. In case of urgency, they can be given by fax, SWIFT message or by hand-delivered letter to the addressees above mentioned and confirmed by registered mail without undue delay. Notices become effective with the actual receipt of the fax, the SWIFT message or the letter.

(3) All documents, information and materials to be furnished under this Agreement shall be in the English language.

(4) Each party to this Agreement will notify to the others the list and specimen signatures of the persons authorised to act on its behalf under this Agreement, promptly upon its signature of this Agreement. Likewise, each party will update such list and notify it to the other parties hereto upon the same being amended from time to time.

12. **MISCELLANEOUS**

(1) If any one or more of the provisions contained in this Agreement should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement.

(2) The Preamble and the Annexes to this Agreement form an integral part of this Agreement.

(3) A person who is not party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or benefit from any term of this Agreement.

(4) In the event that the Commission has any queries or questions regarding amounts which may be due or unsettled between the Lenders it may refer such issues to the Euro Area Working Group with a view to achieving an amicable resolution of issues between Lenders (acting in accordance with the directions of the Euro Area Member States (other than Greece).

13. **ASSIGNMENT AND TRANSFER**

(1) Any assignment and transfer of a Lender's rights and obligations which is permitted under Article 2 shall take effect as follows: the former Lender, the new Lender and the other Lenders shall enter into an assignment agreement in the form of Annex 6 (an "**Assignment Agreement**") and on the date when this is executed by all of these parties and subject to payment of the relevant amounts due in respect of such assignment and transfer: (i) the existing Lender shall assign absolutely its rights in respect of the Loans and the Agreement expressed to be assigned under the Assignment Agreement; (ii) the existing Lender shall be released by the Borrower and the other Lenders from its obligations under this Agreement in respect of the portion of the Loans being assigned and expressed to be the subject of the Assignment Agreement (the "**Relevant Obligations**"); and (iii) the new Lender shall assume to the Borrower and the other Lenders obligations equivalent to the Relevant Obligations and (if it is not already a Lender) shall become a party to this Agreement as a Lender. A copy of each Assignment Agreement shall be promptly supplied to the Commission and the Lenders shall notify the Borrower promptly of each such Assignment Agreement and the assignment effected thereunder.

(2) Notwithstanding Article 13(1) above, any assignment and transfer of a Lender's rights and obligations under Article 2(4)(b) shall take effect without any need for the prior written consent of all Lenders but the former Lender will promptly notify the other Lenders and the Commission of such assignment and/or transfer.

14. **GOVERNING LAW AND JURISDICTION**

(1) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.

(2) The parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Agreement to the exclusive jurisdiction of the Court of Justice of the European Union.

(3) Judgements of the Court of Justice of the European Union shall be fully binding on and enforceable by the parties.

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(4) The Lenders may enforce any judgement obtained from the Court of Justice of the European Union, or other rights against the Borrower in the courts of the country of the Borrower.

(5) The Borrower hereby irrevocably and unconditionally waives all immunity to which it is or may become entitled, in respect of itself or its assets, from legal proceedings in relation to this Agreement, including, without limitation, immunity from suit, judgement or other order, from attachment, arrest or injunction prior to judgement, and from execution and enforcement against its assets to the extent not prohibited by mandatory law.

15. **ENTRY INTO FORCE**

(1) Following its signature by all parties, this Agreement shall enter into force on the date on which:

(a) the Lenders have received the official notification in the form of the Legal Opinion by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance in the form of Annex 4 that this Agreement has been duly executed on behalf of the Borrower and all of the Borrower's obligations in relation to this Agreement are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same; and

(b) the Commission has received Commitment Confirmations from a Critical Mass of Lenders,

on which date this Agreement shall enter into effect and be binding on and between the Borrower and those Lenders which have provided such Commitment Confirmations.

This Agreement shall enter into force and become binding upon and between the Borrower, the Committed Lenders and each remaining Lender with effect from each date when the Commission receives the Commitment Confirmation of such Lender.

A "**Commitment Confirmation**" means a written confirmation (in accordance with Annex 4 to the Intercreditor Agreement) by a Lender to the Commission that under its national laws it is duly authorised to participate as a Lender under this Agreement.

(2) It is acknowledged and agreed that the Commitment Confirmation of a Lender may be of provisional application in accordance with the national laws and legislation of the relevant Member State. If under applicable national laws the provisional authorisation is revoked, terminated or expires then the Commitment of the relevant Lender shall be revoked and cancelled with respect to future disbursements of Loans but this shall not give rise to

any acceleration of any Loan already disbursed by such Lender under this Agreement.

16. **EXECUTION OF THE AGREEMENT**

This Agreement may be executed in any number of counterparts signed by one or more of the parties. The counterparts each form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

The Commission shall promptly after the signature of this Agreement supply conformed copies of the Agreement to each of the parties.

17. **ANNEXES**

The Annexes to this Agreement shall constitute an integral part hereof:

1. List of the Lenders;
2. Form of Request for Funds;
3. Form of Acceptance Notice;
4. Form of Legal Opinion;
5. EURIBOR Setting Rules;
6. Form of Assignment Agreement; and
7. List of Contacts.

VERŻJONI ELETTRONIKA

Done in Brussels on 8 May 2010 and in Athens 8 May 2010.

HELLENIC REPUBLIC
as Borrower
Represented by
- *signed* -
George Papaconstantinou
Minister of Finance

The following Euro Area Member States

KINGDOM OF BELGIUM, IRELAND,
KINGDOM OF SPAIN,
FRENCH REPUBLIC,
ITALIAN REPUBLIC,
REPUBLIC OF CYPRUS,
GRAND DUCHY OF LUXEMBOURG,
REPUBLIC OF MALTA,
KINGDOM OF THE NETHERLANDS,
REPUBLIC OF AUSTRIA,
PORTUGUESE REPUBLIC,
REPUBLIC OF SLOVENIA,
SLOVAK REPUBLIC and
REPUBLIC OF FINLAND
as Lenders

represented by:

EUROPEAN COMMISSION
Represented by
- *signed* -
Olli Rehn

BANK OF GREECE
as the Borrower's Agent
Represented by
- *signed* -
George Provopoulos
Governor of the Bank of Greece

KfW
acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the **Federal Republic of Germany**
as Lender
Represented by
- *signed* -
Dr. Günther Bräunig
Member of the Managing Board
- *signed* -
Dr. Frank Czichowski
Treasurer

A 1228

ANNEX 1
LIST OF THE LENDERS

	Commitment EUR
Kingdom of Belgium	2.860.942.462,10
Ireland	1.310.046.500,93
Kingdom of Spain	9.794.387.452,71
French Republic	16.773.596.199,72
Italian Republic	14.739.467.996,33
Republic of Cyprus	161.470.573,49
Grand Duchy of Luxembourg	206.054.851,64
Republic of Malta	74.543.025,89
Kingdom of the Netherlands	4.703.995.187,73
Republic of Austria	2.290.192.933,16
Portuguese Republic	2.064.558.742,44
Republic of Slovenia	387.812.451,16
Slovak Republic	817.850.223,95
Republic of Finland	1.478.947.787,45
KfW acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany	22.336.133.611,30

ANNEX 2
FORM OF REQUEST FOR FUNDS

By fax followed by registered mail:

European Commission
[*Insert address*]
Fax: [•]

Copy to the European Central Bank
[*Insert address*]
Fax: [•]

Copy to the Bank of Greece
[*Insert address*]
Fax: [•]

Subject: **Euro Area Stability Support**
Request for Funds for the [•] Loan

Dear Sirs,

We refer to the Loan Facility Agreement made between the Euro Area Member States (other than the Federal Republic of Germany and the Hellenic Republic) and KfW as Lenders and the Hellenic Republic as Borrower signed on [•] (the "**Agreement**"). Terms defined in the Agreement shall have the same meaning herein.

1. We hereby irrevocably request that a Loan be disbursed under and in accordance with the Agreement upon the following terms:

   (a) Principal amount of the Loan to be EUR [___].

   (b) The Net Disbursement Amount of the Loan to be EUR [___].

   (c) The Disbursement Date for the Loan shall be: [___].

   (d) The Loan shall have [no Grace Period] [a Grace Period of [___].

   (e) The Term of the Loan shall be [___] years.

   (f) The scheduled principal repayments of the Loan shall be:

Date (years)	Scheduled Principal Repayments (€)
0	Disbursement

A 1230

2. We acknowledge and agree that:

(a) The list of authorised signatories sent on behalf of the Borrower by the Minister of Finance on [___] remains valid and applicable.

(b) No event has occurred that would render incorrect any statement made in the legal opinion issued by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance dated [___].

(c) No Event of Default has occurred.

Yours faithfully,

ANNEX 3
FORM OF ACCEPTANCE NOTICE

EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS
Finance, coordination with EIB group, EBRD and IFI's

By fax followed by registered mail:
[*Insert Borrower's contact details*]

Copy to the European Central Bank
[*Insert address*]
Fax: [•]

Copy to the Bank of Greece
[*Insert address*]
Fax: [•]

Subject: **Euro Area Stability Support**
Acceptance Notice for the [•] Loan

Dear Sirs,

We refer to: (i) the Loan Facility Agreement between the Euro Area Member States (other than the Federal Republic of Germany and the Hellenic Republic) and KfW as Lenders and the Hellenic Republic as Borrower signed on [*date*] (the "**Agreement**"); and (ii) the Request for Funds notified to the Commission by the Hellenic Republic on [*date*]. Terms defined in the Agreement shall have the same meaning herein.

We hereby confirm the financial terms applicable to the Loan requested by the Hellenic Republic in the above Request for Funds:

(a) Principal amount of the Loan to be EUR [___].

(b) The Net Disbursement Amount of the Loan to be EUR [___].

(c) The Disbursement Date for the Loan shall be: [___].

(d) The Loan shall have [no Grace Period] [a Grace Period of [___].

(e) The Term of the Loan shall be [___] years.

(f) The scheduled principal repayments of the Loan shall be:

A 1232

Date (years)	Scheduled Principal Repayments (€)
0	Disbursement

(g) the Lenders in respect of this Loan comprise:

[ ], [ ], [ ], and [ ]

Yours faithfully,

EUROPEAN COMMISSION

[•] [•]

ANNEX 4
FORM OF LEGAL OPINION

(official letterhead of the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance)

[*place, date*]

To: European Commission
[*Insert address*]

Re: Loan Facility Agreement between certain Euro Area Member States and KfW (as Lenders) and the Hellenic Republic (as Borrower) and the Bank of Greece (as the Borrower's Agent) signed on [•] 2010
Legal Opinion

Dear Sirs,

In our capacity as the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance, we refer to the above referenced Loan Facility Agreement and its Annexes which constitute an integral part thereof (hereinafter together referred to as the "**Agreement**") entered into between, amongs others, certain Euro Area Member States and KfW (hereinafter referred to as the "**Lenders**") and the Hellenic Republic (hereinafter referred to as the "**Borrower**") on [•]. I also refer to the the Memorandum of Economic and Financial Policies, the Memorandum of Understanding on Specific Economic Policy Conditionality and the Technical Memorandum of Understanding (hereinafter referred to together as the "**MoU**").

We warrant that we are fully competent to issue this legal opinion in connection with the Agreement on behalf of the Borrower.

We have examined originals of the Agreement and of the MoU. We have also examined the relevant provisions of national and international law applicable to the Borrower and the Borrower's Agent, the powers of signatories and such other documents as we have deemed necessary or appropriate. Furthermore, we have made such other investigations and reviewed such matters of law as we have considered relevant to the opinion expressed herein.

We have assumed (i) the genuineness of all signatures (except the Borrower and the Borrower's Agent) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Agreement of, and their valid authorisation and signing by, each party other than the Borrower and the Borrower's Agent and (iii) the validity, binding effect and enforceability of the Agreement on each party under the laws of England.

Terms used and not defined in this opinion shall have the meaning set out in the Agreement in the MoU.

This opinion is limited to Hellenic law as it stands at the date of this opinion.

Subject to the foregoing, we are of the opinion that:

1. With respect to the laws, regulations and legally binding decisions currently in force in the Hellenic Republic, the Borrower is by the execution of the Agreement and the MoU by [*insert name*], Minister of Finance, validly and irrevocably committed to fulfil all of its obligations under it. In particular, the provisions of the Agreement relating to the advance of Loans are fully valid.

2. The Borrower's execution, delivery and performance of the Agreement and the MoU: (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) have not and will not violate any applicable regulation or ruling of any competent authority or any agreement or Treaty binding on it.

3. Nothing in this Agreement contravenes or limits the rights of the Borrower to make punctual and effective payment of any sum due for the principal, interest or other charges under the Agreement.

4. The Agreement and the MoU are in proper legal form under Hellenic laws for enforcement against the Borrower and the Borrower's Agent. The enforcement of the Agreement would not be contrary to mandatory provisions of Hellenic law, to the ordre public of the Hellenic Republic, to international treaties or to generally accepted principles of international law binding on the Borrower.

5. It is not necessary in order to ensure the legality, validity or enforceability of the Agreement and the MoU that they be filed, recorded, or enrolled with any court or authority in the Hellenic Republic.

6. No taxes, duties, fees or other charges imposed by the Hellenic Republic or any taxing authority thereof or therein are payable in connection with the execution and delivery of the Agreement and with any payment or transfer of principal, interest, commissions and other sums due under the Agreement.

7. No exchange control authorisations are required and no fees or other commission are to be paid on the transfer of any sum due under the Agreement.

8. The signature of the Agreement and the MoU by [*insert name*], Governor of the Bank of Greece legally and validly binds the Borrower's Agent.

9. The choice of English law as governing law for the Agreement is a valid choice of law binding the Borrower in accordance with Hellenic law.

10. The Borrower has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the Court of Justice of the European Union in connection with the Agreement and any judgement of this court would be conclusive and enforceable in the Hellenic Republic.

11. Neither the Borrower nor any of its property are immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Agreement.

12. The execution of the Agreement and the MoU has been made upon the provisions of [*insert appropriate reference to national law*].

13. The Agreement and the MoU have been validly ratified in accordance with provisions of [*insert appropriate reference to national law*].

14. In conclusion, the Agreement and the MoU have been duly executed on behalf of the Borrower and all the Borrower's obligations in relation to the Agreement and the MoU are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance

VERŻJONI ELETTRONIKA

ANNEX 5
EURIBOR SETTING RULES

1. The EURIBOR for each Interest Period in respect of a Loan shall be fixed by the Commission in accordance with the following stipulations:

   (1) the EURIBOR for the Interest Period shall be expressed as an annual interest rate. It shall correspond to the reference interest rate determined in accordance with points (2) to (4);

   (2) on the second-last Business Day before the Disbursement Date and each Interest Payment Date (hereinafter referred to as the "**Interest Determination Date**"), the Commission, referring to the EURIBOR for three-month EUR deposits as quoted by the European Banking Federation on the Reuters 3000 XTRA monitor page EURIBOR 01 at, or around, 11 a.m. (Brussels time), shall determine the reference interest rate for the Interest Period following the respective Interest Determination Date;

   (3) in the event of the Reuters 3000 XTRA monitor page EURIBOR 01 not publishing the EURIBOR on an Interest Determination Date as per point (2), the Commission shall, by analogy to the procedure under point (2), determine the reference interest rate as the EURIBOR, referring to a succeeding, or alternative page with corresponding information; and

   (4) if, on an Interest Determination Date, no EURIBOR reference interest rates are quoted as described under points (2) and (3), the reference interest rate for the next interest period shall correspond to the three month EUREPO reference rate plus 25 basis points as published by the European Banking Federation on the Reuters 3000 XTRA monitor page EUREPO at or around 11 a.m. (Brussels time). If none of these interest rates are quoted as described, the reference interest rate for the next Interest Period shall correspond to the Lenders' actual financing costs.

2. The interest to be paid on the Loan shall be calculated by determining the amount to be paid on the outstanding principal amount according to the applicable Interest Rate, multiplying this result by the actual number of days in the respective Interest Period and then dividing by 360 days.

VERŻJONI ELETTRONIKA

ANNEX 6
FORM OF ASSIGNMENT AGREEMENT

Dated:

EUR 80 000 000 000 Loan Facility Agreement
dated [ ] (the "Agreement")

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.

2. We refer to Article 13 (Assignment and Transfer) of the Agreement:

   (a) The Existing Lender(s) assign(s) absolutely to the New Lender(s) all the rights of the Existing Lender(s) under the Agreement and the Loans which relate to that portion of the Existing Lender's/Lenders' Commitments and Participations in Loans under the Agreement as are specified in the Schedule.

   (b) Each Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and Participations in Loans under the Agreement specified in the Schedule.

   (c) The New Lender(s) become(s) a party to the Agreement as a Lender and is/are bound by obligations equivalent to those from which the Existing Lender(s) is/are released under paragraph (b) above.

3. The proposed transfer date is [ ].

4. This Assignment Agreement shall upon delivery to the Borrower constitute notice of assignment to the Borrower.

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

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

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

A 1238

SCHEDULE
TO THE ASSIGNMENT AGREEMENT

Rights to be assigned and obligations to be released and undertaken

[insert relevant details]

[Existing Lender(s)]	[New Lender(s)]
By:	By:

This Assignment Agreement is counter-signed by each of the other Lenders and the transfer date is confirmed as [•].

Signature of this Assignment Agreement by the Lenders constitutes confirmation by each of them of receipt of notice of the assignments referred to herein. A copy of this Assignment Agreement shall be supplied to the Commission promptly.

By:

The Lenders

ANNEX 7

LIST OF CONTACTS

For the Lenders and Commission:

European Commission
Directorate General Economic and Financial Affairs –
Unit L-4 "Lending, Borrowing, Accounting and Back Office"
L-2920 Luxembourg
Attention: Head of Unit
Fax: + 352 4301 33459
SWIFT BIC: EUCOLULL

With copy to the ECB:

European Central Bank
Kaiserstrasse 29
60311 Frankfurt am Main, Germany
Attention: Head of Financial Operations Services Division
Fax: + 49 69 1344 6171
SWIFT BIC: ECBFDEFFBAC

For the Borrower:

Ministry of Finance
General Accounting Office
37, E. Venizelos str.
101 65 Athens, Greece
Attention: 23rd Division
Fax: + 30 210 3338205

With copy to the Borrower's Agent:

Bank of Greece
21, E. Venizelos str.
102 50 Athens, Greece
Attention: Government Financial Operations & Accounts Department
Government Accounts Section
Fax: + 30 210 3221007
SWIFT BIC: BNGRGRAA

A 1240

SECOND SCHEDULE

Loan Facility Agreement entered into in Brussels
on the 14th June 2011

AMENDMENT TO THE

EUR 80 000 000 000
LOAN FACILITY AGREEMENT

between

THE FOLLOWING MEMBER STATES WHOSE CURRENCY IS THE EURO:

KINGDOM OF BELGIUM, IRELAND, KINGDOM OF SPAIN, FRENCH REPUBLIC, ITALIAN REPUBLIC, REPUBLIC OF CYPRUS, GRAND DUCHY OF LUXEMBOURG, REPUBLIC OF MALTA, KINGDOM OF THE NETHERLANDS, REPUBLIC OF AUSTRIA, PORTUGUESE REPUBLIC, REPUBLIC OF SLOVENIA and REPUBLIC OF FINLAND

and

KfW, acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany,

as Lenders

and

THE HELLENIC REPUBLIC
as Borrower

THE BANK OF GREECE
as Agent to the Borrower

THIS AMENDMENT (the "**Amendment**") **TO THE EUR 80 000 000 000 LOAN FACILITY AGREEMENT DATED 8 MAY 2010**
is made by and between:

(A) The following Member States whose currency is the euro: Kingdom of Belgium, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia and Republic of Finland, represented by the European Commission (hereinafter referred to as the "**Commission**") and **KfW** acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany (hereinafter referred to as the "**Lenders**" and each, a "**Lender**");

(B) The **Hellenic Republic** (hereinafter referred to as **"Greece"** or the "**Borrower**"), represented by the Minister of Finance; and

(C) The **Bank of Greece** acting as agent on behalf of the Borrower (hereinafter referred to as the "**Borrower's Agent**"), represented by the Governor of the Bank of Greece.

PREAMBLE

Whereas:

(1) A EUR 80 000 000 000 Loan Facility Agreement dated 8 May 2010 (hereinafter referred to as the "**Agreement**") has been made between the Lenders and the Hellenic Republic and the Bank of Greece.

(2) The Heads of State and Government of the Euro Area concluded on 11 March 2011 that, in view of the commitments undertaken by Greece in the context of the adjustment programme, the interest rate on its loan will be adjusted by 100 basis points and the maturity of all loans will be increased to 7.5 years.

(3) The Lenders in all their functions, rights and obligations under this Agreement act through and are represented by the Commission. The Lenders have agreed to act in a coordinated manner and to channel communications to the Commission through the Eurogroup Working Group Chairman.

(4) The Federal Republic of Germany (**"Germany"**) has designated KfW as Lender on behalf of Germany for the purposes of the Agreement. Accordingly, references to KfW as Lender refer to KfW acting in the public interest, subject to the instructions of and with the benefit of the guarantee of Germany also for the purposes of this Amendment.

Now, therefore, the parties hereto have agreed as follows:

1. **AMENDMENTS TO THE LOAN FACILITY AGREEMENT**

The Agreement is hereby amended as follows:

(1) In Article 3, paragraph 3, point (c) shall be replaced by the following:

"the requested grace period for such Loan, if any, during which no repayments of principal have to be made by the Borrower and which may not exceed a period of four years and six months from the Disbursement Date (the "**Grace Period**")".

(2) In Article 3, paragraph 3, point (d) shall be replaced by the following:

"the term of the requested Loan which may not exceed ten years from the Disbursement Date of the Loan and the last day of which must be an Interest Payment Date (as defined below) (the "**Term**"); and".

(3) In Article 5, paragraph 1, point (b) shall be replaced by the following:

"a margin equal to:

(i) 200 basis points, in respect of any Interest Periods commencing on or after the Disbursement Date of a Loan up to and including the Interest Period ending on the third anniversary of such Disbursement Date or, if this is not an Interest Payment Date, the first Interest Payment Date after the third anniversary of such Disbursement Date; and

(ii) 300 basis points in respect of any subsequent Interest Periods."

(4) All other Articles remain unchanged.

2. **GOVERNING LAW AND JURISDICTION**

(1) This Amendment and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.

(2) The parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Amendment to the exclusive jurisdiction of the Court of Justice of the European Union.

(3) Judgements of the Court of Justice of the European Union shall be fully binding on and enforceable by the parties.

(4) The Lenders may enforce any judgement obtained from the Court of Justice of the European Union, or other rights against the Borrower in the courts of the country of the Borrower.

(5) The Borrower hereby irrevocably and unconditionally waives all immunity to which it is or may become entitled, in respect of itself or its assets, from legal proceedings in relation to this Amendment, including, without limitation, immunity from suit, judgement or other order, from attachment, arrest or injunction prior to judgement, and from execution and enforcement against its assets to the extent not prohibited by mandatory law.

3. ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS

(1) Following its signature by all parties, this Amendment shall enter into force on the date on which:

(a) the Lenders have received the official notification in the form of the Legal Opinion by the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance in the form of Annex 1 that this Amendment has been duly executed on behalf of the Borrower and all of the Borrower's obligations in relation to this Amendment are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same; and

(b) the Commission has received a written confirmation from the Eurogroup Working Group Chairman that all Lenders under their national laws are duly authorised to be bound under this Amendment,

on which date this Amendment shall enter into effect and be binding on and between the Borrower, the Borrower's Agent and all Lenders. The Commission shall notify the Borrower, the Borrower's Agent and the Lenders about the date of entry into force.

It is acknowledged and agreed that the authorization of a Lender to be bound under this Amendment may be of provisional application in accordance with the national laws and legislation of the relevant Member State.

(2) The following transitional provisions shall apply in relation to the Loans that have been disbursed before the entry into force of this Amendment:

(a) the Scheduled Principal Repayments specified in the Acceptance Notices issued hitherto shall be modified and replaced by the Scheduled Principal Repayments as set out in the Annex 2 of this Amendment;

(b) if one or more Acceptance Notices are issued between the signature of this Amendment by all parties and the entry into force thereof, the Commission shall, upon the entry into force of this Amendment, issue an amended Acceptance Notice which, from its date of issuance by the Commission, shall modify the Scheduled Principal Repayments set out in such Acceptance Notice(s) so that the Grace Period and the Term specified in such Acceptance Notice(s) are as long as allowed under Articles 1(1) and 1(2) of this Amendment; and

(c) the margin foreseen in Article 1(3) of this Amendment shall apply starting from (and including) the Interest Period during which this Amendment is signed by all parties. If one or more Interest Payment Dates occur between the signature by all parties of this Amendment and its entry into force, the difference between (i) the interest that the Borrower paid on any such Interest Payment Dates and (ii) the interest calculated by applying the margin as specified in Article 1(3) of the Amendment, shall be compensated to the Borrower through an equivalent reduction of the interest due on the next Interest Payment Date, provided that the Amendment enters into force at least thirty (30) calendar days prior to it. If the Amendment enters into force less than thirty (30) calendar days prior to an Interest Payment Date, the reduction shall occur on the following Interest Payment Date. If the amount of the reduction exceeds the interest due on a single Interest Payment Date, the remaining part shall be compensated on a subsequent Interest Payment Date. The Commission shall advise the Lenders, the Borrower and the Borrower's Agent about the reduction.

4. EXECUTION OF THE AGREEMENT

This Amendment may be executed in any number of counterparts signed by one or more of the parties. The counterparts each form an integral part of the original Amendment and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Amendment.

The Commission shall promptly after the signature of this Amendment supply conformed copies of the Amendment to each of the parties.

5. INTERPRETATION AND ANNEXES

(1) Unless otherwise defined in this Amendment or the context requires otherwise, capitalized terms used in this Amendment shall have the meaning given to them in the Agreement.

(2) The Annexes to this Amendment shall constitute an integral part hereof:

1. Form of Legal Opinion.

2. Amended Scheduled Principal Repayments.

3. List of Contacts.

Done in Brussels on 14 June 2011 and in Athens 10 June 2011.

HELLENIC REPUBLIC
as Borrower
Represented by

George Papaconstantinou
Minister of Finance

The following Euro Area Member States

KINGDOM OF BELGIUM, IRELAND,
KINGDOM OF SPAIN,
FRENCH REPUBLIC,
ITALIAN REPUBLIC,
REPUBLIC OF CYPRUS,
GRAND DUCHY OF LUXEMBOURG,
REPUBLIC OF MALTA,
KINGDOM OF THE NETHERLANDS,
REPUBLIC OF AUSTRIA,
PORTUGUESE REPUBLIC,
REPUBLIC OF SLOVENIA and
REPUBLIC OF FINLAND
as Lenders

represented by:

EUROPEAN COMMISSION
Represented by

Olli Rehn

BANK OF GREECE
as the Borrower's Agent
Represented by

George Provopoulos
Governor of the Bank of Greece

KfW
acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the **Federal Republic of Germany**
as Lender
Represented by

VERŻJONI ELETTRONIKA

Done in Brussels on 14 June 2011 and in Athens 16 June 2011.

HELLENIC REPUBLIC
as Borrower
Represented by

George Papaconstantinou
Minister of Finance

The following Euro Area Member States

KINGDOM OF BELGIUM, IRELAND,
KINGDOM OF SPAIN,
FRENCH REPUBLIC,
ITALIAN REPUBLIC,
REPUBLIC OF CYPRUS,
GRAND DUCHY OF LUXEMBOURG,
REPUBLIC OF MALTA,
KINGDOM OF THE NETHERLANDS,
REPUBLIC OF AUSTRIA,
PORTUGUESE REPUBLIC,
REPUBLIC OF SLOVENIA and
REPUBLIC OF FINLAND
as Lenders

represented by:

EUROPEAN COMMISSION
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Olli Rehn

BANK OF GREECE
as the Borrower's Agent
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KfW
acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the **Federal Republic of Germany**
as Lender
Represented by

VERŻJONI ELETTRONIKA

Done in Brussels on 14 June 2011 and in Athens 10 June 2011.

HELLENIC REPUBLIC
as Borrower
Represented by

George Papaconstantinou
Minister of Finance

The following Euro Area Member States

KINGDOM OF BELGIUM, IRELAND,
KINGDOM OF SPAIN,
FRENCH REPUBLIC,
ITALIAN REPUBLIC,
REPUBLIC OF CYPRUS,
GRAND DUCHY OF LUXEMBOURG,
REPUBLIC OF MALTA,
KINGDOM OF THE NETHERLANDS,
REPUBLIC OF AUSTRIA,
PORTUGUESE REPUBLIC,
REPUBLIC OF SLOVENIA and
REPUBLIC OF FINLAND
as Lenders

represented by:

EUROPEAN COMMISSION
Represented by

Olli Rehn

BANK OF GREECE
as the Borrower's Agent
Represented by

George Provopoulos
Governor of the Bank of Greece

KfW
acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the **Federal Republic of Germany**
as Lender
Represented by

A 1248

ANNEX 1
FORM OF LEGAL OPINION

(official letterhead of the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance)

[*place, date*]

To: European Commission
[*Insert address*]

Re: Amendment dated [•] 2011 to the Loan Facility Agreement between certain Euro Area Member States and KfW (as Lenders) and the Hellenic Republic (as Borrower) and the Bank of Greece (as the Borrower's Agent) signed on 8 May 2010 (the "Loan Facility Agreement")
Legal Opinion

Dear Sirs,

In our capacity as the Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance, we refer to the above referenced Amendment and its Annexes which constitute an integral part thereof (hereinafter together referred to as the "**Amendment**") entered into between, amongs others, certain Euro Area Member States and KfW (hereinafter referred to as the "**Lenders**") and the Hellenic Republic (hereinafter referred to as the "**Borrower**") on [•] 2011.

We warrant that we are competent to issue this legal opinion in connection with the Amendment on behalf of the Borrower.

We have examined originals of the Amendment. We have also examined the relevant provisions of national and international law applicable to the Borrower and the Borrower's Agent, the powers of signatories and such other documents as we have deemed necessary or appropriate. Furthermore, we have made such other investigations and reviewed such matters of law as we have considered relevant to the opinion expressed herein.

We have assumed (i) the genuineness of all signatures (except the Borrower and the Borrower's Agent) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Amendment of, and their valid authorisation and signing by,

VERŻJONI ELETTRONIKA

each party other than the Borrower and the Borrower's Agent and (iii) the validity, binding effect and enforceability of the Amendment on each party under the laws of England.

Terms used and not defined in this opinion shall have the meaning set out in the Loan Facility Agreement and the Amendment.

This opinion is limited to Hellenic law as it stands at the date of this opinion.

Subject to the foregoing, we are of the opinion that:

1. With respect to the laws, regulations and legally binding decisions currently in force in the Hellenic Republic, the Borrower is by the execution of the Amendment by [*insert name*], Minister of Finance, validly and irrevocably committed to fulfil all of its obligations under it.

2. The Borrower's execution, delivery and performance of the Amendment: (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) have not and will not violate any applicable regulation or ruling of any competent authority or any agreement or Treaty binding on it.

3. Nothing in this Amendment contravenes or limits the rights of the Borrower to make punctual and effective payment of any sum due for the principal, interest or other charges under the Amendment.

4. The Amendment is in proper legal form under Hellenic laws for enforcement against the Borrower and the Borrower's Agent. The enforcement of the Amendment would not be contrary to mandatory provisions of Hellenic law, to the ordre public of the Hellenic Republic, to international treaties or to generally accepted principles of international law binding on the Borrower.

5. It is not necessary in order to ensure the legality, validity or enforceability of the Amendment that it be filed, recorded, or enrolled with any court or authority in the Hellenic Republic.

6. No taxes, duties, fees or other charges imposed by the Hellenic Republic or any taxing authority thereof or therein are payable in connection with the execution and delivery of the Amendment and with any payment or transfer of principal, interest, commissions and other sums due under the Amendment.

7. No exchange control authorisations are required and no fees or other commission are to be paid on the transfer of any sum due under the Amendment.

8. The signature of the Amendment by [*insert name*], Governor of the Bank of Greece legally and validly binds the Borrower's Agent.

9. The choice of English law as governing law for the Amendment is a valid choice of law binding the Borrower in accordance with Hellenic law.

10. The Borrower has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the Court of Justice of the European Union in connection with the Amendment and any judgement of this court would be conclusive and enforceable in the Hellenic Republic.

11. Neither the Borrower nor any of its property are immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Amendment.

12. The execution of the Amendment has been made upon the provisions of Law 3845/2010 (Government Gazette A'65) as amended by Law 3847/2010 (Government Gazette A'67)).

13. Under the Hellenic law no ratification from Parliament is required for the Amendment in order to be effective and binding (Law 3847/2010 (Government Gazette A'67)).

14. In conclusion, the Amendment has been duly executed on behalf of the Borrower and all the Borrower's obligations in relation to the Amendment and the Loan Facility Agreement, as amended by the Amendment, are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

Legal Advisor to the State at the Ministry of Justice, Transparency and Human Rights and the Legal Advisor to the State at the Ministry of Finance

ANNEX 2

AMENDED SCHEDULED PRINCIPAL REPAYMENTS

1. The Scheduled Principal Repayments of the 1st Loan shall be as follows:

Contractual / Effective Payment Dates	Scheduled Principal Repayments (€)
15.12.2014 / 15.12.2014	659,090,909.09
15.03.2015 / 13.03.2015	659,090,909.09
15.06.2015 / 15.06.2015	659,090,909.09
15.09.2015 / 15.09.2015	659,090,909.09
15.12.2015 / 15.12.2015	659,090,909.09
15.03.2016 / 15.03.2016	659,090,909.09
15.06.2016 / 15.06.2016	659,090,909.09
15.09.2016 / 15.09.2016	659,090,909.09
15.12.2016 / 15.12.2016	659,090,909.09
15.03.2017 / 15.03.2017	659,090,909.09
15.06.2017 / 15.06.2017	659,090,909.09
15.09.2017 / 15.09.2017	659,090,909.09
15.12.2017 / 15.12.2017	659,090,909.09
15.03.2018 / 15.03.2018	659,090,909.09
15.06.2018 / 15.06.2018	659,090,909.09
15.09.2018 / 14.09.2018	659,090,909.09
15.12.2018 / 14.12.2018	659,090,909.09
15.03.2019 / 15.03.2019	659,090,909.09
15.06.2019 / 14.06.2019	659,090,909.09
15.09.2019 / 13.09.2019	659,090,909.09
15.12.2019 / 13.12.2019	659,090,909.09
15.03.2020 / 13.03.2020	659,090,909.11

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2. The Scheduled Principal Repayments of the 2nd Loan shall be as follows:

Contractual / Effective Payment Dates	Scheduled Principal Repayments (€)
15.03.2015 / 13.03.2015	295,454,545.45
15.06.2015 / 15.06.2015	295,454,545.45
15.09.2015 / 15.09.2015	295,454,545.45
15.12.2015 / 15.12.2015	295,454,545.45
15.03.2016 / 15.03.2016	295,454,545.45
15.06.2016 / 15.06.2016	295,454,545.45
15.09.2016 / 15.09.2016	295,454,545.45
15.12.2016 / 15.12.2016	295,454,545.45
15.03.2017 / 15.03.2017	295,454,545.45
15.06.2017 / 15.06.2017	295,454,545.45
15.09.2017 / 15.09.2017	295,454,545.45
15.12.2017 / 15.12.2017	295,454,545.45
15.03.2018 / 15.03.2018	295,454,545.45
15.06.2018 / 15.06.2018	295,454,545.45
15.09.2018 / 14.09.2018	295,454,545.45
15.12.2018 / 14.12.2018	295,454,545.45
15.03.2019 / 15.03.2019	295,454,545.45
15.06.2019 / 14.06.2019	295,454,545.45
15.09.2019 / 13.09.2019	295,454,545.45
15.12.2019 / 13.12.2019	295,454,545.45
15.03.2020 / 13.03.2020	295,454,545.45
15/06/2020 / 15/06/2020	295,454,545.55

3. The Scheduled Principal Repayments of the 3rd Loan shall be as follows:

Contractual / Effective Payment Dates	Scheduled Principal Repayments (€)
15.09.2015 / 15.09.2015	295,454,545.45
15.12.2015 / 15.12.2015	295,454,545.45
15.03.2016 / 15.03.2016	295,454,545.45
15.06.2016 / 15.06.2016	295,454,545.45
15.09.2016 / 15.09.2016	295,454,545.45
15.12.2016 / 15.12.2016	295,454,545.45
15.03.2017 / 15.03.2017	295,454,545.45
15.06.2017 / 15.06.2017	295,454,545.45
15.09.2017 / 15.09.2017	295,454,545.45
15.12.2017 / 15.12.2017	295,454,545.45
15.03.2018 / 15.03.2018	295,454,545.45
15.06.2018 / 15.06.2018	295,454,545.45
15.09.2018 / 14.09.2018	295,454,545.45
15.12.2018 / 14.12.2018	295,454,545.45
15.03.2019 / 15.03.2019	295,454,545.45
15.06.2019 / 14.06.2019	295,454,545.45
15.09.2019 / 13.09.2019	295,454,545.45
15.12.2019 / 13.12.2019	295,454,545.45
15.03.2020 / 13.03.2020	295,454,545.45
15/06/2020 / 15/06/2020	295,454,545.45
15.09.2020 / 15.09.2020	295,454,545.45
15.12.2020 / 15.12.2020	295,454,545.55

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4. The Scheduled Principal Repayments of the 4th Loan shall be as follows:

Contractual / Effective Payment Dates	Scheduled Principal Repayments (€)
15.12.2015 / 15.12.2015	495,454,545.45
15.03.2016 / 15.03.2016	495,454,545.45
15.06.2016 / 15.06.2016	495,454,545.45
15.09.2016 / 15.09.2016	495,454,545.45
15.12.2016 / 15.12.2016	495,454,545.45
15.03.2017 / 15.03.2017	495,454,545.45
15.06.2017 / 15.06.2017	495,454,545.45
15.09.2017 / 15.09.2017	495,454,545.45
15.12.2017 / 15.12.2017	495,454,545.45
15.03.2018 / 15.03.2018	495,454,545.45
15.06.2018 / 15.06.2018	495,454,545.45
15.09.2018 / 14.09.2018	495,454,545.45
15.12.2018 / 14.12.2018	495,454,545.45
15.03.2019 / 15.03.2019	495,454,545.45
15.06.2019 / 14.06.2019	495,454,545.45
15.09.2019 / 13.09.2019	495,454,545.45
15.12.2019 / 13.12.2019	495,454,545.45
15.03.2020 / 13.03.2020	495,454,545.45
15/06/2020 / 15/06/2020	495,454,545.45
15.09.2020 / 15.09.2020	495,454,545.45
15.12.2020 / 15.12.2020	495,454,545.45
15.03.2021 / 15.03.2021	495,454,545.55

ANNEX 3

LIST OF CONTACTS

For the Lenders and Commission:

European Commission
Directorate General Economic and Financial Affairs –
Unit L-4 "Lending, Borrowing, Accounting and Back Office"
L-2920 Luxembourg
Attention: Head of Unit
Fax: + 352 4301 33459
SWIFT BIC: EUCOLULL

With copy to the ECB:

European Central Bank
Kaiserstrasse 29
60311 Frankfurt am Main, Germany
Attention: Head of Financial Operations Services Division
Fax: + 49 69 1344 6171
SWIFT BIC: ECBFDEFFBAC

For the Borrower:

Ministry of Finance
General Accounting Office
37, E. Venizelos str.
101 65 Athens, Greece
Attention: 23rd Division
Fax: + 30 210 3338205

With copy to the Borrower's Agent:

Bank of Greece
21, E. Venizelos str.
102 50 Athens, Greece
Attention: Government Financial Operations & Accounts Department
Government Accounts Section
Fax: + 30 210 3221007
SWIFT BIC: BNGRGRAA

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THIRD SCHEDULE

Intercreditor Agreement entered into in Brussels on the 8th May 2010

CONFORMED COPY

INTERCREDITOR AGREEMENT

between

KINGDOM OF BELGIUM
FEDERAL REPUBLIC OF GERMANY
IRELAND
KINGDOM OF SPAIN
FRENCH REPUBLIC
ITALIAN REPUBLIC
REPUBLIC OF CYPRUS
GRAND DUCHY OF LUXEMBOURG
REPUBLIC OF MALTA
KINGDOM OF THE NETHERLANDS
REPUBLIC OF AUSTRIA
PORTUGUESE REPUBLIC
REPUBLIC OF SLOVENIA
SLOVAK REPUBLIC
AND
REPUBLIC OF FINLAND

8 May 2010

THIS INTERCREDITOR AGREEMENT (the "**Agreement**")

is made by and between:

Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland (referred to hereafter as the "**Parties**").

PREAMBLE

Whereas:

(1) Greece (the "**Borrower**") has on 23 April 2010 requested bilateral loans from the other Euro Area Member States in accordance with the Statement of the Heads of State and Government of the euro area of 25 March 2010 and the Statement of the Eurogroup of 11 April 2010.

(2) Pursuant to that request, the representatives of the Euro Area Member States (other than Greece) have decided on 2 May 2010 to provide stability support to Greece in an intergovernmental framework via pooled bilateral loans (the "**Pooled Bilateral Loans**").

(3) Representatives of the Member States of the European Union have decided on 5 May 2010 to entrust the Commission with the tasks in relation to coordination and management of the Pooled Bilateral Loans as set out in this Agreement.

(5) The Pooled Bilateral Loans will be governed by the provisions of a loan facility agreement (the "**Loan Facility Agreement**") to be entered into between the Parties to this Agreement, other than the Federal Republic of Germany ("**Germany**"), and KfW ("**KfW**") as Lenders (the "**Lenders**") and the Borrower and by the terms of this Agreement.

(6) Measures concerning the coordination and surveillance of the budgetary discipline of Greece and setting out economic policy guidelines for Greece will be defined in a Council Decision on the basis of Articles 126(9) and 136 of the Treaty on the Functioning of the European Union (the "**Council Decision**"), and the support granted to Greece is made dependent on compliance by Greece amongst others with measures consistent with such act and laid down in a Memorandum of Economic and Financial Policies, Memorandum of Understanding on Specific Economic Policy Conditionality and Technical Memorandum of Understanding (hereinafter referred together as the "**MoU**") each signed on 3 May 2010 by the Borrower and the Bank of Greece.

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(7) The Commission will open an account in the name of the Lenders with the European Central Bank (the "**ECB**"), to be used for processing all payments on behalf of the Parties, KfW and the Borrower in the context of the Pooled Bilateral Loans.

Now, therefore, the Parties have agreed as follows:

1. **OBJECT**

1. The Parties hereby agree that the Commission will represent them in organising and administering the Pooled Bilateral Loans to be granted to the Borrower pursuant to the terms of the Loan Facility Agreement. The Parties hereby further agree on certain arrangements among themselves relating to their mutual relationship.

2. Upon the Commission having received Commitment Confirmations (as set out in Annex 4) from at least five Parties comprising at least 2/3 of the Total Commitment (a "**Critical Mass of Member States**"), this Agreement shall enter into effect and be binding on and between those Parties which have provided such Commitment Confirmations. This Agreement shall enter into force and become binding upon each remaining Party with effect from the date when the Commission receives the Commitment Confirmation of such Party. It is acknowledged and agreed that the Commitment Confirmation of a Party may be of provisional application in accordance with the national laws and legislation of the relevant Party.

3. Germany shall designate KfW as Lender on behalf of Germany for the purposes of the Loan Facility Agreement. Germany may also appoint KfW as its delegate in relation to the performance of certain duties and functions under this Agreement provided that KfW shall not be entitled to represent Germany for the purposes of Articles 4, 7 and 8. Notwithstanding such delegation, Germany shall remain fully liable for the performance of its obligations under this Agreement. Accordingly, in this Agreement and in relation to Germany, references to Party and the duties, functions and obligations of a Party refer to Germany and references to Lenders and the duties, functions and obligations of Lenders refer to KfW as Lender under the Loan Facility Agreement acting in the public interest, subject to the instructions of and with the benefit of the guarantee of Germany provided that where a function, duty or obligation is imposed on a Lender under this Agreement, Germany shall, as Party to this Agreement, ensure to the other Parties and the Commission the performance by KfW as Lender under the Loan Facility Agreement of such duty, function or obligation.

4. Unless otherwise herein defined, capitalised words and expressions used in this Agreement shall have the meaning ascribed to them in the Loan Facility Agreement.

2. LOAN FACILITY AGREEMENT

1. The Parties agree that the Commission on behalf of the Parties shall negotiate (i) the Loan Facility Agreement under which the Pooled Bilateral Loans will, subject to the terms and conditions set out therein, be made available to the Borrower; (ii) the MoU with the Borrower; and (iii) collect and hold in safe custody any conditions precedents. The Parties (other than Germany) hereby authorise the Commission to sign the Loan Facility Agreement on their behalf, subject to the prior approval by all of them, after having liaised with the ECB. The Parties hereby authorise the Commission to sign the MoU on their behalf, subject to the prior approval by all of them, after having liaised with the ECB. These authorisations and the authorisation referred to in Article 3 shall take immediate effect as of the signature of this Agreement notwithstanding the terms of Article 1(2) above.

   The Parties may participate in the negotiations with the Borrower led by the Commission.

2. The Loan Facility Agreement shall have a total principal amount of up to EUR 80 billion, corresponding to the aggregate of the bilateral loans which may be made by all of the Lenders (referred to therein as the "**Loan Facility**").

3. The Commitment of each Party and, in addition, in the case of Germany, of the respective Lender KfW under the Loan Facility Agreement will be the aggregate amount of the bilateral loan, as may be divided in annual tranches, which such Party (Germany on behalf of KfW) or the respective Lender has committed to make available, *i.e.* the EUR amount determined by applying the percentage set out next to each Party's name in the third column (the "**Contribution Key**") in Annex 2, to the total principal amount of EUR 80 billion, as may be amended from time to time in accordance with Articles 2(5)(b) and 2(7).

4. The Commitment of each Party (Germany on behalf of KfW) and of the respective Lender to provide the corresponding bilateral loan is firm and binding. It is only subject to the fulfilment of any procedures[1] that are required under each Party's national law. Parties shall make their best efforts to complete such procedures swiftly. If these procedures are successfully completed, the Parties will then be required to participate in the Loans or ensure that the respective Lender participates, within the respective Commitment taking into account the annual tranches referred to in Article 2(3), if applicable, for the amounts to be determined by the Commission in accordance with this Agreement, subject to the decisions referred to in Articles 2(5)(b) and 4(2) as regards the release of disbursements.

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[1] In particular parliamentary authorisation.

5. (a) If a Lender encounters higher funding costs than those applicable to the Borrower under the Loan Facility Agreement, such Lender shall inform the other Parties and the Commission (through the Euro Working Group Chairman) and request that the interest applicable to the outstanding Loans be determined in accordance with Annex 3.

(b) If a Lender encounters higher funding costs, it may by written notice together with supporting information satisfactory to the other Lenders request the Parties (with a copy to the Commission and the Euro Working Group Chairman) to accept that the Lender in question does not participate in the Loans to be made. The decision of the Parties is to be made at the latest when they decide upon a Loan in accordance with Article 4(2).

6. An up-front Service Fee calculated on the principal amount of each Loan shall be charged to the Borrower and deducted from the cash amount to be remitted to the Borrower in respect of each such Loan (such that the Borrower receives the net amount), to cover operational costs. The Service Fee will be deducted from the cash amount remitted to Borrower in respect of each Loan (but shall not reduce the principal amount of such Loan that the Borrower is liable to repay) and will be allocated by the Commission to the Lenders actually contributing to that disbursement, proportionally to the participation of each such Lender in the total amount of that Loan. In the event of a re-allocation of the Loans made by different Lenders in accordance with Article 6(2) there shall be a re-allocation of such Service Fee amongst all Lenders who participate in the Loans on a *pro rata* basis.

7. The Borrower may only request the disbursement of a Loan during the Availability Period specified in the Loan Facility Agreement. The Parties may at any time unanimously decide to extend the Availability Period. The Parties may also, acting unanimously, agree to increase the Commitments and the aggregate amount of the Loans to be made available under the Loan Facility Agreement. In this event Germany shall procure that KfW extends the Availability Period and/or increases its Commitment under the Loan Facility Agreement accordingly.

3. **OPENING OF ACCOUNT**

The Commission is authorised by the Parties to open an account in the name of the Lenders with the ECB and to use that account for processing all payments on behalf of the Lenders and from the Borrower in the context of the Pooled Bilateral Loans. The Commission is exclusively authorised to give all instructions in relation to this account in accordance with this Agreement. This account is maintained for each of the Lenders in accordance with their respective interests in the funds credited to the account.

4. PREPARATION AND AUTHORISATION OF DISBURSEMENTS

1. Before each disbursement of a Loan under the Loan Facility Agreement, the Commission will, in liaison with the ECB, present a report to the Parties analysing compliance by the Borrower with the terms and the conditions set out in the MoU and in the Council Decision. The Parties will evaluate such compliance and will unanimously decide on the release of the relevant Loan. The first Loan is released upon signature of the MoU and will not be the object of such a report.

2. Following a Request for Funds from the Borrower complying with the terms of the Loan Facility Agreement, the Parties shall (other than in respect of the first Loan) consider the report of the Commission regarding the Borrower's compliance with the MoU and the Council Decision. If, acting unanimously, the Parties consider that the Borrower has complied with the conditions to drawdown under the Loan Facility Agreement and are satisfied with its compliance with the terms and conditions of the MoU and the Council Decision then the Euro Working Group Chairman shall request in writing the Commission on behalf of the Lenders to communicate an Acceptance Notice. The request from the Euro Working Group Chairman shall specify the amount which the Lenders are willing to make available by way of a Loan under the Loan Facility Agreement and on what terms including as to the amount of the Loan, the Net Disbursement Amount, the Term, the redemption schedule and the Interest Rate in relation to such Loan.

   If, at the time of receipt of a Request for Funds for a Loan, one or several Lenders do not participate in such Loan by reason of the circumstances described in Articles 2(4) or 2(5)(b), then the other Lenders will cover the missing amount up to the limit of their respective Commitments taking into account the annual tranches referred to in Article 2(3), if applicable. In such circumstances, the share of each Lender in any potential future Loan will be recalculated by the Commission with a view to bringing it back, to the extent possible, to each Lender's Adjusted % Contribution (as defined in Article 6(2)(b)(i)) as soon as possible (frontloading/back loading). The calculation of the contribution of each Lender in the Loan will be part of the details relating to a Request for Funds supplied by the Commission to the Lenders.

3. Following the communication by the Commission of a Request for Funds and after unanimous decision by the Parties to proceed with disbursement of a Loan, the Euro Working Group Chairman, on behalf of the Lenders, will send a letter to the Commission confirming the authorisation of the disbursement. The letter will irrevocably confirm the amount of the Loan, the Net Disbursement Amount, the Term, the redemption schedule, the Interest Rate, the Disbursement Date and any other conditions applicable as well as the respective proportion of each Lender. If applicable, and following receipt of written notice from relevant Lenders, the Euro Working Group Chairman shall communicate to the Commission and the Lenders whether any Lender

has notified it that the circumstances described in Article 2(5) apply to it and the decision of the Parties relating thereto. The Euro Working Group Chairman shall communicate the decisions of the Parties to the Commission at least 10 Business Days prior to the relevant Disbursement Date. Notwithstanding the foregoing, as regards the first Loan the decision shall be communicated to the Commission at the latest two Business Days prior to the Disbursement Date.

5. **DRAWDOWN PROCEDURE**

1. In preparation for the disbursement of a Loan, the Commission will call at least seven Business Days (T-7) before the Disbursement Date ("**T**") (two Business Days (T-2) in the case of the first disbursement) on the Committed Lenders to make their participation available on the account referred to in Article 3 on T by 11:00 a.m. (Brussels time) in the form of the Template Drawdown Notice in Annex 5 to this Agreement. The Committed Lenders shall send a copy of their payment instructions to this effect to the Commission and the ECB at the latest two Business Days (T-2) before (one Business Day (T-1) before in the case of the first disbursement). The Lenders undertake not to change them.

2. If on the Disbursement Date the account referred to in Article 3 has not been credited with the full amount of the Net Participations (the "**Full Amount**") in sufficient time to allow the ECB to transfer the full amount of the Loan to be disbursed on T, then:

   (a) if the aggregate amount of the Net Participations received is at least 90% of the Full Amount in respect of such Loan then, provided that the Borrower consents, the Commission shall instruct the ECB to disburse the Loan in an amount equal to the aggregate of the Net Participations actually received into the account; if in such circumstances the Borrower refuses to receive the lower amount of the Loan then the Commission shall instruct the ECB to return the Net Participations received to the Committed Lenders concerned; if the Borrower accepts to receive the reduced Net Participations and within 2 Business Day of T, all or part of the shortfall in the Net Disbursements is received into the Lenders' Account then the Commission shall consult with the Borrower as to whether it wishes to receive a remittance of such funds and in such event the parties shall make such adjustments to the terms of the relevant portion of the Loan to take into account the late receipt of these funds. Any funds received outside this period of two Business Days shall be returned by the Commission to the relevant Committed Lenders but without prejudice to the rights of the Borrower in respect of such Committed Lenders which failed to fund the Loan;

   (b) if the aggregate amount of the Net Participations received is lower than 90% of the Full Amount in relation to such Loan, then the

Commission shall not instruct the ECB to make such Loan and the ECB and the Commission shall await further instructions from the Parties through the Euro Working Group Chairman. If the relevant Parties instruct the Commission not to proceed with such Loan or do not reply within two Business Days following the Disbursement Date the Commission shall instruct the ECB to return such funds to the Lenders concerned.

The amounts held in the account will be remunerated according to a rate decided by the ECB.

6. CALCULATIONS AND DISTRIBUTION OF PAYMENTS

1. Interest calculation

The Parties agree to entrust the Commission with the task of making the calculations for the purposes of this Article and the Loan Facility Agreement. It shall determine the Interest Rate for each Loan in accordance the Loan Facility Agreement, calculate the amounts payable on each Interest Payment Date and notify the Borrower and the Lenders thereof. It will also instruct the ECB and inform the Lenders on the distribution of any amounts being received from the Borrower in the account referred to in Article 3 above.

2. Reallocation of Committed Lenders' Participations in Loans:

On the first date (the "**Recalculation Date**") on which interest is payable or a scheduled repayment has to be made hereunder after the earliest of:

(i) the Disbursement Date of the last Loan under the Loan Facility Agreement, following which the Facility Amount (as increased, reduced or cancelled from time to time) has been disbursed in full, or

(ii) the date on which an Event of Default under the Loan Facility Agreement occurs, or

(iii) the day on which the Availability Period, as may be postponed from time to time, expires.

the Commission will recalculate the Participation of each of the Committed Lenders in each of the outstanding Loans in order to ensure that pro-rata amongst Lenders is achieved as follows:

(a) If at the Recalculation Date:

(i) the relative proportion of the outstanding of each Committed Lender as related to the total outstanding resulting from all Loans coincides with the Adjusted % Contribution (as defined in Paragraph (b) below), and

(ii) all Loans have the same characteristics (in particular, same interest, payment dates, maturity and repayment profile),

all amounts thereafter due and payable from the Borrower and received by the ECB on the account referred to in Article 3 for each Loan will be distributed to the Lenders according to the actual contribution of each Committed Lender in such Loan.

(b) In all other circumstances, the Commission will calculate for each Committed Lender:

(i) the proportion that each Committed Lender's Commitment bears to the Total Commitment (the "**Adjusted % Contribution**"),[2] and

(ii) the proportion that each Committed Lender's actual participation outstanding in each Loan bears to the total amount outstanding of each such Loan (the "**Actual % Contribution**"); and

(iii) the amount by which each Committed Lender's actual participation outstanding in each Loan exceeds (the "**Excess Participation Amount**") or is less than (the "**Shortfall Participation Amount**") the total amount outstanding of such Loan multiplied by each such Committed Lenders' Adjusted % Contribution.

If the Actual % Contribution of any Committed Lender in the aggregate of any outstanding Loans is lower than its Adjusted % Contribution in such Loans, the Commission will instruct:

(1) each such Committed Lender to transfer to the ECB an amount equal to the aggregate of its Shortfall Participation Amounts (less the amount of the Service Fee attributable to such Shortfall Participation Amount) in relation to all outstanding Loans to the account referred to in Article 3; and

(2) the ECB, following receipt of the aggregate of the Shortfall Participation Amount pursuant to Paragraph (i) above, to make payments to all Committed Lenders, whose Actual % Contribution in any Loan outstanding exceeds their respective Adjusted % Contribution in relation to such Loan, in an amount equal to the aggregate of each such Committed

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[2] For clarification purposes, if all Lenders successfully finalise - where required - their respective national legal procedures, the Adjusted % Contribution will be identical to the Contribution Key.

Lender's Excess Participation Amounts (less the amount of the Service Fee attributable to such Excess Participation Amount) in relation to all Loans outstanding

(each a "**Balancing Payment**"). The Balancing Payments shall all be made on the same day. The recalculation becomes effective on the day when such Balancing Payments are made.

The Service Fee shall be reallocated among the Lenders according to the same process. For the avoidance of doubt, interest paid until the Recalculation Date will not be reallocated.

Prior to and at the date on which the Balancing Payment is effectively made, all amounts due and payable from the Borrower and received by the ECB on the account referred to in Article 3 will be distributed to the Committed Lenders according to the actual participation of each Lender in each Loan, subject to the terms of Article 6(3).

From the date on which the Balancing Payment is effectively made until the final repayment of all Loans, all amounts due and payable from the Borrower and received by the ECB on the account referred to in Article 3 will be distributed to the Lenders according to their respective Adjusted % Contribution, subject to the terms of Article 6(3).

The Commission will present the Adjusted % Contribution, the Actual % Contribution, the Excess Participation Amount, the Shortfall Participation Amount and the Balancing Payment to the Committed Lenders through the Euro Working Group Chairman for approval by them prior to its application.

The Committed Lenders shall (i) pay to, or receive a payment from, the account referred to in Article 3 in accordance with the notification given by the Commission, and (ii) accept or make the assignment or the transfer of the assets derived from the rebalancing referred to in Article 6(2)(b) above once all corresponding payments have been made.

3. If one or more of the Committed Lenders at the time of disbursement of a Loan has proved to the satisfaction of the other Committed Lenders that their funding costs were higher than the Interest Rate of the Loan, the provisions of Annex 3 to this Agreement will apply and the allocation among the Lenders of interest amounts paid by the Borrower will be modified by the Commission accordingly. The Committed Lenders and the ECB will be informed thereof.

4. In case that the Borrower does not pay any amount due in full, the amounts received will be distributed pro rata according to the rules set out in Article 6(2). The application of default interest on overdue amounts and the allocation of funds towards payment of fees, costs, interest and principal will be effected in accordance with the provisions of the Loan Facility Agreement.

7. **BREACH OF OBLIGATIONS UNDER THE LOAN FACILITY AGREEMENT AND AMENDMENTS AND/OR WAIVERS TO IT**

1. In case that the Commission becomes aware of a breach of an obligation under the Loan Facility Agreement, it shall promptly inform the Parties (through the Euro Working Group Chairman) and the ECB about this situation and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission and the ECB of the decision taken. The Commission and the Lenders will thereafter implement the decision in accordance with the Loan Facility Agreement.

2. In case that the Commission becomes aware of a situation where amendments and/or waivers relating to any Loan made under the Loan Facility Agreement may become necessary, it shall inform the Parties through the Euro Working Group Chairman and the ECB about this situation and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission and the ECB of the decision taken. The Commission and the Lenders will thereafter implement the decision and, following instructions of the Parties, negotiate and sign a corresponding amendment or waiver or a new loan agreement with the Borrower or any other arrangement needed.

3. In other cases than those referred to in Article 7(1) and 7(2), if the Commission becomes aware of a situation where there is a need for the Parties to express an opinion or take an action in relation to the MoU or the Loan Facility Agreement, it shall inform the Parties through the Euro Working Group Chairman about this situation, and shall propose how to react to it. The Euro Working Group Chairman will coordinate the position of the Parties and will inform the Commission of the decision taken. The Commission and the Lenders will thereafter implement the decision taken in whichever form is needed.

8. **CERTAIN INTER-CREDITOR AND OTHER ARRANGEMENTS**

The Parties acknowledge and agree as follows:

1. All Lenders rank equal and *pari passu* amongst themselves.

2. Decisions to be made under or in relation to the Loan Facility Agreement will be taken by the majority of Parties representing Lenders holding no less than 2/3 of the principal amount outstanding in respect of Loans at the time of the voting, unless the decision relates to a matter for which unanimity is expressly required in this Agreement or in the Loan Facility Agreement in which case a unanimous decision of all the Parties shall be required. For the avoidance of doubt, decisions as to whether to declare an Event of Default and/or to permit a waiver or amendment in respect of the Loan Facility Agreement (other than in respect of one of the matters expressly set out in Article 8(3) below) shall be taken by such a 2/3 majority.

3. A unanimous decision of the Parties is needed in order to authorise the modification of (i) this Agreement or the MoU or (ii) any of the following terms of the Loan Facility Agreement: aggregate principal amount of the Loan Facility, Commitment, Adjusted % Contribution, the Availability Period, a repayment profile or Interest Rate of any outstanding Loan. Unanimity means a positive or negative vote of all the Parties provided that any Party which has cancelled its Commitment as Lender (in the case of Germany, the Commitment of KfW) to make further Loans shall not have any vote on decisions in respect of such further Loans but shall retain its voting rights on matters affecting Loans which it (or in the case of Germany, KfW) has funded and which remain outstanding.

4. The Parties shall take their decisions at meetings within the framework of the Eurogroup, excluding Greece. All their decisions shall be communicated in writing by the Euro Working Group Chairman to the Commission.

5. Each of the Parties undertakes for the benefit of the other Parties to coordinate with the other Parties in respect of the exercise of any rights to accelerate or to enforce against the Borrower in accordance with the terms of this Agreement and the Loan Facility Agreement.

6. The Parties shall not assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the other Parties to this Agreement and the Commission.

9. **SHARING OF PAYMENTS**

1. Each Lender undertakes not to seek payment of its rights in respect of Loans from the Borrower other than in accordance with the terms of this Agreement and the Loan Facility Agreement, undertakes to pay all sums received by it in respect of the Loan Facility Agreement which have not been received from the ECB as contemplated by this Agreement and the Loan Facility Agreement to the account referred to in Article 3 to be distributed on a pro *rata* basis in accordance with the terms of this Agreement. They also undertake not to actively set-off claims they may have against the Borrower against sums owed by them to the Borrower other than subject to compliance with this Article 9.

2. If a Lender (a "**Recovering Lender**") receives or recovers (including by way of set-off) any amount from the Borrower other than in accordance with the payment mechanics set forth in this Agreement or the Loan Facility Agreement and applies that amount to a payment due to it under this Agreement or the Loan Facility Agreement;

   (a) the Recovering Lender shall, within three Business Days, notify details of the receipt or recovery to the Commission;

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(b) the Recovering Lender shall, within three Business Days of demand by the Commission, pay to the ECB an amount (the "**Sharing Payment**") equal to such receipt or recovery.

3. The Commission shall treat the Sharing Payment as if it had been paid by the Borrower and distribute it between the participating Lenders (including the Recovering Lender) in accordance with the payment mechanics set forth in this Agreement and the Loan Facility Agreement.

10. ADMINISTRATIVE PROVISIONS

1. For all its functions under this Agreement, the Commission shall act through its service Directorate General Economic and Financial Affairs ("**ECFIN**") and on the basis of the internal rules applicable to its off-budget financial operations.[3]

2. All costs of the Lenders and the Commission arising in the implementation of the Agreement shall be borne by the Borrower in accordance with the Loan Facility Agreement. The Commission shall charge no fees for its work for organising and administering the Pooled Bilateral Loans.

3. The Commission shall report to the Lenders on the outstanding claims and liabilities under the Loan Facility Agreement on a quarterly basis.

4. The Commission will report to the Parties and ask instructions from the Euro Working Group Chairman regarding unsettled claims and liabilities or any other issues that may arise under this Agreement or the Loan Facility Agreement.

5. Each Lender is required to inform the Commission promptly in writing (i) that its contribution to the Loan Facility Agreement is duly authorised under the national law applicable to it after the signature thereof, or (ii) if subject to such procedures, as soon as they have been duly completed, and deliver to the Commission a Commitment Confirmation. It is acknowledged and agreed that the Commitment Confirmation of a Party may be of provisional application in accordance with the national laws and legislation of the relevant Party.

11. COMMUNICATIONS

All notices in relation to this Agreement shall be validly given if in writing and sent to:

For the Parties:

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[3] Commission Decision C(2005)2992 of 9 August 2005.

The Eurogroup Working Group Chairman
c/o EWG Secretariat
B-1049 Brussels

For the Commission:

European Commission
DirectorateGeneral Economic and Financial Affairs
Directorate "Finance, coordination with EIB Group, EBRD and IFIs"
L-2920 Luxembourg

All practical communications in relation to a Loan to be disbursed, once a decision by the Parties on its release has been taken, and corresponding reimbursements shall be validly performed if in accordance with the list of contacts and account details for the Lenders, the ECB and the Commission as communicated to the Commission, unless otherwise specifically defined in this Agreement. The details (and such further details that may be requested by the Commission) shall be communicated to the Commission at the latest on the date of signature of this Agreement. Any changes to the details shall be promptly communicated to the Commission. The Commission shall send a copy of the list to all Parties.

12. **TERM**

This Agreement shall remain in full force and effect as long as there are any amounts outstanding under the Loan Facility Agreement. The Agreement shall also cover any possible further Loan Facility Agreement between the Lenders and Greece.

For the avoidance of doubt, as far as the MoU is concerned, this Agreement covers the 3-year programme period.

13. **MISCELLANEOUS**

1. If any one or more of the provisions contained in this Agreement should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement.

2. The Preamble to this Agreement forms an integral part of this Agreement.

3. The Borrower shall receive a copy of this Agreement.

14. GOVERNING LAW AND JURISDICTION

1. This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.

2. Any dispute arising from or in the context of this Agreement shall be settled amicably, failing which it shall be submitted to the exclusive jurisdiction of the Court of Justice of the European Union.

15. EXECUTION OF THE AGREEMENT

This Agreement may be executed in any number of counterparts signed by one or more of the Parties. The counterparts each form an integral part of the original Agreement and the signature of the counterparts shall have the same effect as if the signatures on the counterparts were on a single copy of the Agreement.

The Commission shall promptly after the signature of this Agreement supply conformed copies of the Agreement to each of the Parties.

16. ANNEXES

The Annexes to this Agreement shall constitute an integral part thereof:

1. List of Parties with their respective Commitments;

2. Contribution Key;

3. Special case of higher funding costs;

4. Template for Commitment Confirmation;

5. Template for Drawdown Notice.

Done in Brussels on 8 May 2010

For the Parties,

Kingdom of Belgium,

represented by Vice Prime Minister and Minister of Finance

- signed -

Didier Reynders

Federal Republic of Germany,

represented by Minister Dr. Wolfgang Schäuble

- signed -

Ireland,

represented by Mr. Brian Lenihan, T.D., Minister for Finance

- signed -

Kingdom of Spain,

represented by Minister of Economy and Finance

- signed -

Elena Salgado Mendez

French Republic,

represented by Minister Christine Lagarde

Ministre de l'Economie, de l'Industrie et de l'Emploi

- signed -

A 1272

Italian Republic,

represented by Minister Giulio Tremonti, Ministro dell'economia e delle finanze

- signed -

Republic of Cyprus,

represented by Minister of Finance

- signed -

Mr. Charilaos Stavrakis

Grand Duchy of Luxembourg,

represented by Minister

- signed -

Luc Frieden

Republic of Malta,

represented by Minister Tonio Fenech

Minister for Finance the Economy and Investment

- signed -

Kingdom of the Netherlands,

represented by Minister of Finance

- signed -

Mr. drs. J.C. de Jager

Republic of Austria,

represented by Federal Minister of Finance

- signed -

Josef Pröll

Portuguese Republic,

represented by Minister of State and Finance, Fernando Teixeira dos Santos

- signed -

Republic of Slovenia,

represented by Minister of Finance

- signed -

Franc Križanič

Slovak Republic,

represented by Minister Ján Počiatek

- signed -

Republic of Finland,

represented by Minister of Finance

- signed -

Jyrki Katainen

ANNEX 1
LIST OF PARTIES WITH THEIR RESPECTIVE COMMITMENTS

Country	Commitments EUR
Kingdom of Belgium	2.860.942.462,10
Federal Republic of Germany (Commitment of KfW)	22.336.133.611,30
Ireland	1.310.046.500,93
Kingdom of Spain	9.794.387.452,71
French Republic	16.773.596.199,72
Italian Republic	14.739.467.996,33
Republic of Cyprus	161.470.573,49
Grand Duchy of Luxembourg	206.054.851,64
Republic of Malta	74.543.025,89
Kingdom of the Netherlands	4.703.995.187,73
Republic of Austria	2.290.192.933,16
Portuguese Republic	2.064.558.742,44
Republic of Slovenia	387.812.451,16
Slovak Republic	817.850.223,95
Republic of Finland	1.478.947.787,45
	80.000.000.000,00

ANNEX 2
CONTRIBUTION KEY

Member State	ECB Capital subscription key	Contribution Key
Kingdom of Belgium	2,4256	3,576178077627360%
Federal Republic of Germany	18,9373	27,920167014121300%
Ireland	1,1107	1,637558126162890%
Kingdom of Spain	8,3040	12,242984315887900%
French Republic	14,2212	20,966995249651300%
Italian Republic	12,4966	18,424334995414800%
Republic of Cyprus	0,1369	0,201838216864770%
Grand Duchy of Luxembourg	0,1747	0,257568564545473%
Republic of Malta	0,0632	0,093178782365621%
Kingdom of the Netherlands	3,9882	5,879993984660890%
Republic of Austria	1,9417	2,862741166445020%
Portuguese Republic	1,7504	2,580698428050350%
Republic of Slovenia	0,3288	0,484765563952786%
Slovak Republic	0,6934	1,022312779941790%
Republic of Finland	1,2539	1,848684734307780%
Total	67,8266	100,00000000000000%

VERŻJONI ELETTRONIKA

ANNEX 3

SPECIAL CASE OF HIGHER FUNDING COSTS

The following rules apply if a contributing Member State "A", at the time when the decision of the Parties in accordance with Article 4(2) concerning the disbursement of a Loan is taken proves to the satisfaction of the other Parties that its own funding costs are higher than the Interest Rate of the Loan:

1. The Commission shall request similar information from the other Parties about their respective funding costs.

2. The Member State "A" shall be paid, from all interest received under the Loan Facility Agreement, the amount that corresponds to its absolute funding cost for its part in the Loan.

3. Other Lenders shall be paid, from all interest received under the Loan Facility Agreement, after pro rata deduction of the amount under point 2.

4. If such calculation would result in any Lender other than Member State "A" being allocated an interest amount lower than its funding costs, the Commission will revert to the Parties in accordance with Article 10(4).

ANNEX 4

TEMPLATE FOR COMMITMENT CONFIRMATION

[Letter head of Authorities of Euro Area Member State]

By fax followed by registered mail:

European Commission
Directorate General Economic and Financial Affairs
Directorate "Finance, coordination with EIB Group, EBRD and IFIs"
L-2920 Luxembourg
Fax: +352 4301 33459

Copy to:

European Central Bank
Kaiserstrasse 29
D-60311 Frankfurt am Main
Germany

Fax: +49 69 1344 6171

Re: Euro Area Member States Stability Support for Greece
Confirmation Commitment

Dear Sirs,

We refer to the Intercreditor Agreement between the Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic and Republic of Finland (the "**Parties**") signed on [•]. We furthermore refer to the Loan Facility Agreement between the Parties, except Germany, and KfW as Lenders and the Hellenic Republic as Borrower signed on [•].

We hereby notify you that we are duly authorised under our national laws to permit us to be [provisionally]/ [definitively] bound by the above mentioned Agreements with effect from [date]. [With reference to Article 2(3) of the Agreement we inform

you that the annual tranches of the Commitment are as follows: [*add relevant information, if applicable*]

Yours faithfully,

[Name of Euro Area Member State]

[•] [•]

ANNEX 5
TEMPLATE FOR DRAWDOWN NOTICE

EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS

INSTRUCTION LETTER FROM THE EUROPEAN COMMISSION TO THE LENDERS

[DATE]

To: [insert contact details of Lender]

Copy: European Central Bank (ECB)

Dear Sirs

Re: Loan Facility Agreement with the Hellenic Republic
Loan N° [ ] for EUR [ ], final maturity [date]

In accordance with the decision of the Euro Working Group of [date] transmitted by its Chairman, we hereby instruct you, in your capacity as Lender under the Loan Facility Agreement [dated] and in accordance with Art. 5(1) of the Intercreditor Agreement, to transfer to the account at the European Central Bank an amount of EUR [ ] (i.e. loan amount of EUR [ ] minus service fee of EUR [ ]).

We request you to transfer via SWIFT message MT202 [*or another SWIFT message agreed with the ECB*] in TARGET2 for value [date], before 11:00 a.m. Brussels time to the TARGET2 participant SWIFT-BIC: ECBFDEFFBAC, in favour of account number 4050992001, account name "Pooled bilateral loans EC/Lenders" with ref.: "Euro Area Stability support to Greece".

Please provide us and the ECB with a copy of the transfer instructions at least two Business Days before the value date. These instructions shall be irrevocable and may not be varied except with the consent of yourselves and the Commission.

Terms not defined in this letter shall have the same meaning as in the Loan Facility Agreement.

A 1280

Yours faithfully

European Commission

By: By:

Participating Lender	Loan amount	Service fee	**Net disbursement amount**
[Lender A]			
[Lender B]			
[Lender C]			
.....			
TOTAL			

".

Passed by the House of Representatives at Sitting No. 390 of the 10th October, 2011.

MICHAEL FRENDO

Speaker

PAULINE ABELA
Clerk to the House of Representatives

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