

PROSPECTUS dated 29 June 2023



**European Financial Stability Facility**

**EUR 241,000,000,000**

**Guaranteed Debt Issuance Programme**

## IMPORTANT NOTICES

European Financial Stability Facility, a *société anonyme* incorporated in the Grand Duchy of Luxembourg with registered office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg and registered with the Register of Commerce and Companies of Luxembourg (R.C.S. Luxembourg) under number B153414 ("**EFSF**" or the "**Issuer**") has prepared this document (the "**Prospectus**") for the purpose of giving information in relation to (i) the Programme, (ii) the Notes (as defined in the Terms and Conditions of the Notes) to be issued under the Programme, (iii) itself as Issuer, (iv) the euro-area Member States of the European Union other than the Hellenic Republic, Ireland, the Portuguese Republic, the Republic of Cyprus or any other euro-area Member State which becomes a Stepping-Out Guarantor (as described below) in respect of issues of Notes after the date when such euro-area Member State becomes a Stepping-Out Guarantor provided that a Stepping-Out Guarantor may guarantee any issue of Notes after the date on which it becomes a Stepping-In Guarantor (as described below) (together the "**Guarantors**") and (v) the terms of the Deeds of Guarantee which are issued to guarantee the Notes. The Issuer accepts responsibility for the information contained in this Prospectus.

This Prospectus does not constitute a prospectus or a base prospectus for the purposes of Article 6 and Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). This prospectus constitutes an alleviated base prospectus for the purposes of Part III, Chapter 2 of the Luxembourg Prospectus Act on prospectuses for securities dated 16 July 2019.

This Prospectus replaces and supersedes in its entirety the Prospectus dated 1 July 2022 relating to the Programme.

Application may be made to the Luxembourg Stock Exchange for debt instruments issued under the debt issuance programme (the "**Programme**") described in this Prospectus to be listed on the Official list of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The Programme also permits debt securities to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other further listing authorities, stock exchanges, regulated markets and/or quotation systems as may be agreed with the Issuer. Notes will be issued in bearer form and will, unless otherwise specified, only be sold outside the United States to non-US persons and will, unless otherwise specified, initially be represented by a global note without interest coupons. This Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. This Prospectus may only be used for the purpose for which it has been published.

The Issuer confirms that this Prospectus (including each set of Final Terms) is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or any Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, any Guarantor or any Dealer.

Neither the delivery of this Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or any Guarantor since the date thereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) and Notes that are in bearer form for U.S. federal income tax purposes are not being offered to U.S. Holders. The Notes may be offered and sold (i) within the United States to qualified institutional buyers ("**QIBs**"), as defined in Rule 144A under the Securities Act ("**Rule 144A**"), that are also qualified purchasers ("**QPs**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") in reliance on the exemption from registration provided by Rule 144A (the "**Rule 144A Notes**") and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "**Regulation S Notes**"). The issuer has not been and will not be registered under the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions, see "*Subscription and Sale*" and "*Transfer Restrictions*".

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Neither this Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer or any Guarantor that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantors.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed EUR 241,000,000,000 (and for this purpose, any Notes denominated in another currency shall be converted into euro at the date of the agreement to issue such Notes based on an exchange rate appearing on the European Central Bank website on the date of the issue of Notes).

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Union, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

EFSF has been assigned a rating of AA by S&P Global Ratings Europe Limited ("**S&P**"), Aaa by Moody's Deutschland GmbH ("**Moody's**") and AA- by Fitch Ratings Ireland Limited ("**Fitch**"). As of the date of this Prospectus, each of S&P, Moody's and Fitch is established in the European Economic Area and is registered under the Regulation (EC) No. 1060/2009 on credit rating agencies (the "**EU CRA Regulation**"). The ratings of S&P, Moody's and Fitch are endorsed by S&P Global Ratings UK Limited, Moody's Investors Service Limited and Fitch Ratings Limited respectively, each of which is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). A credit rating is not a recommendation to buy, sell or hold the Notes and may be suspended, revised or withdrawn at any time.

## STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation action may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of the Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes issued other than by the auction process will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration such determination; however, a distributor subject to Directive 2014/65/EU on markets in financial instruments ("**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

The Issuer is exempt from MiFID II and does not constitute a manufacturer or a distributor under the product governance rules set out in EU Delegated Directive 2017/593. The Issuer is therefore not subject to the responsibilities conferred on manufacturers or distributors therein.

## BENCHMARKS REGULATION

Amounts payable under the Floating Rate Notes may be calculated by reference to one or more "benchmarks" for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). In such case, the relevant Final Terms shall include a statement as to whether or not the relevant administrator of the "benchmark" appears on the register of administrators established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation.

## DOCUMENTS INCORPORATED BY REFERENCE

All amendments and supplements to this Prospectus prepared by the Issuer from time to time shall be deemed to be incorporated in, and to form part of, this Prospectus, **provided, however, that** any statement contained in this Prospectus or in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

The Issuer will, at its offices, provide, free of charge, upon written request, a copy of this Prospectus and any document incorporated by reference in this Prospectus. Written or oral requests for such documents should be directed to the offices of the Issuer.

This Prospectus and any documents incorporated by reference to this Prospectus will be made available on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and on the website of the Issuer (<https://www.esm.europa.eu/investors/esm-and-efsf/legal-documents> and <https://www.esm.europa.eu/how-we-decide/efsf#headline-efsf-annual-accounts> respectively). Each document published separately indicates where the other constituent documents of this Prospectus may be obtained.

The information on the website of the Issuer does not form part of this Prospectus (unless that information is incorporated by reference into this Prospectus).

## **SUPPLEMENTS TO THE PROSPECTUS**

Every significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Notes and which arises or is noted between the date of this Prospectus and trading on the regulated market in question begins, shall be mentioned in a supplement to this Prospectus. Such a supplement shall be published in accordance with at least the same arrangements as were applied when this Prospectus was published.

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## SUMMARY

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any information incorporated by reference.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Prospectus have the same meanings in this summary.*

**Issuer:** European Financial Stability Facility, a *société anonyme* incorporated in the Grand Duchy of Luxembourg with its registered office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg and registered with the Register of Commerce and Companies of Luxembourg (R.C.S. Luxembourg) under number B153414.

**Guarantors:** The Member States of the European Union whose currency is the euro (the "**euro-area Member States**"), other than the Hellenic Republic, Ireland, the Portuguese Republic, the Republic of Cyprus or any euro-area Member State which becomes a Stepping-Out Guarantor (as defined in "Deeds of Guarantee" below) in respect of any issue of Notes after the date on which it becomes a Stepping-Out Guarantor on a several basis pursuant to a guarantee the terms of which are set out in "Deeds of Guarantee" below, provided that a Stepping-Out Guarantor may guarantee any issue of Notes after the date on which it becomes a Stepping-In Guarantor (as defined in "Deeds of Guarantee" below).

Under the Deeds of Guarantee each Guarantor guarantees on a several basis the due and punctual payment of up to 165 % (the "**Over-Guarantee Percentage**") of its Guarantee Contribution Key % (as defined in "Deeds of Guarantee" below) of all sums expressed to be payable from time to time by the Issuer under the Trust Deed or in respect of the Notes. The Guarantors, their respective Guarantee Contribution Key % and the Over-Guarantee Percentage applicable in respect of each issue of Notes (the "**Applicable Over-Guarantee Percentage**") will be specified in the Final Terms for such issue of Notes because the identity of the Guarantors, the Applicable Over-Guarantee Percentage and their respective Guarantee Contribution Key % may be adjusted over time to take into account, for example, Stepping-Out Guarantors (as defined in "Deeds of Guarantee" below), Stepping-In Guarantors (as defined in "Deeds of Guarantee" below) or new Member States which adhere to the European Financial Stability Facility.

The Deeds of Guarantee were issued pursuant to the terms of a framework agreement (the "**Framework Agreement**") entered into between the Issuer and the euro-area Member States. Under the Framework Agreement, EFSF may also request the euro-area Member States to issue guarantees 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.

No Guarantor shall be required to issue guarantees which would result in it having a Guarantee Notional Exposure (as described in the "Description of the Issuer" below) in excess of its aggregate guarantee commitment as set out on page 66.

The Trust Deed includes limits on the amount of indebtedness which the Issuer may incur in respect of Notes or Designated Market Contracts (as described below).

Each of the Guarantors shall also issue a separate deed of guarantee in similar terms (the "**Market Counterparties Deeds of Guarantee**") to the Trustee to guarantee certain obligations of the Issuer to market counterparties to whom the Issuer has incurred indebtedness or delivery obligations under market contracts designated as "**Designated Market Contracts**" by the Issuer.

<b>Investment Considerations:</b>	Investing in Notes issued under the Programme involves certain considerations that might affect the abilities of the Issuer and the Guarantors to fulfil their respective obligations under the Notes as discussed under "Investment Considerations" below.
<b>Trustee:</b>	Deutsche Trustee Company Limited.
<b>Issuing and Paying Agent:</b>	Deutsche Bundesbank.
<b>Registrar:</b>	Citibank, N.A.
<b>Transfer Agent:</b>	Citibank, N.A.
<b>Luxembourg Listing Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Method of Distribution:</b>	Notes may be sold (i) by means of the auction process described on page 12 of this Prospectus, (ii) to one or more Dealers in accordance with the terms of the Master Dealer Agreement (as defined below) or (iii) directly to an investor.
<b>Final Terms:</b>	Notes issued under the Programme may be issued pursuant to this Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Final Terms.
<b>Listing and Trading:</b>	Applications have been made for Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and to trading on the Regulated Market of the Luxembourg Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer, as specified in the relevant Final Terms.
<b>Clearing Systems:</b>	Clearstream, Frankfurt and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
<b>Programme Authorised Amount:</b>	<p>Up to EUR 241,000,000,000 (or its equivalent in other currencies). Any amendment in the Programme Authorised Amount shall be notified by way of a supplement to the Prospectus.</p> <p>The sum of (i) the aggregate principal amount of Notes outstanding, (ii) the aggregate amount drawn and paid (and not reimbursed to the Guarantors) in respect of principal under the Deeds of Guarantee and/or the Market Counterparties Deeds of Guarantee and (iii) the aggregate of the Maximum Notional</p>



Liabilities in respect of Designated Market Contracts guaranteed (and to the extent not drawn and paid) under the Market Counterparties Deeds of Guarantee (the sums of items (i), (ii) and (iii) being the "**Aggregate Guaranteed Outstandings**") shall not at any time exceed the then applicable Programme Authorised Amount, including, without limitation, for the purposes of the Deeds of Guarantee, the Market Counterparties Deeds of Guarantee and the Programme; and no Notes may be issued if or to the extent the Aggregate Guaranteed Outstandings exceed or would exceed the Programme Authorised Amount (all as determined by the Issuer as of the date of issuance of the relevant Notes).

For this purpose "**Maximum Notional Liability**" means with respect to Designated Market Contracts pertaining to:

(a) loans, treasury instruments including *Tagesgeldaufnahme* (short term deposits), *Termingeldaufnahme* (term deposits), *Schuldschein* (transferable loan certificates), *Namenschuldverschreibungen* (registered notes), commercial paper, the total principal amount drawn and available to be drawn under such loan or instrument;

(b) (i) sale and repurchase agreements, or reverse sale and repurchase agreements where the relevant agreement is denominated in euro and is entered into for a term not exceeding 12 months, the initial purchase price under such agreements, or (ii) sale and repurchase agreements, reverse sale and repurchase agreements (other than those agreements specified in (i) above), the amount designated as such with the unanimous consent of the Guarantors (or, the Eurogroup Working Group, as relevant); and

(c) derivative transactions, the Maximum Designated Liability.

**Maximum Designated Liability:**

Means the amount designated as such in relation to such category of derivative transactions with the approval of the Guarantors (or, the Eurogroup Working Group, as relevant) pursuant to Clause 4.4(c) of the Market Counterparties Deeds of Guarantee regarding the authorisation of EFSF to enter into such category of derivative transactions.

**Issuance in Series:**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue price, the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes:**

Notes will be issued in bearer form or in registered form.

Each Tranche of Notes will initially be in the form of one or more Global Notes deposited with Clearstream, Frankfurt.

Each Tranche of Notes sold solely in reliance on Regulation S will be represented by a Global Note deposited with Clearstream, Frankfurt (a "**Global Bearer Note**"). Upon request, the Eurosystem will take an independent decision on whether the Notes meet the eligibility requirements of the Eurosystem for its monetary policy and intraday credit operations. See the section

entitled "Forms of the Notes" below. Each such Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Notes sold in part to QIBs that are also QPs (a "**Restricted Note**") and in part in reliance on Regulation S (an "**Unrestricted Note**") will be represented by:

(i) a Global Note deposited with Clearstream, Frankfurt in respect of Restricted Notes (a "**Restricted Global Note**"), each such Restricted Global Note being exchangeable for individual Note Certificates in registered form ("**Restricted Individual Note Certificates**") in accordance with its terms; and

(ii) a Global Note deposited with Clearstream, Frankfurt in respect of Unrestricted Notes (an "**Unrestricted Global Note**") each such Unrestricted Global Note being exchangeable for individual Note Certificates in registered form ("**Unrestricted Individual Note Certificates**") in accordance with its terms, constituting one and the same Tranche, and will be, whilst in global form, subject to a book-entry registration agreement entered into between the Issuer and Clearstream, Frankfurt. Exchanges and transfers of Restricted Global Notes are permitted subject to the rules and procedures of Clearstream Frankfurt and to receipt by the Transfer Agent of the Restricted Global Notes and a transfer certification. See the section entitled "Forms of the Notes - Exchanges and Transfers of Restricted Notes within Clearstream, Frankfurt" below.

**Currencies:** Notes may be denominated in euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Notes:** Notes will be issued on an unsecured, unsubordinated basis and will constitute direct limited recourse obligations of the Issuer.

**Recourse:** To the fullest extent permitted by applicable laws, none of the Trustee or Noteholders (as defined in the Terms and Conditions of the Notes) shall be entitled to institute or join or support any other person in instituting against the Issuer any bankruptcy, reorganisation, insolvency or liquidation proceedings in any jurisdiction prior to the date which is two years after the maturity date of the latest maturing Note issued by the Issuer.

Without prejudice to the obligations of the Guarantors under the Deeds of Guarantee, the recourse of the Trustee and the Noteholders against the Issuer in respect of the Notes is limited to the aggregate of (i) the amounts which the Issuer recovers in respect of Financial Assistance (as defined in the Deeds of Guarantee) given to euro-area Member States, (ii) any specific credit enhancement constituted for the relevant issue of Notes and (iii) any income derived from the investment of the sums referred to in sub paragraph (ii) of this paragraph.

**Status of the Guarantee:** Notes will be unconditionally and irrevocably guaranteed by the Guarantors, on a several basis as specified in the Deeds of Guarantee and the relevant Final Terms.

**Issue Price:** Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.

<b>Maturities:</b>	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Redemption:</b>	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms.
<b>Optional Redemption:</b>	Notes may be redeemed before their stated maturity to the extent (if at all) specified in the relevant Final Terms.
<b>Tax Redemption:</b>	Not applicable.
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
<b>Denominations:</b>	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Negative Pledge:</b>	None.
<b>Events of Default:</b>	None.
<b>Taxation:</b>	All payments in respect of Notes will be made free and clear of withholding taxes of Luxembourg, unless the withholding is required by law. If any withholding is required by any applicable law, the Issuer will be under no obligation to gross-up any payment under the Notes.
<b>Governing Law:</b>	The Notes and the Deeds of Guarantee and any non-contractual obligations arising out of or in connection with them shall be governed by English law.
<b>Ratings:</b>	EFSF has been assigned a rating of AA by S&P, Aaa by Moody's and AA- by Fitch. As at the date of this Prospectus, each of S&P, Moody's and Fitch is established in the European Union and registered under the EU CRA Regulation and each rating is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation. A credit rating is not a recommendation to buy, sell or hold the Notes and may be suspended, revised or withdrawn at any time.
<b>Selling Restrictions:</b>	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in Australia, the United States of America, the United Kingdom, Luxembourg and Japan, see " <i>Subscription and Sale</i> " below.

## INVESTMENT CONSIDERATIONS

*The following is a summary of certain aspects of the Notes about which prospective Noteholders should be aware. This summary is not intended to be exhaustive and prospective Noteholders should also read the detailed information set out elsewhere in this Prospectus and in the relevant Final Terms and reach their own views prior to making any investment decision. Further, any prospective Noteholder should take its own legal, financial, accounting, tax and other relevant advice as to the structure and viability of its investment.*

### **Liability under the Notes**

The Notes will solely be obligations of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other entity other than the Guarantors on a several basis as described in "Deeds of Guarantee" below. Save as aforesaid, the Notes will not be obligations or responsibilities of the Guarantors, the Trustee, the Issuing and Paying Agent, any Transfer Agent or any manager or dealer and no person other than the Issuer will accept any liability whatsoever to Noteholders under the Notes in respect of any failure by the Issuer to pay any amount due under the Notes.

### **Credit exposure to the Issuer, the Guarantors and the Beneficiary Member States**

The purpose of the Issuer is to use the proceeds of the Notes to provide Financial Assistance (as defined in the "Description of the Issuer" section of this Prospectus) to euro-area Member States which experience financial difficulties. The primary source of funds to permit the Issuer to pay interest and to repay principal on the Notes is the amounts received or recovered by the Issuer under or in relation to such Financial Assistance.

In order to mitigate the exposure to the credit risk of the relevant beneficiary euro-area Member State (the "**Beneficiary Member State**"), the Issuer has adopted a number of credit enhancement measures, namely:

- (a) the irrevocable and unconditional guarantee granted on a several basis by euro-area Member States pursuant to the Deeds of Guarantee. Whilst each guarantor's obligations are several only, each guarantor has issued its guarantee for up to the Applicable Over-Guarantee Percentage of its Guarantee Contribution Key % of amounts due under the relevant issue of Notes; and
- (b) under the Framework Agreement, the Issuer and each euro-area Member State may, by acting with the unanimous consent of all Guarantors agree to adopt such other credit enhancement mechanisms as they consider appropriate or to modify the existing credit enhancement mechanisms for the Notes in order to enhance or maintain creditworthiness. The Issuer and the Guarantors are under no obligation to Noteholders or any other person to adopt such supplemental measures or to modify existing credit enhancement mechanisms.

The aggregate principal amount of Notes issued and outstanding under the Programme shall not at any date of issue exceed the then Programme Authorised Amount.

In addition, the sum of (i) the aggregate principal amount of Notes outstanding, (ii) the aggregate amount drawn and paid (and not reimbursed to the Guarantors) in respect of principal under the Deeds of Guarantee and/or the Market Counterparties Deeds of Guarantee and (iii) the aggregate of the Maximum Notional Liabilities in respect of Designated Market Contracts guaranteed (to the extent not drawn and paid) under the Market Counterparties Deeds of Guarantee (the sums of items (i), (ii) and (iii) being the "**Aggregate Guaranteed Outstandings**") shall not at any time exceed the then applicable Programme Authorised Amount, including, without limitation, for the purposes of the Deeds of Guarantee, the Market Counterparties Deeds of Guarantee and the Programme; and no Notes may be issued if or to the extent the Aggregate Guaranteed Outstandings exceed or would exceed the Programme Authorised Amount (all as determined by the Issuer as of the date of issuance of the relevant Notes).

### **Recourse**

Without prejudice to the obligations of the Guarantors under the Deeds of Guarantee, the recourse of the Trustee and the Noteholders against the Issuer in respect of the Notes is limited to the aggregate of (i) the amounts which the Issuer recovers in respect of Financial Assistance (defined in the "Description of the Issuer" section of this Prospectus) made to euro-area Member States, (ii) any specific credit enhancement

constituted for the relevant issue of Notes and (iii) any income derived from the investment of the sums referred to in sub paragraph (ii) of this paragraph.

To the fullest extent permitted by applicable laws, none of the Trustee or Noteholders shall be entitled to institute or join or support any other person in instituting against the Issuer any bankruptcy, reorganisation, insolvency or liquidation proceedings or any analogous or similar proceedings in any jurisdiction prior to the date which is two years after the maturity date of the latest maturing Note issued by the Issuer.

#### **Enforcement of civil liabilities against the Guarantors**

Each of the Guarantors is an independent sovereign state. The national laws of each Member State may have particular provisions which may affect the ability of the Trustee to recover payments from a Guarantor in respect of its liabilities under the Deeds of Guarantee. In particular, the respective national laws may apply specific limitation or prescription periods within which claims on a state guarantee need to be made and may require specific procedures to be followed if it is necessary to enforce the Deeds of Guarantee or a judgment against a Member State Guarantor in its own national courts.

#### **Different Guarantors, Guarantee Contribution Key % and Applicable Over-Guarantee Percentage for different series of Notes**

The composition of the list of Guarantors, their respective Guarantee Contribution Key % and the Applicable Over-Guarantee Percentage may vary between different series of Notes, for example, by reason either of a Guarantor becoming a Stepping-Out Guarantor or a Stepping-In Guarantor (each as described in "Deeds of Guarantee" below) or the adherence of a new euro-area Member State to the European Financial Stability Facility. Such adjustments do not change the composition of the list of Guarantors, their Guarantee Contribution Key % and Applicable Over-Guarantee Percentage for Notes already in issue but only for Notes issued after the relevant event.

#### **Financial Assistance by way of precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State, purchases of bonds in the primary market and purchases of bonds in the secondary market**

The board of directors has approved guidelines for the new forms of financial assistance which may be made by way of precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State by way of a loan made to such Member State, purchases of bonds in the primary market and purchases of bonds in the secondary market.

The Framework Agreement provides that bonds acquired by EFSF in the primary or secondary markets may be held to maturity or sold prior to maturity.

Investors in Notes of EFSF will be exposed to the credit risk of the Beneficiary Member States which receive these new forms of financial assistance.

In addition, in the event that EFSF sells bonds acquired in the primary or secondary market prior to their scheduled maturity, this would expose investors in the notes of EFSF to fluctuations in the market value of such bonds. The market for such bonds acquired by EFSF may not be liquid and may be volatile particularly in difficult market conditions. If EFSF were to sell such bonds via over the counter transactions it may face counterparty risks.

#### **Withholding taxes – No gross-up obligation**

If any payments in respect of any Note or under the Deed of Guarantee are or become subject to deduction or withholding in respect of any taxes or duties whatsoever, the Issuer and the Guarantors will not be required to pay any additional amounts and the corresponding risk will therefore be borne by the Noteholders.

#### **Potential Investors**

Potential investors should be experienced with respect to transactions on capital markets and notes and should understand the risks of transactions involving the Notes.

Potential investors should reach an investment decision only after careful consideration of the information set forth in this Prospectus and general information relating to Notes.

Potential investors should ensure that they have sufficient financial resources to bear the risks of an investment in the Notes.

Potential investors should have sufficient knowledge of the nature of Notes, the merits and risks of investing in the relevant Notes and verify the suitability of such investment in light of their individual financial situation.

#### **Absence of Secondary Market; Limited Liquidity of the Notes**

The Programme allows for Notes to be admitted to the Regulated Market of the Luxembourg Stock Exchange or to be admitted to listing, trading and/or quotation by such other further listing authorities, stock exchanges, regulated markets and/or quotation systems as may be agreed with the Issuer. The Notes may also be unlisted. In all cases, but particularly in the case of unlisted Notes, the Notes may have no established trading market when issued and there can be no assurance that a secondary market will develop, or, if a secondary market does develop for any of the Notes, that it will provide the holder of the Notes with liquidity or that any such liquidity will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have developed a secondary market. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes. The liquidity and market value at any time of the Notes is affected by, among other things, the market view of the credit risk of such Notes and will generally fluctuate with general interest rate fluctuations, general economic conditions, the condition of certain financial markets and domestic and international political events. Furthermore, if additional and competing products are introduced in the markets, this may adversely affect the market value of the Notes.

#### **Modification of the Terms and Conditions of the Notes**

Clause 15 (*Meetings of Noteholders; Modification and Waiver*) of the Terms and Conditions of the Notes contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. In certain cases, it permits defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant general meeting and Noteholders who voted in a manner contrary to the majority. It is possible that a majority of Noteholders could adopt measures through a general meeting that would modify the Terms and Conditions in a way that could impair or limit the rights of the Noteholders.

#### **Change of law**

The Terms and Conditions of the Notes and the Deeds of Guarantee are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to English law or administrative practice after the date of this Prospectus. Any such decision or change could be unfavourable to creditors' rights, including those of the Noteholders. If any change in law were unfavourable to the Issuer, the Guarantors or the Noteholders, it could have an adverse or a significant adverse effect on the market value of the Notes (depending on the nature of the change) and could have potentially serious negative repercussions on the Noteholders' investments in the Notes. The risk of changes in law is higher for Notes with longer maturities.

#### **Rating**

The rating of the Issuer or of the Notes may not reflect all risks related to the Notes nor the potential impact of all risks related to the Notes, including those factors discussed above, that may affect the market value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised or withdrawn by the rating agency at any time.

#### **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated

that it will not participate and on 16 March 2016 it completed the formalities required to leave the enhanced co-operation on FTT.

Following the meeting of the Council of the EU of 14 June 2019, the FTT currently being considered by the Participating Member States would be levied on the acquisition of shares or similar instruments of listed companies which have their head office in a member state of the EU (and market capitalisation in excess of €1 billion on 1 December of the preceding year), rather than on any type of financial instrument. In order to reach a final agreement among the Participating Member States, further work in the Council and its preparatory bodies will be required in order to ensure that the competences, rights and obligations of non-participating EU member states are respected.

If the proposed directive or any similar tax was adopted and depending on the final terms and scope of the FTT, transactions on the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **The regulation and reform of "benchmarks"**

The Euro Interbank Offered Rate ("**EURIBOR**") and other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective while others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. The Benchmarks Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017 the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

Investors should be aware that, if it no longer possible to determine a Reference Rate (as defined under "*Terms and Conditions of the Notes*"), the rate of interest on Floating Rate Notes which reference the Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Notes. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate

which was last observed on the Relevant Screen Page (as defined under "*Terms and Conditions of the Notes*").

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.



## AUCTION PROCESS

### Auction process

In case of issuances which are not syndicated, the terms and the allocation of the issuance will be determined in an auction process.

The auction process for the offering of Notes is conducted in the name and for the account of the Issuer through the electronic EFSF Bidding System of the Deutsche Bundesbank ("**EBS**"). It is subject to German law. Each auction of Notes is ruled by the Auction Rules for the Issue of Bonds of the European Financial Stability Facility (EFSF), the Special Terms and Conditions of the Deutsche Bundesbank for Auctions of Bonds of the European Financial Stability Facility using the EFSF Bidding System (EBS), the General Terms and Conditions for the Bundesbank ExtraNet and the General Terms and Conditions of the Deutsche Bundesbank (each as published at <https://www.bundesbank.de/en/service/banks-and-companies/ebs/terms-and-conditions/terms-and-conditions-620604>) and any amendments to the aforementioned rules.

Only members of the EFSF Market Group ("**Members**") are participants in the EBS and may therefore participate in auctions. In general, Members have to be financial institutions authorised in the European Economic Area ("**EEA**") or EEA branches of financial institutions which are authorised outside the EEA.

Terms and Conditions of each individual issue of Notes are announced by Deutsche Bundesbank together with an invitation to bid via press releases, financial information services and the EBS. In addition, the auction result will be published by Deutsche Bundesbank via press release, financial information services and the EBS.

## FORMS OF THE NOTES

### Notes deposited with Clearstream, Frankfurt

Each Tranche of Notes will initially be in the form of one or more Global Notes deposited with Clearstream Banking AG Frankfurt ("**Clearstream, Frankfurt**").

Each Tranche of Notes sold solely in reliance on Regulation S will be represented by a Global Note deposited with Clearstream, Frankfurt (a "**Global Bearer Note**"). The relevant Final Terms for such Notes which have a maturity of more than 365 days will specify that United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") are applicable in relation to the Notes.

Each Tranche of Notes sold in part to QIBs that are also QPs (a "**Restricted Note**") and in part in reliance on Regulation S (an "**Unrestricted Note**") will be represented by: (i) a Global Note deposited with Clearstream, Frankfurt in respect of Restricted Notes (a "**Restricted Global Note**") and (ii) a Global Note deposited with Clearstream, Frankfurt in respect of Unrestricted Notes (an "**Unrestricted Global Note**"), constituting one and the same Tranche, and will be subject to the Book-Entry Registration Agreement (as defined below).

All interests in the Global Notes will be subject to the operations and procedures of Clearstream, Frankfurt. The Notes will be transferable, subject to the limitations and procedures described below under "—Transfers", by appropriate entries in securities accounts in accordance with applicable rules of Clearstream, Frankfurt. The Notes will not be eligible for clearance through the facilities of The Depository Trust Company.

Pursuant to the book-entry registration agreement between the Issuer and Clearstream, Frankfurt dated on or about 18 January 2011 (the "**Book-Entry Registration Agreement**"), the Issuer has appointed Clearstream, Frankfurt as its book-entry registrar (the "**Book-Entry Registrar**") in respect of Restricted Notes and Unrestricted Notes and agreed to maintain a register (the "**Book-Entry Register**") showing the aggregate number of the Notes of each tranche represented by the Restricted Global Note and the Unrestricted Global Note for such tranche under the name of the Book-Entry Registrar. Clearstream, Frankfurt has agreed, as agent of the Issuer, to maintain records of each tranche of Restricted Notes and Unrestricted Notes credited to the accounts of the accountholders of Clearstream, Frankfurt, for the benefit of the holders of the co-ownership interests (*Miteigentumsanteile*) in the respective tranche of Notes represented by the Restricted Global Note and the Unrestricted Global Note. The Issuer and Clearstream, Frankfurt have agreed, for the benefit of the holders of co-ownership interests in the Restricted Notes and Unrestricted Notes of each tranche, that the actual number of the respective tranche of Notes from time to time shall be evidenced by the records of the Book-Entry Registrar. No transfer of any Restricted Note or Unrestricted Note through Clearstream, Frankfurt shall be effective unless it is recorded in the Book-Entry Register.

Ownership of interests in each Global Note will be limited to persons who have accounts with Clearstream, Frankfurt ("**participants**") or persons who hold interests through participants ("**indirect participants**").

### Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Global Bearer Note exchangeable for Definitive Notes", the Notes will initially be in the form of a Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if Clearstream, Frankfurt or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever the Global Bearer Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Global Bearer Note to the bearer of the Global Bearer Note against the surrender of the Global Bearer Note to or to the order of Clearstream, Frankfurt within 30 days of the bearer requesting such exchange.

### **Unrestricted Global Note exchangeable for Unrestricted Individual Note Certificates**

If the relevant Final Terms specifies the form of Notes as being "Unrestricted Global Note exchangeable for Unrestricted Individual Note Certificates", the Notes will initially be in the form of an Unrestricted Global Note which will be exchangeable in whole, but not in part, for individual Note Certificates in registered form ("**Unrestricted Individual Note Certificates**") if Clearstream, Frankfurt or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever an Unrestricted Global Note is to be exchanged for Unrestricted Individual Note Certificates, each person having an interest in an Unrestricted Global Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Unrestricted Individual Note Certificates (including the name and address of each person in whose name the Notes represented by the Unrestricted Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever an Unrestricted Global Note is to be exchanged for Unrestricted Individual Note Certificates, the Issuer shall procure that Unrestricted Individual Note Certificates will be issued in an aggregate principal amount equal to the outstanding principal amount of the Unrestricted Global Note within five business days of the delivery, by or on behalf of the holder of the Unrestricted Global Note to the Registrar, of such information as is required to complete and deliver such Unrestricted Individual Note Certificates against the surrender of the Unrestricted Global Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

### **Restricted Global Note exchangeable for Restricted Individual Note Certificates**

If the relevant Final Terms specifies the form of Notes as being "Restricted Global Note exchangeable for Restricted Individual Note Certificates", the Notes will initially be in the form of a Restricted Global Note which will be exchangeable in whole, but not in part, for individual Note Certificates in registered form ("**Restricted Individual Note Certificates**") if Clearstream, Frankfurt or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever a Restricted Global Note is to be exchanged for Restricted Individual Note Certificates, each person having an interest in a Restricted Global Note must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Restricted Individual Note Certificates (including the name and address of each person in whose name the Notes represented by the Restricted Individual Note Certificates are to be registered and the principal amount of each such person's holding).

In addition, whenever a Restricted Global Note is to be exchanged for Restricted Individual Note Certificates, each person having an interest in the Restricted Global Note must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Note stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB who is also a QP and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A and Rule 3(c)(7). Restricted Individual Note Certificates issued in exchange for interests in the Restricted Global Note will bear the legends and be subject to the transfer restrictions set out under "Transfer Restrictions".

Whenever a Restricted Global Note is to be exchanged for Restricted Individual Note Certificates, the Issuer shall procure that Restricted Individual Note Certificates will be issued in an aggregate principal amount equal to the outstanding principal amount of the Restricted Global Note within five business days of the delivery, by or on behalf of the holder of the Restricted Global Note to the Registrar, of such information

as is required to complete and deliver such Restricted Individual Note Certificates against the surrender of the Restricted Global Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Trust Deed and the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note and Note Certificates will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described below under "Summary of Conditions applicable to Global Notes".

### **Exchanges and Transfers of Restricted and Unrestricted Notes within Clearstream, Frankfurt**

#### **Transfers**

Transfers between participants in Clearstream, Frankfurt will be effected in accordance with Clearstream, Frankfurt rules and will be settled in immediately available funds. The Notes will be transferable only in minimum aggregate principal amounts of €100,000 and any integral multiple of €1,000 in excess thereof. Each Global Note and interests in each Global Note will be subject to restrictions on transfer as described under "*Transfer Restrictions*."

A beneficial interest in an Unrestricted Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Restricted Global Note only upon receipt by the Transfer Agent of a written certification (in the form obtainable from the Transfer Agent) from the transferor to the effect that the transferor (i) reasonably believes that the transferee is a QIB who is also a QP purchasing for its own account (or for the account of one or more Qualified Institutional Buyers over which account it exercises sole investment discretion), (ii) transfers such note in a transaction meeting the requirements of Rule 144A and any applicable securities laws of any state of the United States and (iii) has notified the transferee of the restrictions on transfer and the representation described in this section.

A beneficial interest in a Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in a Restricted Global Note without a written certification from the transferor or the transferee.

A beneficial interest in a Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in a Unrestricted Global Note only upon receipt by the Transfer Agent of a written certification (in the form obtainable from the Transfer Agent) from the transferor to the effect that such transfer is being made in compliance with the restrictions and representations described in this section and in accordance with Rule 904 of Regulation S under the Securities Act.

In connection with transfers involving an exchange of an interest in one Global Note for an interest in the other Global Note for the same tranche of Notes, appropriate adjustments will be made to reflect a decrease in the principal amount of the one Global Note and a corresponding increase in the principal amount of the other Global Note.

Any interest in one Global Note that is transferred to a person who takes delivery in the form of the other Global Note will, upon transfer, cease to be an interest in the first mentioned Global Note and become an interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, applicable to interests in such other Global Note.

## **Book-entry procedures for Global Notes**

The following summaries of those operations and procedures are provided herein solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. None of the Issuer or the Guarantors is responsible for those operations or procedures.

The Issuer understands the following with respect to Clearstream, Frankfurt:

- Clearstream, Frankfurt as central securities depository holds securities for participating organizations and facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of those participants;
- Clearstream, Frankfurt provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of securities and securities lending and borrowing;
- Clearstream, Frankfurt participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations; and
- indirect access to Clearstream, Frankfurt is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Clearstream, Frankfurt participant, either directly or indirectly.

Payments of principal, premium (if any) and interest with respect to the Notes will be made by the Issuer in euro to the Issuing and Paying Agent, which will pay such amounts to Clearstream, Frankfurt, as the holder of the Global Note. Clearstream, Frankfurt will, in turn, distribute those payments to its participants in accordance with its procedures. Payments by participants and indirect participants of Clearstream, Frankfurt to the owners of interests in a Global Note will be the responsibility of those participants or indirect participants.

Investors will only be able to make and receive deliveries, payments and other communications relating to the Notes through Clearstream, Frankfurt on days when the Clearstream, Frankfurt system is open for business. That system may not be open for business on certain days when banks, brokers and other institutions are open for business in the United States. In addition, because of time-zone differences, there may be complications in connection with completing transactions through Clearstream, Frankfurt on the same business day as in the United States. U.S. investors who wish to transfer an interest in a Global Note or to receive or make a payment or delivery of such an interest on a particular day may find that the transaction will not be performed until the next business day in Frankfurt.

U.S. persons (as defined in Regulation S) may acquire or hold Notes only as Restricted Notes. Any U.S. person wishing to take delivery of Restricted Notes (the "**Transferee**") shall, subject to the rules and procedures of Clearstream, Frankfurt, or any other clearing system, to the extent applicable, provide to the Transfer Agent a certificate (in the form available from the Transfer Agent) (the "**Qualified Purchaser Certificate**") stating among other things that the Transferee is a U.S. person that is both a QIB and a QP.

## **Summary of Provisions relating to the Notes while in Global Form**

### **Clearing System Accountholders**

In relation to any Tranche of Notes represented by a Global Note which is held by Clearstream, Frankfurt, references in the Terms and Conditions of the Notes to "Noteholder" are references to the holders of co-ownership interests (*Miteigentum nach Bruchteilen*) in the Notes represented by the Global Notes.

### **Transfers of Interests in Global Notes**

Transfers of interests in Global Notes within Clearstream, Frankfurt or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Guarantors, the Trustee, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Clearstream, Frankfurt or any other relevant clearing system or any of their respective participants relating to payments made on account of ownership interests in a Global Note or for maintaining, supervising or reviewing any of the records of Clearstream, Frankfurt or any other relevant clearing system or the records of their respective participants relating to such ownership interests.

On or after the issue date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Frankfurt will generally have a settlement date two business days after the trade date (T+2). The customary arrangements for delivery versus payment will apply to such transfers.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

### **Eurosystem Eligibility**

The Global Notes are directly deposited with Clearstream, Banking Frankfurt and held in the Cascade settlement system which is currently considered eligible in accordance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"). Upon request, the Eurosystem will take an independent decision on whether the Notes meet the eligibility requirements of the Eurosystem for its monetary policy and intraday credit operations.

### **Summary of Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of Clearstream, Frankfurt and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the payment is entered pro rata in the records of Clearstream, Frankfurt or any other relevant clearing system.

*Payment Business Day:* in the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Noteholder interests:* In considering the interests of Noteholders while the Global Note is held by Clearstream, Frankfurt or any other relevant clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the holder of the Global Note.

*Notices:* Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Global Note and the Global Note is deposited with Clearstream, Frankfurt and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Frankfurt and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Clearstream, Frankfurt and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

## DEEDS OF GUARANTEE

The following is the text of each of the amended deeds of guarantee entered into between each of the Guarantors, the Trustee and the Issuer on or about 21 December 2018:

**THIS DEED OF GUARANTEE** is made on 18 January 2011 and was amended by a First Amendment Deed dated on or about 24 October 2011, a Second Amendment Deed dated 13 February 2012, a Third Amendment Deed dated 28 June 2013 and a Fourth Amendment Deed dated on or about 21 December 2018.

- (1) [Euro Area Member State] (the "**Guarantor**");
- (2) Deutsche Trustee Company Limited of Winchester House, 1 Great Winchester Street, London, EC2N 2DB, United Kingdom (the "**Trustee**" which expression includes, where the context admits, all persons which for the time become the trustee or trustees pursuant to the terms of the Trust Deed); and
- (3) European Financial Stability Facility, a *société anonyme* incorporated in the Grand Duchy of Luxembourg with its registered office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg and registered with the Register of Commerce and Companies of Luxembourg (R.C.S. Luxembourg) under registered number B153414 (the "**Issuer**").

## WHEREAS

- (A) The Issuer was incorporated for the purpose of making stability support to euro-area Member States. A framework agreement (the "**Framework Agreement**") entered into between the euro-area Member States listed in Schedule 1 (the "**Guarantors**"), the Hellenic Republic, Ireland, Portugal, the Republic of Cyprus and the Issuer sets out the terms and conditions on which the Issuer may enter into Financial Assistance Facility Agreements, make Financial Assistance available to euro-area Member States and finance such Financial Assistance by issuing or entering into funding instruments backed by guarantees issued by the Guarantors. 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 the Issuer and address contagion and they agreed to increase the flexibility of the Issuer 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 the Issuer to provide Financial Assistance of EUR 440,000 million. On 18 January 2011, each of the Guarantors (other than the Republic of Estonia) entered into a deed of guarantee with the Trustee and the Issuer (the "**Original Deeds of Guarantee**"). The Original Deeds of Guarantee were each amended by amendment deeds entered into between each of the Guarantors, the Trustee and the Issuer on or about 24 October 2011 (and an original deed of guarantee was entered into by the Republic of Estonia with the Trustee and the Issuer on such date) (the "**First Amendment Deeds**"), further amended by second amendment deeds dated on or about 13 February 2012 (and a first amendment deed was entered into by the Republic of Estonia with the Trustee and the Issuer on such date) (the "**Second Amendment Deeds**") further amended by third amendment deeds dated on or about 28 June 2013 (and a second amendment deed was entered into by the Republic of Estonia with the Trustee and the Issuer on such date) (the "**Third Amendment Deeds**") and further amended by fourth amendment deeds dated on or about 21 December 2018 (and a third amendment deed was entered into by the

Republic of Estonia with the Trustee and the Issuer on such date) (the "**Fourth Amendment Deeds**"), with the Original Deeds of Guarantee as amended by the First Amendment Deeds, the Second Amendment Deeds, the Third Amendment Deeds and the Fourth Amendment Deeds being the "**Deeds of Guarantee**" (including, for the avoidance of doubt, the original deed of guarantee, as amended, entered into by the Republic of Estonia).

- (B) By a trust deed dated on or about 18 January 2011 as supplemented and amended on 24 August 2011, 24 October 2011, 13 February 2012, 28 June 2013 and 21 December 2018 (the "**Trust Deed**") the Issuer has authorised the establishment of a Guaranteed Debt Issuance Programme (the "**Programme**") pursuant to which the Issuer may issue notes, bonds or other debt securities from time to time (the "**Notes**"). The aggregate principal amount of Notes which may be issued and outstanding under the Programme when added to the other Aggregate Guaranteed Outstandings (as defined in the Trust Deed) shall not exceed a specified amount (the "**Programme Authorised Amount**"). As at the date hereof, the Programme Authorised Amount is equal to EUR 241,000,000,000 (or its equivalent in other currencies). The Trust Deed provides that any amendment in the Programme Authorised Amount shall only become effective upon the receipt by the Trustee of a copy (certified by the Eurogroup Working Group Chairman) of the unanimous decision of the Guarantors (or, the Eurogroup Working Group, as relevant) in accordance with Articles 10(5) and 10(8) of the Framework Agreement approving such amendment. A certified copy of all such resolution(s) shall be annexed to the Trust Deed and to this Deed of Guarantee.
- (C) The Issuer has made applications to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to listing on the official list and to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (D) In connection with the Programme, the Issuer and the Guarantors have prepared a Prospectus dated on or about 21 December 2018 as amended and supplemented from time to time (the "**Prospectus**").
- (E) Notes issued under the Programme may be issued pursuant to the Prospectus and Final Terms describing the final terms of a particular Tranche of Notes.
- (F) The Guarantors have authorised the giving of their several, unconditional and irrevocable guarantees in relation to all Notes to be issued under the Programme pursuant to the Deeds of Guarantee. With regard to Notes issued under the Programme on or after the date of the Fourth Amendment Deeds, the Deeds of Guarantee shall apply (as amended by the Fourth Amendment Deeds, except that the Original Deeds of Guarantee, as amended by the First Amendment Deeds, the Second Amendment Deeds and the Third Amendment Deeds, shall take effect for Notes issued on or after the date of the Fourth Amendment Deeds that are intended to be consolidated and form a single series with Notes issued on or after the date of the Third Amendment Deeds but prior to the date of the Fourth Amendment Deeds). With regard to (i) Notes issued prior to the date of the First Amendment Deeds, such Notes shall continue to be guaranteed under the Original Deeds of Guarantee, without the amendments made by the First Amendment Deeds, the Second Amendment Deeds, the Third Amendment Deeds and the Fourth Amendment Deeds, or (ii) Notes issued on or after the date of the First Amendment Deeds but prior to the date of the Second Amendment Deeds, such Notes shall continue to be guaranteed under the Original Deeds of Guarantee, with the amendments made by the First Amendment Deeds, without the amendments made by the Second Amendment Deeds, the Third Amendment Deeds and the Fourth Amendment Deeds, or (iii) Notes issued on or after the date of the Second Amendment Deeds but prior to the date of the Third Amendment Deeds, such Notes shall continue to be guaranteed under the Original Deeds of Guarantee with the amendments made by the First Amendment Deeds and the Second Amendment Deeds, without the amendments made by the Third Amendment Deeds and the Fourth Amendment Deeds, or (iv) Notes issued on or after the date of the Third Amendment Deeds but prior to the date of the Fourth Amendment Deeds (including Notes issued on or after the date of the Fourth Amendment Deeds that are intended to be consolidated and form a single series with



Notes issued on or after the date of the Third Amendment Deeds but prior to the date of the Fourth Amendment Deeds), such Notes shall continue to be guaranteed under the Original Deeds of Guarantee with the amendments made by the First Amendment Deeds, the Second Amendment Deeds, and the Third Amendment Deeds, without the amendments made by the Fourth Amendment Deeds.

**NOW THIS DEED OF GUARANTEE WITNESSES** as follows:

1. **GUARANTEE AND INDEMNITY**

1.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees to the Trustee the due and punctual payment of up to 165% (the "**Over-Guarantee Percentage**") of its Guarantee Contribution Key % of all sums expressed to be payable from time to time by the Issuer under the Trust Deed or in respect of the Notes issued in accordance with the Trust Deed as and when the same are scheduled to become due and payable (regardless of the terms of any limited recourse provision set out in the Conditions of any Notes) including the amounts due on early redemption or upon acceleration of the Notes (such sums, the "**Guaranteed Amounts**") with the Over-Guarantee Percentage applicable to each issue of Notes (the "**Applicable Over-Guarantee Percentage**") being specified in the Final Terms of the relevant issue of Notes such that, at the date of issue and by virtue of the over-guarantee mechanism, Guaranteed Amounts to fall due under Notes are fully covered by Guarantees issued by Member States which, in the case of Short-Term Notes, have at least the then Required EFSF Short-Term Rating from each Rating Agency, and, in the case of Long-Term Notes, have at least the then Required EFSF Long-Term Rating from each Rating Agency, and accordingly undertakes to pay to the Trustee, within eight (8) Business Days (or such shorter period as is specified in this Deed of Guarantee) of receiving a written demand from the Issuer in accordance with this Deed of Guarantee, or within two (2) Business Days of receiving a written demand from the Trustee in accordance with this Deed of Guarantee (each, a "**Demand**", and such term shall also refer to Demands made on the other Guarantors under their respective Deeds of Guarantee), and in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of such Note, up to the Applicable Over-Guarantee Percentage of its Guarantee Contribution Key % of any and every scheduled Guaranteed Amount which the Issuer is at any time liable to pay in respect of such issue of Notes and which the Issuer is unable to pay or has failed to pay as specified in such Demand. Demands shall be made on all Guarantors on a *pro rata, pari passu* basis. In respect of a Demand by the Trustee, payments shall be made on the second (2nd) Business Day after the date of such Demand.

1.2 The obligations of each of the Guarantors under the Deeds of Guarantee are several only.

1.3 Subject to Clause 1.5 below, the Guarantee Contribution Key % of a Guarantor in relation to a Guaranteed Amount is equal to the percentage set out next to each Guarantor's name in Schedule 1 to the Deeds of Guarantee as adjusted from time to time for any Stepping-Out Guarantors or Stepping-In Guarantors.

1.4 In the event that any one or more of the Guarantors notifies the Issuer and the Trustee in writing that it is unable to pay or does not pay its Guarantee Contribution Key % of a Guaranteed Amount which is the subject of a Demand (the estimated amount to be unpaid or the actual unpaid amount being the "**Shortfall**"), the Trustee shall promptly notify the other Guarantors in writing and shall make a Demand (or Demands) on the other Guarantors to pay their Adjusted Payment Contribution Key % of the Shortfall(s) provided that no Guarantor shall be liable to pay in respect of a Guaranteed Amount an amount in excess of the product of (a) the Guaranteed Amount, (b) the relevant Guarantor's Guarantee Contribution Key % and (c) the Applicable Over-Guarantee Percentage. For the purpose of this Clause 1.4 the Adjusted Payment Contribution Key % of a Guarantor means the Guarantee Contribution Key % of each Guarantor adjusted on a *pro rata, pari passu* basis, the non-paying Guarantor(s), however, being excluded such that its/their Adjusted Payment Contribution Key % is equal to zero for this purpose such that the aggregate of the Adjusted Payment Contribution Key % of the remainder of the Guarantors is equal to 100%. The Trustee shall make Demands on all Guarantors under their respective Deeds of Guarantee on a *pro rata, pari passu* basis in accordance with the relevant Guarantor's Adjusted Payment

Contribution Key %, and the Guarantors shall promptly pay such Demands such that sufficient funds have been paid to the account specified in Clause 1.7 to permit payment in full of the Guaranteed Amounts prior to the expiry of five (5) Business Days from the scheduled date for payment of such amounts as set out in the Notes, provided that the Trustee has made such Demand at least two (2) Business Days prior to (and including) such date. This Clause 1.4 shall apply cumulatively *mutatis mutandis* if one or more Guarantors inform the Issuer and the Trustee that they are unable to pay or do not pay their Adjusted Contribution Key % of a Shortfall.

1.5

1.5.1 If, in relation to a Guarantor, the Issuer delivers to the Trustee a written notice confirming that all the other Guarantors have accepted that such Guarantor has become a stepping-out guarantor pursuant to Article 8(2) of the Framework Agreement (a "**Stepping-Out Guarantor**") then:

- (a) this shall not affect the liability of such Stepping-Out Guarantor under its Deed of Guarantee in respect of Notes which have already been issued under the Trust Deed prior to the date when such Guarantor becomes a Stepping-Out Guarantor (the "**Stepping-Out Date**");
- (b) such Stepping-Out Guarantor shall not incur liability under its Deed of Guarantee in respect of any further Notes issued under the Trust Deed on or after the relevant Stepping-Out Date;
- (c) in respect of Notes issued under the Trust Deed on or after the Stepping-Out Date each remaining Guarantor's Guarantee Contribution Key % is increased on a *pro rata, pari passu* basis such that the Stepping-Out Guarantor is excluded (i.e. such Stepping-Out Guarantor's Guarantee Contribution Key % is equal to zero in relation to further issues of Notes) and the aggregate of the Guarantee Contribution Key % of all remaining Guarantors in respect of such further issues of Notes is equal to 100% thereby increasing the Guarantee Contribution Key % of the remaining Guarantors in respect of Notes issued after the Stepping-Out Date on a *pro rata, pari passu* basis;
- (d) if a Guarantor becomes a Stepping-Out Guarantor then, following a request by such Stepping-Out Guarantor and a unanimous resolution of the Guarantors, it may cease to be a Stepping-Out Guarantor and re-commence to incur liabilities under its Deed Guarantee in relation to Notes issued under the Trust Deed (a "**Stepping-In Guarantor**") on or after the date specified in such unanimous resolution of the Guarantors (the "**Stepping-In Date**");
- (e) in respect of Notes issued under the Trust Deed on or after the Stepping-In Date, the Guarantee Contribution Key % of each Guarantor (other than the Stepping-In Guarantor) shall be decreased on a *pro rata, pari passu* basis such that the aggregate of the Guarantee Contribution Key % of all the Guarantors (including the Stepping-In Guarantor) incurring liabilities under their respective Deeds of Guarantee in respect of Notes issued after the Stepping-In Date shall be equal to 100%; and
- (f) for Notes issued on or after a Stepping-Out Date or a Stepping-In Date, the terms and conditions and the Final Terms for any Notes issued on or after such date shall set out the Guarantee Contribution Key % of each Guarantor as amended to reflect these adjustments.

1.5.2 It is acknowledged and agreed that in accordance with the terms of a unanimous resolution of the Member States made pursuant to Articles 5(3) and 10(5)(f) of the Framework Agreement the Slovak Republic is permitted not to guarantee a specified amount of Notes issued to finance Financial Assistance to the Hellenic Republic which amount corresponds to the notional share of the Slovak Republic in the cancelled non-utilised portion of the Greek Loan Facility. In respect of such Notes, the Guarantee

Contribution Key % of each Guarantor shall be determined in accordance with Clause 1.5(c) above as if the Slovak Republic is a Stepping-Out Guarantor. The Final Terms of the relevant issue of Notes shall specify the Guarantors, the Guarantee Contribution Key % and the Applicable Over-Guarantee Percentage applicable to the series of Notes guaranteed or, as the case may be, not guaranteed by the Slovak Republic. Subject to the foregoing, the Slovak Republic is not a Stepping-Out Guarantor and its obligation to issue guarantees under the Framework Agreement (including Notes which finance the remaining balance of any Financial Assistance to the Hellenic Republic) remains in full force and effect.

## 1.6

### 1.6.1

- (a) A Demand under all the Deeds of Guarantee shall be made by the Issuer (acting on behalf of the Trustee) if, on a Calculation Date prior to a Due Date or, if no Demand is made on the Calculation Date, on any Business Day after such Calculation Date but prior to the Cut-Off Date preceding the relevant Due Date, the Issuer determines that it has an Anticipated Available Funds Shortfall in respect of the Guaranteed Amounts scheduled to be paid on the relevant Due Date.

In this event, the Demand shall specify the Anticipated Shortfall Amount, each Guarantor's Guarantee Contribution Key % of such Anticipated Shortfall Amount and shall request in writing each Guarantor to transfer an amount equal to its Guarantee Contribution Key % of such Anticipated Shortfall Amount in cleared funds to the account referred to in Clause 1.7 below by opening of Business Luxembourg time on the Cut-Off Date prior to the Due Date of the relevant Guaranteed Amounts, and, following such a Demand, the Guarantors shall transfer their Guarantee Contribution Key % of such Anticipated Shortfall Amount as specified in such Demand to such account in accordance with the terms of such Demand (provided that the Demand is made more than two (2) Business Days prior to the relevant date for the transfer to the account and, if this is not the case, then such Demand shall be paid no later than on the second (2nd) Business Day following the date of receipt of such Demand).

- (b) If, at close of business in Luxembourg on a Cut-Off Date, the Issuer determines that there is an EFSF Available Funds Shortfall in respect of the Guaranteed Amounts due under the Trust Deed or in respect of the Notes on the relevant Due Date, then, the Issuer shall, at opening of business in Luxembourg on the date which is two (2) Business Days prior to the Due Date, make a Demand under the Deeds of Guarantee with each Guarantor being requested to pay to the Issuer an amount equal to the product of (a) each Guarantor's Guarantee Contribution Key %, (b) the Applicable Over-Guarantee Percentage and (c) the EFSF Available Funds Shortfall and each Guarantor (including any Guarantor that has failed to make a payment under a Demand made on or after the immediately preceding Calculation Date) shall transfer the amount requested from it in such Demand to the account designated under Clause 1.7 below no later than opening of business in Luxembourg on the second (2nd) Business Day following the date of receipt of such Demand, provided that in respect of successive Demands under Clauses 1.4, 1.6.1(a) and 1.6.1(b) in respect of Guaranteed Amounts due on a Due Date, no Guarantor shall be liable to pay in respect of such Guaranteed Amounts an amount in excess of the product of (a) such Guaranteed Amounts, (b) the relevant Guarantor's Guarantee Contribution Key % and (c) the Applicable Over-Guarantee Percentage.
- (c) If, following a Demand made under Clauses 1.4, 1.6.1(a) or 1.6.1(b), on the relevant Due Date, the Issuer determines that the Guarantors have paid funds into an account designated for this purpose by the Trustee under Clause 1.7 in excess of the EFSF Available Funds Shortfall as determined on the immediately

preceding Cut-Off Date, then the Issuer shall direct the Trustee to return the surplus funds to the Guarantors who have complied with the Demand on a pro rata, *pari passu* basis in accordance with Clause 10.2.2(b) of the Trust Deed.

- 1.6.2 At any time after the Issuer has failed to pay in full a scheduled interest payment, scheduled principal payment or other amount due and payable under any Note on the date and time when such amount was due as set out in the Notes (which failure to pay is continuing and has not been remedied in full by payments under the Deeds of Guarantee or otherwise), any Demand under the Deeds of Guarantee, whether pursuant to and in accordance with the conditions set out in Clause 1.1 or Clause 1.4, shall be made by the Trustee. In such circumstances, the Trustee shall make such Demand promptly on the date on which it is notified that the conditions to making a Demand under Clause 1.1 and/or Clause 1.4 of the Deeds of Guarantee are fulfilled (provided that it has received notification on such date by 10.00 a.m. Luxembourg time, or if not, the Trustee shall make such Demand on or by 10.00 a.m. Luxembourg time on the next Business Day), and the amounts demanded by the Trustee (including amounts demanded pursuant to Clause 1.4) shall in any event be paid by the Guarantors prior to the expiry of five (5) Business Days from the scheduled date for payment of such amounts as set out in the Notes (any Demand under Clause 1.4 of the Deeds of Guarantee shall be made by the Trustee on the date that it is notified by a Guarantor that it is unable to pay the amount demanded under such Demand, or on the date on which a Guarantor has not made full payment of the amount demanded under such Demand, and provided that, in any event the Trustee shall make a Demand pursuant to Clause 1.4 of the Deeds of Guarantee on the date which is two (2) Business Days prior to (and including) the date which is five (5) Business Days from the scheduled date for payment set out in the Notes if it has not received confirmation by 10.00 a.m. Luxembourg time on such date that all amounts due but unpaid in respect of the Notes have been paid into the account referred to in Clause 1.7 of the Deeds of Guarantee.
- 1.6.3 The Issuer and the Guarantors may agree separately on the assignment and transfer by the Issuer to the Guarantors of a portion of the Issuer's rights and claims in respect of an amount due but unpaid under a Financial Assistance which has given rise to a Demand under the Deeds of Guarantee. The entering into such an assignment is not a condition to payment under the Deeds of Guarantee. The Guarantor acknowledges and agrees that (a) no Guarantor shall be entitled to any double recovery from EFSF or otherwise in respect of any payment made under the Deeds of Guarantee (whether by reason of subrogation, any obligation of EFSF to reimburse or indemnify a Guarantor or by virtue of any assignment of rights pursuant to this Clause 1.6.3 and whether arising under the Framework Agreement, the Deeds of Guarantee or otherwise) (b) the obligations of EFSF to reimburse or indemnify the Guarantors (whether arising under the Framework Agreement, the Deeds of Guarantee, by virtue of subrogation or otherwise) are limited to the amounts (if any) actually recovered by EFSF in respect of Financial Assistance.
- 1.7 Payments under this Deed of Guarantee shall be made to an account designated for this purpose by the Trustee.
- 1.8 The Guarantor shall not be entitled to set-off or deduct any amounts owing to it by EFSF from any payments due by the Guarantor under this Deed of Guarantee.
- 1.9 Noteholders shall not have any individual or direct rights to demand or to take legal action to enforce this Deed of Guarantee.
- 1.10 Without prejudice to any other provisions of this Deed of Guarantee requiring payments to be made at an earlier time, payments by the Guarantor in respect of a Demand, whether such Demand is made by the Issuer or by the Trustee under Clause 1.1 or Clause 1.4 of this Deed of Guarantee, shall be made prior to the expiry of five (5) Business Days from the scheduled date for payment of such amounts as set out in the Notes.

## 2. **PRESERVATION OF RIGHTS**

### 2.1 Principal obligor

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

### 2.2 Continuing obligations

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note and shall continue in full force and effect for so long as and until all sums due from the Issuer in respect of the Notes have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full provided that each Guarantor shall only be liable for its Guarantee Contribution Key % of any Guaranteed Amounts or its Adjusted Payment Contribution Key % of any Shortfall as described in Clause 1.4 (above).

### 2.3 Obligations not discharged

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

2.3.1 *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;

2.3.2 *Illegality*: any of the obligations of the Issuer under or in respect of any Note becoming illegal, invalid, unenforceable or ineffective in any respect;

2.3.3 *Indulgence, Waivers or Consents*: time or other indulgence or any waiver or consent being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note;

2.3.4 *Amendment*: any amendment, novation, supplement, extension, (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Trust Deed or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note or the addition of any new obligations for the Issuer under the Trust Deed provided that none of the foregoing shall result in any increase of the Guarantor's liabilities under this Deed of Guarantee unless the Guarantor consents to such increase;

2.3.5 *Analogous events*: any other act, event or omission which, but for this sub- clause, would operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor under this Deed of Guarantee; or

2.3.6 *Limited recourse*: any limitation on recourse against the Issuer or its assets agreed to by the Trustee or Noteholders.

### 2.4 Settlement conditional

Any settlement or discharge between the Guarantor and the Trustee shall be conditional upon no payment to the Trustee by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation, moratorium or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Trustee shall be entitled to recover the amount by which such

payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

## 2.5 Exercise of Rights

The Trustee shall not be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

2.5.1 *Demand*: to make any demand of the Issuer;

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

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

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

## 2.6 *Pari passu*

The Guarantor undertakes that its obligations hereunder will at all times rank *pari passu* with all other present and future, direct, unconditional, unsubordinated and unsecured obligations of the Guarantor.

## 2.7 Subrogation of Guarantors' rights

Each Guarantor shall be subrogated to all rights of the Noteholders against the Issuer in respect of any amounts paid by such Guarantor pursuant to its Deed of Guarantee.

## 2.8 Subordination of Guarantors' Rights

The Guarantor acknowledges and agrees that:

- (a) if there has been any failure to pay by a Member State under a Financial Assistance made pursuant to the Financial Assistance Facility Agreement with such Member State, the Guarantors shall not without the prior consent of the Trustee be entitled to enforce or to receive any payments from the Issuer or to receive or retain any payment in any insolvency or winding-up of the Issuer whether by virtue of its rights to subrogation, reimbursement or indemnity arising under the Deeds of Guarantee, the Framework Agreement or otherwise arising under applicable law in respect of the non-payment of such Financial Assistance unless and until any and all outstanding failures to pay (if any) under existing Financial Assistance made to that Member State under its Financial Assistance Facility Agreement have been remedied in full;
- (b) if there has been any failure to pay by a Member State under a Financial Assistance made pursuant to the Financial Assistance Facility Agreement with such Member State, the Guarantors shall not without the prior consent of the Trustee be entitled to enter into or perfect any assignment or transfer of rights pursuant to Clause 1.6.3 of the Deeds of Guarantee or Article 6(8) of the Framework Agreement or to receive or retain any payment in connection with the non-payment of such Financial Assistance unless and until any and all outstanding failures to pay under existing Financial Assistance made to that Member State under its Financial Assistance Facility Agreement have been remedied in full;
- (c) if there has been any failure to pay by the Issuer in respect of any Notes issued to finance Financial Assistance to be made under a Financial Assistance Facility Agreement between the Issuer and a specific Member State then no Guarantor shall be entitled to receive or retain any right to contribution from any other Guarantor whether arising under Article 7 of the Framework Agreement or otherwise arising by contract or under applicable law in respect of Notes issued to finance Financial Assistance made under the

relevant Financial Assistance Facility Agreement unless and until all failures to pay under Notes financing such Financial Assistance Facility Agreement have been remedied in full.

The Issuer will give written notice to the Guarantors and the Trustee promptly and in any event within one (1) Business Day of the Issuer becoming aware that (i) a failure to pay under a Financial Assistance has been remedied in full or (ii) a failure to pay in respect of a Note issued by the Issuer has been remedied in full. For the purposes of this Clause 2.8, a failure to pay in respect of a Financial Assistance includes any failure to pay any related prepayment indemnity relating to such Financial Assistance under the relevant Financial Assistance Facility Agreement.

### 3. **DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Trustee for so long as the Programme remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Trust Deed) have been discharged in full.

### 4. **BENEFIT OF DEED OF GUARANTEE**

#### 4.1 Deed poll

The obligations of the Guarantor and the Issuer under this Deed of Guarantee shall take effect as a deed poll for the benefit of the Trustee from time to time. The Trustee shall hold the benefit of the guarantee on trust for the Noteholders from time to time on the terms of the trusts declared pursuant to the Trust Deed.

#### 4.2 Benefit

This Deed of Guarantee shall enure to the benefit of the Trustee and/or as the case may be its (and any subsequent) successor Trustee and assigns appointed in accordance with the terms of the Trust Deed, each of which shall be entitled to enforce this Deed of Guarantee against the Guarantor.

#### 4.3 Assignment

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. The Trustee shall be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder to a successor Trustee appointed in accordance with the terms of the Trust Deed subject to obtaining the prior written consent of the Guarantors.

### 5. **EXPIRY AND LIMITS OF THE GUARANTEE**

5.1 Subject to Clause 2.3 and Clause 5.2, this Deed of Guarantee shall expire on the date (the "**Expiry Date**") which is the earlier of (i) the date when all Notes issued under the Programme have been irrevocably paid in full, no further Notes may be issued under the Programme and all obligations of the Guarantors under the Deeds of Guarantee have been fully and irrevocably paid and (ii) 31 December 2082.

5.2 In the event that any payment by the Issuer or on the Issuer's behalf is subsequently avoided, reduced or set aside by virtue of any laws relating to bankruptcy, insolvency, liquidation, moratorium or similar laws of general application in force from time to time the Trustee shall be entitled to make a Demand under this Deed of Guarantee notwithstanding the occurrence of the Expiry Date.

5.3 The aggregate of the amounts (other than interest) guaranteed by the Guarantor under this Guarantee and all other guarantees issued by it of the liabilities of EFSF (together with the Guarantee, the "**Relevant Guarantees**") plus (without double counting) any guaranteed amounts (other than interest) paid by the Guarantor (but not reimbursed) thereunder shall not exceed its Guarantee Commitment. Accordingly and notwithstanding any other provision of this Deed of Guarantee, the aggregate of the payment claims against the Guarantor in respect of amounts (other

than interest) guaranteed by the Relevant Guarantees is hereby limited to its Guarantee Commitment. For the avoidance of doubt, none of the Relevant Guarantees covers any interest or any other amounts accruing on or relating to any principal amounts to the extent that such principal amounts exceed the Guarantor's Guarantee Commitment.

6. **PARTIAL INVALIDITY**

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

7. **NOTICES**

7.1 Address for notices

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

Address:   
Fax:   
E-mail:   
Attention:   
With a copy to: European Financial Stability Facility  
Fax:   
E-mail:   
Attention:

or, in relation to the Guarantor, to such other address, fax number or e-mail address, or for the attention of such other person or department as the Guarantor has notified to the Issuer and to the Trustee in the manner prescribed for the giving of notices in connection with the relevant Notes.

7.2 Effectiveness

Every notice, demand or other communication sent in accordance with Clause 7.1 (*Address for notices*) shall be effective upon actual receipt by the Guarantor; *provided that* any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day or on a day which is not a Business Day shall not take effect until 10.00 a.m. on the immediately succeeding Business Day.

8. **INTERPRETATION**

8.1 Definitions

In this Deed of Guarantee:

**"Anticipated Available Funds Shortfall"** means that, on the Calculation Date prior to the Due Date on which a scheduled payment of Guaranteed Amounts is due under an issue of Notes or, on any Business Day after such Calculation Date but prior to the Cut-Off Date preceding the relevant Due Date, the amount of EFSF Available Funds on such date is not equal to or greater than the Required Coverage Amount.

**"Anticipated Shortfall Amount"** means, on a Calculation Date (or, on any Business Day after such Calculation Date but prior to the Cut-Off Date preceding the relevant Due Date), the difference (if a positive amount) between (a) the aggregate of the Guaranteed Amounts due and payable by the Issuer on the relevant Due Date, and (b) the EFSF Available Funds as at such date.



**"Business Day"** shall mean a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**Target 2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg.

**"Calculation Date"** means the date which is ten (10) Business Days prior to a Due Date.

**"Conditions"** means the terms and conditions applicable to a series of Notes issued under the Programme.

**"Cut-Off Date"** means each Business Day which is three (3) Business Days prior to a Due Date.

**"Due Date"** means a date on which the Issuer is due to make scheduled payments of Guaranteed Amounts under an issue of Notes.

**"ECB"** means the European Central Bank.

**"EFSF Available Funds"** means, on a Calculation Date or on any date where a determination needs to be made under this Deed of Guarantee in relation to funds available to the Issuer to finance the payment of Guaranteed Amounts due under the Trust Deed or in respect of the Notes on a Due Date, and without double-counting: (i) credit balances on bank accounts held by the Issuer at institutions which meet the Minimum Credit Rating Requirement, the ECB or the Bundesbank, (ii) amounts due from and/or funds or securities invested in or through an Eligible Central Counterparty which amounts will be received or which securities can be liquidated prior to the relevant Cut-Off Date, (iii) funds which have been transferred to an account at the ECB which will be available to finance the payment of Guaranteed Amounts due under the Notes on a Due Date under the terms of a Financial Assistance Facility Agreement, (iv) debt instruments rated with the highest rating, or if different, with a rating which is equal to or higher than the lowest rating then assigned to the Issuer from each of the Rating Agencies which are held by the Issuer which will mature (taking into account any relevant settlement period) prior to the relevant Due Date, (v) any undrawn amounts under committed liquidity or credit agreements available to be drawn by the Issuer which have been granted by financial institutions which satisfy the Minimum Credit Rating Requirement and which can be drawn prior to the relevant Due Date and (vi) ninety per cent (90%) of the market value of debt securities rated with the highest rating, or if different, with a rating which is equal to or higher than the lowest rating then assigned to the Issuer from each of the Rating Agencies, held by the Issuer and which can be used by it to raise funds by way of sale or in the repo market prior to the relevant Due Date; provided that (a) all such amounts will be available to pay the Guaranteed Amounts due on the Due Date, (b) such EFSF Available Funds (i) do not include any amounts which are required to pay other payment obligations or liabilities of the Issuer (whether Guaranteed Amounts or other liabilities) which are scheduled to be paid on or prior to the Due Date and (ii) do not include any amounts which constitute cash reserves, negative carry reserves, loan specific cash buffers or income derived from the investment of these reserves or buffers. On a Cut-Off Date EFSF Available Funds shall solely comprise credit balances on bank accounts opened at institutions which meet the Minimum Credit Rating Requirement, the ECB or the Bundesbank held by the Issuer or pledged under a valid and enforceable pledge to the Issuer to secure Financial Assistance made available after 24 October 2011, and which amounts are fully available to pay the Guaranteed Amounts on the Due Date, subject to the provisos in (a) and (b) of this definition.

**"EFSF Available Funds Shortfall"** means, at close of business in Luxembourg on a Cut-Off Date, the difference (if a positive amount) between (a) the Guaranteed Amounts scheduled to be paid under an issue of Notes and the Trust Deed on the relevant Due Date and (b) the EFSF Available Funds which will be available to pay such Guaranteed Amounts on such Due Date.

**"Eligible Central Counterparty"** means a central counterparty which is regularly used by prime market participants for the clearing of repo transactions or OTC derivatives transactions, provided that such central counterparty has regular mark-to-market margining requirements for its underlying counterparties.

**"Final Terms"** has the meaning ascribed to such term in the Trust Deed.

"**Fitch**" means Fitch Ratings Limited.

"**Greek Loan Facility**" means the €80 billion loan facility dated 8 May 2010 between the then euro-area Member States and the Hellenic Republic.

"**Guarantee Commitment**" means, in respect of a Guarantor, the amount set alongside its name in Annex 1 of the Framework Agreement.

"**Higher Long Term Rated Guarantors**" means, in respect of a Rating Agency, a group of Guarantors, such group being comprised of those Guarantors (among the Guarantors which are not Stepping-Out Guarantors on that date) which have on the date of issuance of Notes the highest long term ratings of all Guarantors first, and thereafter, additional Guarantors in descending order of their long term rating, provided that this group will consist of the minimum number of Guarantors which would permit Guaranteed Amounts under the Notes to be fully covered by the Guarantees provided by those Guarantors with an Over-Guarantee Percentage of 165% or less, and any Guarantors which have the same long term rating as the Guarantor with the lowest long term rating being part of the minimum number of Guarantors permitting the Guaranteed Amounts under the Notes to be fully covered by the Guarantees provided by those Guarantors with an Over-Guarantee Percentage of 165% or less.

"**Higher Short Term Rated Guarantors**" means, in respect of a Rating Agency, a group of Guarantors, such group being comprised of those Guarantors (among the Guarantors which are not Stepping-Out Guarantors on that date) which have on the date of issuance of Notes the highest short term ratings of all Guarantors first, and thereafter, additional Guarantors in descending order of their short term rating, provided that this group will consist of the minimum number of Guarantors which would permit Guaranteed Amounts under the Notes to be fully covered by the Guarantees provided by those Guarantors with an Over-Guarantee Percentage of 165% or less, and any Guarantors which have the same short term rating as the Guarantor with the lowest short term rating being part of the minimum number of Guarantors permitting the Guaranteed Amounts under the Notes to be fully covered by the Guarantees provided by those Guarantors with an Over-Guarantee Percentage of 165% or less.

"**Long-Term Notes**" means the Notes issued with a maturity of one year or more.

"**Minimum Credit Rating Requirement**" means an issuer rating of at least A/A2/A (S&P/Moody's/Fitch) from each of the Rating Agencies.

"**Moody's**" means Moody's Investors Service Ltd.

"**Noteholder**" means a holder of any Note issued under the Programme.

"**Rating Agencies**" means Fitch, Moody's and Standard & Poor's.

"**Required Coverage Amount**" means, on a Calculation Date or, on any Business Day after such Calculation Date but prior to the Cut-Off Date preceding the relevant Due Date, an amount equal to the product of (a) the scheduled amounts due from the Issuer in respect of Guaranteed Amounts under the Trust Deed or in respect of Notes on the related Due Date and (b) the Required Coverage Percentage.

"**Required Coverage Percentage**" means the percentage which is equal to the aggregate of the Guarantee Contribution Key % of each of the Guarantors which on the date of determination, (a) in the case of a series of Short-Term Notes, have a lower short-term rating by any of the Rating Agencies than that assigned by such Rating Agency on the date of determination to the relevant series of Short-Term Notes, or (b) in the case of a series of Long-Term Notes, have a lower long-term rating by any of the Rating Agencies than that assigned by such Rating Agency on the date of determination to the relevant series of Long-Term Notes.

"**Required EFSF Long-Term Rating**" means, in respect of a Rating Agency, the highest long-term rating under the long-term rating scale of that Rating Agency or, if different, a long-term rating under the long-term rating scale of such Rating Agency which is equal to or higher than the then lowest long-term credit rating assigned by such Rating Agency to any series of unsubordinated Long-Term Notes issued by the Issuer, *provided that* if at the date of issue of Notes and by virtue

of the over- guarantee mechanism, Guaranteed Amounts to fall due under Notes are not fully covered by Guarantees issued by Member States which have such long-term credit rating, then "**Required EFSF Long-Term Rating**" shall mean, in respect of a Rating Agency, the then lowest long-term credit rating assigned by such Rating Agency to any series of unsubordinated Long-Term Notes issued by any of the Higher Long Term Rated Guarantors.

"**Required EFSF Short-Term Rating**" means, in respect of a Rating Agency, the highest short-term rating under the short-term rating scale of that Rating Agency or, if different, a short-term rating under the short-term rating scale of such Rating Agency which is equal to or higher than the then lowest short-term credit rating assigned by such Rating Agency to any series of unsubordinated Short-Term Notes issued by the Issuer, *provided that* if at the date of issue of Notes and by virtue of the over- guarantee mechanism, Guaranteed Amounts to fall due under Notes are not fully covered by Guarantees issued by Member States which have such short-term credit rating, then "**Required EFSF Short-Term Rating**" shall mean, in respect of a Rating Agency, the then lowest short-term credit rating assigned by such Rating Agency to any series of unsubordinated Short-Term Notes issued by any of the Higher Short Term Rated Guarantors.

"**Short-Term Notes**" means the Notes issued with a maturity of less than one year.

"**Standard & Poor's**" means Standard & Poor's Global Ratings, a division of The McGraw Hill Companies, Inc.

"**Tranche**" has the meaning given to it in the Trust Deed.

In this Deed of Guarantee the terms "**Financial Assistance Facility Agreement**" and "**Financial Assistance**" shall apply respectively to "**Loan Facility Agreements**" and "**Loans**" entered into or disbursed by the Issuer prior to 24 October 2011.

## 8.2 Clauses

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

## 8.3 Other agreements

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Trust Deed and the Prospectus and any other agreement, instrument or document entered into in relation to the Programme) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, restated, extended, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of Guarantee to the Prospectus shall be construed as a reference to the Prospectus as supplemented and/or amended by the Final Terms of the relevant Tranche of Notes.

## 8.4 Legislation

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

## 8.5 Headings

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

## 8.6 Benefit of Deed of Guarantee

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee.

9. **LAW AND JURISDICTION**

9.1 Governing law

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

9.2 Exclusive Jurisdiction

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

9.3 Appropriate forum

The Guarantor agrees that the courts referred to in Clause 9.2 are the most appropriate and convenient courts to settle any Dispute and, accordingly, they shall not argue to the contrary.

9.4 Rights of the Trustee to take proceedings outside Luxembourg

Clause 9.2 (*Exclusive Jurisdiction*) is for the benefit of the Trustee only. As a result, nothing in this Clause 9 (*Law and jurisdiction*) prevents the Trustee from taking proceedings relating to a Dispute ("**Proceedings**") in the courts of the domicile of each of the Guarantors or of the governing law of this Deed of Guarantee and the Guarantor hereby irrevocably submits to the jurisdiction of such courts. To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of such jurisdictions.

9.5 Waiver of immunity

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

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

**EXECUTED as a deed**

**[EURO AREA MEMBER STATE GUARANTOR]**

Represented by:

**EXECUTED as a DEED by affixing the common seal of**

**DEUTSCHE TRUSTEE COMPANY LIMITED in the presence of:**

\_\_\_\_\_ Director/Associate Director

\_\_\_\_\_ Director/Associate Director/Assistant Secretary

**EXECUTED as a deed**

**EUROPEAN FINANCIAL STABILITY FACILITY**

Represented by:

**SCHEDULE 1  
THE GUARANTORS**

<b>Member State</b>	<b>Guarantee Contribution Key % following stepping-out of Greece, Ireland, Portugal and Cyprus</b>
Kingdom of Belgium	3.7313%
Federal Republic of Germany	29.1309%
Estonia	0.2754%
Kingdom of Spain	12.7739%
French Republic	21.8762%
Italian Republic	19.2233%
Grand Duchy of Luxembourg	0.2687%
Republic of Malta	0.0972%
Kingdom of the Netherlands	6.1350%
Republic of Austria	2.9869%
Republic of Slovenia	0.5058%
Slovak Republic	1.0666%
Republic of Finland	1.9289%
<b>Total</b>	<b>100.0000%</b>

## TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Form of Notes" above.

### 1. Introduction

- (a) *Programme*: European Financial Stability Facility, a *société anonyme*, incorporated in the Grand Duchy of Luxembourg (the "**Issuer**") has established a Debt Issuance Programme (the "**Programme**") for the issuance of up to EUR 241,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed on a several basis by the euro-area Member States (the "**Guarantors**") on the terms set out in the Deeds of Guarantee (as defined below).
- (b) *Final Terms*: Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Trust Deed*: The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated on or about 21 December 2018 as amended and supplemented from time to time, (the "**Trust Deed**"), between the Issuer and Deutsche Trustee Company Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Deeds of Guarantee*: The Notes issued under the Programme have the benefit of the guarantees of the Guarantors issued on a several basis on the terms of the deeds of guarantee entered into between the Issuer, the Trustee and each of the Guarantors dated on or about 18 January 2011 as amended and restated by amendment deeds in relation to the deeds of guarantee dated on or about 24 October 2011, on or about 13 February 2012, on or about 28 June 2013 and on or about 21 December 2018 (the "**Deeds of Guarantee**"). The Final Terms of each Series of Notes will specify the Guarantors, their respective Guarantee Contribution Key % and the Applicable Over-Guarantee Percentage which apply to such Series of Notes.
- (e) *Agency Letters*: The Notes are the subject of (i) an agency letter dated on or about 18 January 2011 between the Issuer and Deutsche Bundesbank as issuing and paying agent (the "**Issuing and Paying Agent**", which expression includes any successor issuing and paying agent appointed from time to time in connection with the Notes), (ii) an agency letter dated on or about 18 January 2011 between the Issuer and Clearstream Banking AG Frankfurt ("**Clearstream, Frankfurt**") (together with (i) the "**Agency Letters**") and (iii) an agency agreement dated on or about 24 October 2011 between the Issuer and Citibank, N.A. as registrar (the "**Registrar**" which expression includes any successor registrar appointed from time to time in connection with the Notes) and as transfer agent (the "**Transfer Agent**" which expression includes any successor transfer agent appointed from time to time in connection with the Notes) (the "**Agency Agreement**"). In these Conditions references to the "**Agents**" are to the Issuing and Paying Agent, Clearstream, Frankfurt, the Registrar and the Transfer Agent and any reference to an "**Agent**" is to any one of them.
- (f) *The Notes*: The Notes may be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the offices of the Issuer which are set out below, and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
- (g) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed, the Agency Letters and the Agency Agreement and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**",

respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, Agency Letters and the Agency Agreement applicable to them. Copies of the Trust Deed, the Agency Letters and the Agency Agreement are available for inspection by Noteholders during normal business hours at the offices of the Issuer which are set out below.

## 2. Interpretation

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Calculation Agent**" means such Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);



- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (g) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the Guarantors in the Deeds of Guarantee;

"**Holder**" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Notes*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"Margin"** has the meaning given in the relevant Final Terms;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"New EFSF Notes"** means Notes issued by EFSF for delivery to Noteholders if so specified in the relevant Final Terms in relation to a Call Option, the characteristics of such Notes and of their delivery being described in the relevant Final Terms;

**"Noteholder"** has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Notes*);

**"Optional Redemption Amount (Call)"** means, in respect of any Note, such amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Final Terms;

**"Participating Member State"** means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that** in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Early Termination Amount, the Optional Redemption Amount (Call) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Rate"** means LIBOR, EURIBOR or such other Reference Rate as may be specified in the relevant Final Terms for the purposes of calculating the Rate of Interest in respect of Floating Rate Notes;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Issuing and Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Reserved Matter"** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, or to change the currency of any payment under the Notes or to changes to the Deeds of Guarantee or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution pursuant to Condition 1.1 of Schedule 3 of the Trust Deed and as described in Condition 14(b) (below);

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given in the relevant Final Terms;

**"Specified Office"** means the offices of each of the Agents or Clearstream, Frankfurt as set out in the relevant Notes;

**"Specified Period"** has the meaning given in the relevant Final Terms;

**"Talon"** means a talon for further Coupons;

**"TARGET2"** 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;

**"TARGET Settlement Day"** means any day on which TARGET2 is open for the settlement of payments in euro;

**"Treaty"** means the Treaty on the functioning of the European Union, as amended; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Trust Deed, the Agency Letters and the Agency Agreement shall be construed as a reference to the Trust Deed, the Agency Letters or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register (the "**Register**") in accordance with the provisions of the Agency Agreement. Each time the relevant Register is amended or updated, the Registrar shall send a copy of the relevant Register to the Issuer. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person other than the Trustee shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the specified office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status, Guarantee and Guaranteed Payment Date**

- (a) *Status of the Notes:* The Notes constitute direct limited recourse obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application, as more fully described in Condition 20 (*Limited Recourse and Non-Petition*).
- (b) *Guarantee of the Notes:* The Guarantors have in the Deeds of Guarantee unconditionally and irrevocably guaranteed, on a several basis and subject to the limitations set out therein, the due and punctual payment of all sums from time to time scheduled to be payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantors which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantors, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (c) *Guaranteed Payment Date under the Notes:* If the Issuer fails to make a payment of an amount due under the Notes (a "**Failure to Pay**") on the date on which such payment is due in accordance with these Conditions (the "**Scheduled Payment Date**"), but such amount is paid within 5 Business Days of such Scheduled Payment Date following a Demand made under the Deeds of Guarantee and in accordance with the terms thereof (the "**Guaranteed Payment Date**"), then such amount shall be deemed to have been duly paid for the purposes of these Conditions and such Failure to Pay shall be deemed to have been remedied in full on such Guaranteed Payment Date.

#### 5. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments- Bearer Notes*) and Condition 10 (*Payments- Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being

rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 6. Floating Rate Note and Index-Linked Interest Note Provisions

- (a) *Application:* This Condition 6 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments- Bearer Notes*) and Condition 10 (*Payments- Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes



during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuing and Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantors, the Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### 7. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

#### 8. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments- Bearer Notes*) and Condition 10 (*Payments- Registered Notes*).
- (b) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, all, but not some only, of the Notes may be redeemed at the option of the Issuer on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) or, if so specified in the relevant Final Terms, by delivery by the Issuer to the Noteholders of New EFSF Notes on the Issuer's giving not less than 15 nor more than 30 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date or, if so specified in the relevant Final Terms, by delivery of New EFSF Notes).
- (c) *No other redemption:* The Issuer shall not be entitled to redeem Notes otherwise than as provided in paragraph (a) above or as expressly provided in the Final Terms of the relevant issue of Notes.
- (d) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(d) or, if none is so specified, a Day Count Fraction of 30E/360.

- (e) *Notice of redemption:* All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in accordance with this Condition.

- (f) *Purchase:* The Issuer and any of the Guarantors may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (g) *Cancellation:* All Notes so redeemed or purchased by the Issuer and any unmatured Coupons attached to or surrendered with them may be held by the Issuer or resold or may be cancelled and, if so cancelled, may not be reissued or resold.

9. **Payments – Bearer Notes**

This Condition 9 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of the Issuing and Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a branch of a bank in the City of London).
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of the Issuing and Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of the Issuing and Paying Agent in New York City if (i) the Issuer has appointed the Issuing and Paying Agent outside the United States with the reasonable expectation that the Issuing and Paying Agent will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all the Issuing and Paying Agent is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of

principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 9(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Bearer Note, all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of the Issuing and Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If the Issuing and Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, the Issuing and Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Issuing and Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 11 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note shall become void and no Coupon will be delivered in respect of such Talon.

#### 10. **Payments - Registered Notes**

This Condition 10 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the specified office of the Registrar not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Registrar.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the specified office of the Registrar not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in

the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of the Registrar.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the specified office of the Registrar and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If the Registrar makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

#### 11. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Luxembourg or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer and the Guarantors shall not be under any obligation to pay any additional amounts in respect of such withholding or deduction whatsoever.

#### 12. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

#### 13. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Issuing and Paying Agent, in the case of Bearer Notes, or the Registrar in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of the Issuing and Paying Agent or Transfer Agent in any particular place, the Issuing and Paying Agent or the Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and

competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

14. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantors and any entity relating to the Issuer or the Guarantors without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes including without limitation as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Letters and the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantors and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantors reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor issuing and paying agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (i) the Issuer and the Guarantors shall at all times maintain an issuing and paying agent; and
- (ii) the Issuer and the Guarantors shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the Luxembourg law of 23 December 2005, as amended; and
- (iii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantors shall at all times maintain a Calculation Agent; and
- (iv) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent and/or a transfer agent in any particular place, the Issuer and the Guarantors shall maintain a paying agent and/or a transfer agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

15. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantors (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than 10 per cent of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing 50 per cent of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than  $66\frac{2}{3}$  per cent or, at any

adjourned meeting, 25 per cent of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Noteholders of, at least 75% of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter and 66 <sup>2</sup>/<sub>3</sub> % of the aggregate principal amount of the outstanding Notes in the case of a matter other than a Reserved Matter, who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

In these Conditions, "**Reserved Matter**" has the same meaning as in Condition 2(a), Clause 1.1 of Schedule 3 of the Trust Deed.

Articles 470-3 to 470-19 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, shall not apply to the Notes or to the representation of holders of the Notes.

## 16. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (i) it has been so requested in writing by the Holders of at least one 25 per cent of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (ii) it has been indemnified and/or provided with security and/or prefunding to its satisfaction.

No Noteholder may proceed directly against the Issuer or any Guarantor.

## 17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the issue price) so as to form a single series with the Notes. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

## 18. **Notices**

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Bearer Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or

published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Limited Recourse and Non-Petition**

- (a) To the fullest extent permitted by applicable laws, none of the Trustee or Noteholders shall be entitled to institute or join or support any other person in instituting against the Issuer any bankruptcy, reorganisation, insolvency or liquidation proceedings or any analogous or similar proceedings in any jurisdiction prior to the date which is two years after the maturity date of the latest maturing Note issued by the Issuer.
- (b) Without prejudice to the obligations of the Guarantors under the Deeds of Guarantee, the Trustee and Noteholders acknowledge and agree that their recourse against the Issuer in respect of the Notes is limited to the aggregate of (i) the amounts which the Issuer recovers in respect of Financial Assistance (as defined in the Deeds of Guarantee) given to euro-area Member States, (ii) any specific credit enhancement constituted for the relevant issue of Notes and (iii) any income derived from the investment of the sums referred to in sub paragraph (ii) of this Condition 20(b).

21. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law. Articles 470-3 to 470-19 of the Luxembourg law on commercial companies dated 10 August 1915, as amended, shall not apply to the Notes or to the representation of holders of the Notes.
- (b) *Jurisdiction:* The courts of Luxembourg-City (Grand Duchy of Luxembourg) shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes.
- (c) *Appropriate forum:* The Issuer agrees that the courts referred to in Condition 21(b) are the most appropriate and convenient courts to settle any Dispute and, accordingly, it shall not argue to the contrary.
- (d) *Rights to the Trustee to take proceedings outside Luxembourg:* Condition 21(b) is for the benefit of the Trustee only. As a result, nothing in this Condition 21 prevents the Trustee from taking proceedings relating to a Dispute ("**Proceedings**") in the courts of the domicile of each Guarantor or of the governing law of these Conditions and the Issuer hereby irrevocably submits to the



jurisdiction of such courts. To the extent allowed by law, the Trustee may take concurrent Proceedings in any number of such jurisdictions.

- (e) *Waiver:* To the extent that the property, funding or assets (*les biens, les financements ou les avoirs*) of the Issuer would in any jurisdiction benefit from Article 3 of the law of 9 July 2010 of the Grand Duchy of Luxembourg relating to the European financial stability facility (*Loi relative au Fonds européen de stabilité financière*), as amended (the "**Law**"), the Issuer agrees, with respect to its obligations under the Notes and any enforcement proceedings in respect of such obligations, for the benefit of the Trustee and the holders of Notes issued under the Programme, to renounce any claim to, and to irrevocably waive, any such benefit to the fullest extent permitted by the laws of such jurisdiction.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.]**

*The Issuer is exempt from [Directive 2014/65/EU on markets in financial instruments (as amended, MiFID II)/MiFID II] and does not constitute a manufacturer or a distributor under the product governance rules set out in EU Delegated Directive 2017/593. The Issuer is therefore not subject to the responsibilities conferred on manufacturers or distributors therein.*

**Final Terms dated [•]**

**EUROPEAN FINANCIAL STABILITY FACILITY ("EFSF")**

**LEI: 222100W6UHQXNHKN143**

(a Luxembourg public limited liability company (*société anonyme*) having its registered office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg, registered with the Register of Commerce and Companies of Luxembourg (R.C.S. Luxembourg) under number B153414)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] (the "**Notes**")

[Guaranteed by the Guarantors]

under the **Guaranteed Debt Issuance Programme**

[The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.][*Option for Reg S Notes only*]

[The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) and Notes that are in bearer form for U.S. federal income tax purposes are not being offered to U.S. Holders. The Notes may be offered and sold (i) within the United States to qualified institutional buyers ("**QIBs**"), as defined in Rule 144A under the Securities Act ("**Rule 144A**"), that are also qualified purchasers ("**QPs**"), as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") in reliance on the exemption from registration provided by Rule 144A (the "**Rule 144A Notes**") and (ii) to non-U.S. persons in offshore transactions in reliance on Regulation S (the "**Regulation S Notes**"). The Issuer has not been and will not be registered under the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Rule 144A Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.][*Option for RegS/144A Notes*]

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 29 June 2023 [and the supplement[s] to the Prospectus dated [•], which together constitute a prospectus] (the "**Prospectus**"). This document constitutes the Final Terms of the Notes described herein. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Prospectus [as so supplemented]. *[In the case of tap issuances, the Conditions should be those referred to in the first tranche of Notes of the existing Series]*

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]*

- 1. (i) Issuer: [•]
- (ii) Guarantors: [•]
- (iii) Guarantor Contribution Key % and Applicable Over-Guarantee Percentage

<b>Guarantor</b>	<b>Guarantor Contribution Key %</b>	<b>Applicable Over-Guarantee Percentage</b>

- 2. (i) Series Number: [•]
- (ii) Tranche Number: [•]

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).

- 3. Specified Currency or Currencies: [•]
- 4. Aggregate Nominal Amount: [•]
- (i) Series: [•]
- (ii) Tranche: [•]

- 5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] [In the case of Notes issued pursuant to the auction process the weighted average of all accepted bids should be included as the issue price]

- 6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]

- 7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]

8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [**•** per cent. Fixed Rate]  
 [[*Specify Reference Rate*] +/- [**•**] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (*Specify*)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Partly Paid]  
 [Instalment]  
 [Other (*Specify*)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*  
 [(further particulars specified below)]
12. Call Option [Issuer Call]  
 [(further particulars specified below)]
13. (i) Status of the Notes: Senior  
 (ii) Status of the Guarantee: Senior  
 (iii) Date Board approval for issuance of Notes obtained: [**•**], respectively  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: [Syndicated/Non-syndicated/Auction]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [**•**] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [**•**] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [**•**] per Calculation Amount

- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / other]
- (vi) [Regular Date: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (iii) Specified Interest Payment Dates: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iv) [First Interest Payment Date]: [•]
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (vi) Additional Business Centre(s): [Not Applicable/give details]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) : [[Name] shall be the Calculation Agent]
- (ix) Screen Rate Determination:
- Reference Rate: [•] [For example, EURIBOR]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•] [For example, Reuters EURIBOR 01]
  - Relevant Time: [•] [For example, 11.00 a.m. Brussels time]

- Relevant Financial Centre: [•] *[For example, Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- (x) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction]
18. **Index-Linked Interest Note/other variable-linked interest Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula/other variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [•]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
- (vi) Interest Determination Date(s): [•]
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]

- (vi) Interest or calculation period(s): [•]
- (vii) Specified Period: [•]  
*(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (viii) Specified Interest Payment Dates: [•]  
*(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (ix) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (x) Additional Business Centre(s): [•]
- (xi) Minimum Rate/Amount of Interest: [•] per cent. per annum
- (xii) Maximum Rate/Amount of Interest: [•] per cent. per annum
- (xiii) Day Count Fraction: [•]

**PROVISIIONS RELATING TO REDEMPTION**

- 19. **Call Option** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
  - (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) or New EFSF Notes to be delivered: [Specify details, including, if New EFSF Notes to be delivered, the characteristics of such Notes and of their delivery.]
- 20. **Final Redemption Amount of each Note** [•] per Calculation Amount  
In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
  - (i) Index/Formula/variable: [give or annex details]
  - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
  - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
  - (iv) Date for determining Final Redemption Amount where calculation by reference to Index: [•]

and/or Formula and/or other variable:

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) [Payment Date]: [•]
- (vii) Minimum Final Redemption Amount: [•] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [•] per Calculation Amount

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

### 21. Form of Notes:

[Reg S:

#### **Global Bearer Note exchangeable for Definitive Notes:**

Global Bearer Note deposited with Clearstream, Frankfurt and exchangeable for Definitive Notes in the limited circumstances described in the Global Bearer Note]

[Reg S/144A

#### **Unrestricted Global Note exchangeable for Unrestricted Individual Note Certificates**

Unrestricted Global Note deposited with Clearstream, Frankfurt and exchangeable for Unrestricted Individual Note Certificates in the limited circumstances described in the relevant Global Note

#### **Restricted Global Note exchangeable for Restricted Individual Note Certificates**

Restricted Global Note deposited with Clearstream, Frankfurt and exchangeable for Restricted Individual Note Certificates in the limited circumstances described in the relevant Global Note]

- 22. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details.

*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 15(ii), 16(vi) and 18(x) relate]*

- 23. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

- 24. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, [Not Applicable/give details]



including any right of the Issuer to forfeit the Notes and interest due on late payment]:

25. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
26. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•] apply]
27. [Consolidation provisions: Not Applicable/The provisions [in Condition 17 (*Further Issues*)] [annexed to this Final Terms] apply]
28. Other final terms: [Not Applicable/*give details*]

## DISTRIBUTION

29. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
30. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
31. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
32. Net proceeds: [•]
33. U.S. Selling Restrictions: [Reg. S, Category 2]/[Rule 144A, 3(c)7]  
[TEFRA C]/[TEFRA Not Applicable]
34. ERISA Eligibility [Yes]/[No]
35. Additional selling restrictions: [Not Applicable/*give details*]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and admission to trading on [*specify relevant regulated market*] of the Notes described herein] pursuant to the EUR 241,000,000,000 Debt Issuance Programme of European Financial Stability Facility.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of European Financial Stability Facility:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing Luxembourg/Frankfurt/Paris/Other(*specify*)/  
[None]
- (ii) Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [•].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

### 2. RATINGS

- Ratings: [S&P's Global Ratings Europe Limited ("**S&P**") has assigned to EFSF a long-term credit rating of [AA (Negative Outlook)].
- Moody's Deutschland GmbH ("**Moody's**") has assigned to EFSF a long-term credit rating of [Aaa (Stable Outlook)].
- Fitch Ratings Ireland Limited ("**Fitch**") has assigned to EFSF a rating of [AA-].
- [[Other]: [•]]

*(Where the issue of Notes has been specifically rated, include the relevant ratings)*

[Each of the above credit ratings will be treated for the purposes of Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the "**EU CRA Regulation**") as having been issued by [S&P], [Moody's] and [Fitch] respectively. Each of [S&P], [Moody's] and [Fitch] is established in the European Union and is registered under the EU CRA Regulation. As such, each of [S&P], [Moody's] and [Fitch] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation. The ratings of S&P, Moody's and Fitch are endorsed by S&P Global Ratings UK Limited, Moody's Investors Service Limited and Fitch Ratings Limited respectively, each of which is

established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

3. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

WKN Code: [•]

Any clearing system(s) other than Clearstream Banking AG, Frankfurt and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of the Issuing and Paying Agent: [•]

Names and addresses of additional paying agent(s) (if any): [•]

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with Clearstream Banking AG, Frankfurt and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

4. **[Floating Rate Notes only – BENCHMARKS]**

Benchmarks: Amounts payable under the Notes will be calculated by reference to [•] which is provided by [•]. As at [•], [•] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). [As far as the Issuer is aware the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [•] is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable].]

**[TERMS AND CONDITIONS OF THE OFFER**

Offer Price: [Issue Price][*specify*]

Conditions to which the offer is subject: [Not Applicable/*give details*]

Description of the application process:	[Not Applicable/ <i>give details</i> ]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i> ]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i> ]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/ <i>give details</i> ]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/ <i>give details</i> ]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i> ]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i> ]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i> ]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i> ]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.]	[None/ <i>give details</i> ]

## DESCRIPTION OF THE ISSUER

European Financial Stability Facility ("EFSF" or the "Issuer") is a *société anonyme* and was incorporated in the Grand Duchy of Luxembourg on 7 June 2010, with registered office at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg and registered with the Register of Commerce and Companies of Luxembourg (R.C.S. Luxembourg) under number B153414. Its shareholders are the euro-area Member States that joined the euro-area prior to 2 February 2012.

EFSF has a share capital of twenty eight million five hundred thirteen thousand three hundred and ninety six Euro and ninety two Euro cents (EUR 28,513,396.92).

The corporate object of EFSF is to facilitate or provide financing to Member States of the European Union in financial difficulties whose currency is the Euro and which have entered into a memorandum of understanding with the European Commission containing policy conditionality. As of 30 June 2013, the EFSF ceased to establish new financial assistance, but continued to be able to make disbursements on the existing facility with Greece until 30 June 2015.

For the purpose of pursuing its corporate object, EFSF shall be entitled to raise money by issuing financial instruments or by entering into financing arrangements with its shareholders or third parties, in respect of which the liabilities of EFSF may be guaranteed by some or all of its shareholders or may be otherwise collateralized or benefit from credit support mechanisms. To achieve this overall purpose, EFSF may enter into such agreements and take such actions that in the opinion of the board of directors of EFSF (the "**Board of Directors**") are incidental or necessary to the attainment of EFSF's object, or the exercise of all or any of its powers.

### Management

EFSF is managed by its Board of Directors consisting of as many directors (each a "**Director**" and together "**Directors**") as there are shareholders.

The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Issuer's interests subject to the specific provisions of the articles of incorporation of the Issuer and the powers expressly reserved by the Luxembourg law on commercial companies dated 10 August 1915 as amended from time to time (the "**Luxembourg Companies Law**") to the Issuer's general meeting of shareholders.

The following persons have been appointed as Directors:

- Mr. Harald Waiglein, with professional address at Johannesgasse 5, 1010 Vienna, Austria;
- Mr. Waiglein has also been appointed as chairman of the Board of Directors;
- Mr. João Nuno Marques De Carvalho Mendes, with professional address at 1-2 Avenida Infante D. Henrique, 1149-009 Lisboa, Portugal;
- Mr. Žiga Lavrič, with professional address at Župančičeva ulica 3, 1000 Ljubljana, Slovenia;
- Mr. Peter Paluš, with professional address at 79 Avenue de Cortenbergh, B-1000, Brussels, Belgium;
- Ms. Leena Mörntinen, with professional address at 1A Snellmaninkatu, 00023 Helsinki, Finland;
- Mr. Steven Costers, with professional address at 30, Avenue des Arts, B - 1040 Brussels, Belgium;
- Mr. Heiko Thoms, with professional address at Federal Ministry of Finance, 97 Wilhelmstrasse, 11017 Berlin, Germany;
- Mr. Märten Ross, with professional address at Ministry of Finance, Suur-Ameerika 1, 15006 Tallinn, Estonia;
- Mr. Gary Tobin, with professional address at Department of Finance, Government Buildings, Upper Merrion Street, 2 Dublin, D02 R583, Ireland;

- Mr. Michael Arghyrou, with professional address at Ministry of Finance, 5-7 Nikis Street, Syntagma Square, 10180 Athens, Greece;
- Mr. Carlos Cuerpo Caballero, with professional address at Paseo del Prado 6, 28014 Madrid, Spain;
- Mr. Emmanuel Moulin, with professional address at Ministry for the Economy, Finance and Recovery, 139 rue de Bercy, 75572 Paris Cedex 12, France;
- Mr. Riccardo Barbieri Hermitte, with professional address at 97 Via XX Settembre, 00187 Roma, Italy;
- Mr. George Panteli, with professional address at Michael Karaoli & Gregori Afxentiou, 1439 Nicosia, Cyprus;
- Mr. Nicolas Jost, with professional address at Ministry of Finance, 3 rue de la Congrégation, L-1352 Luxembourg, Grand Duchy of Luxembourg;
- Mr. Paul Zahra, with professional address at Ministry for Finance and Employment, 30, South Street, VLT 1102 Valletta, Malta; and
- Mr. Christiaan Rebergen, with professional address at Ministry of Finance, Korte Voorhout 7, 2511 CW The Hague, Netherlands.

Each Director has been elected for a term which will expire after the annual general meeting of the Issuer to be held in 2024.

The Board of Directors resolved on 13 December 2022 to delegate the daily management of the Issuer ("*gestion journalière des affaires de la société*"), to Mr Pierre Gramegna, with effect from 1 December 2022 and for an undetermined period.

EFSF and the euro-area Member States entered into a framework agreement (the "**Framework Agreement**") which sets out the contractual framework for EFSF to enter into financial assistance facility agreements ("**Financial Assistance Facility Agreements**") to provide stability support facilities to euro-area Member States which experience financial difficulties. It sets out the conditions upon which Financial Assistance (as defined below) may be advanced or otherwise made available pursuant to such Financial Assistance Facility Agreements. It also sets out the terms on which EFSF may issue or enter into funding instruments ("**Funding Instruments**") on a stand-alone or programme basis to finance the making of Financial Assistance, the terms upon which euro-area Member States will provide guarantees in respect of such Funding Instruments and the contractual rights of the guarantors between themselves in respect of liabilities they incur in respect of their guarantee of Funding Instruments.

As set out in the section entitled "Deeds of Guarantee", each of the euro-area Member States has issued a guarantee for the purpose of this Programme. Under the Deeds of Guarantee, each guarantor will unconditionally and irrevocably guarantee up to the Applicable Over-Guarantee Percentage of its Guarantee Contribution Key % (see below) of the amounts which become due and payable under Notes issued with the Programme. The list of Guarantors, their respective Guarantee Contribution Key % and their Applicable Over-Guarantee Percentage can change between different series of Notes, for example, by reason of certain Guarantors becoming Stepping-Out Guarantors or by new euro-area Member States adhering to the euro and to the EFSF.

Additionally, if a euro-area Member State experiences severe financial difficulties such that it applies for financial stability support it may request the other euro-area Member States to suspend its obligation to guarantee further Series of Notes issued by EFSF. If the euro-area Member States, acting unanimously, accede to such a request such euro-area Member States shall become stepping-out guarantor ("**Stepping-Out Guarantor**") and, from the date when it becomes a Stepping-Out Guarantor (the "**Stepping-Out Date**") it shall not be required to guarantee any new issues or Series of Notes but this shall not affect its liability as guarantor for Notes issued prior to the relevant Stepping-Out Date. If any of the Stepping-Out Guarantors becomes a Stepping-In Guarantor, it shall be required to guarantee new issues or Series of Notes after the relevant Stepping-In Date only. If a Guarantor becomes a Stepping-Out Guarantor or a Stepping-In Guarantor this shall modify the list of Guarantors, their respective Guarantee Contribution Key % and their Applicable Over-Guarantee Percentage for future issues of Notes and this adjustment shall be reflected

in the Final Terms for Notes issued after the relevant Stepping-Out Date or Stepping-In Date. As at the date of this Prospectus, the Hellenic Republic, Ireland, the Portuguese Republic and the Republic of Cyprus are Stepping-Out Guarantors such that their Guarantee Commitments are currently suspended.

The primary source of funds for EFSF to make payments of interest and principal in respect of Notes issued under the Programme is the amounts of principal and interest received from Beneficiary Member States or otherwise received in respect of Financial Assistance Facility Agreements. It should be noted that each Beneficiary Member State is required to enter into a memorandum of understanding including conditions such as budgetary discipline and economic guidelines with the European Commission (acting for the other euro-area Member State) as a condition of obtaining a Financial Assistance Facility Agreement. On-going compliance with such memoranda of understanding is intended to be monitored by the European Commission and compliance is a condition to obtaining further advances of Financial Assistance under the relevant Financial Assistance Facility Agreement.

The EFSF mechanism includes a number of credit enhancement mechanisms:

- (a) the unconditional and irrevocable guarantee by the euro-area Member States (other than the Stepping-Out Guarantors) of the payment obligations of EFSF under the Notes. As described in "Form of the Deeds of Guarantee", the guarantee is given on a several basis which each Guarantor guaranteeing up to the Applicable Over-Guarantee Percentage of its Guarantee Contribution Key % of the payment obligations of EFSF under the Notes issued by it as more particularly specified in the relevant Final Terms; and
- (b) under the Framework Agreement, the Issuer and each euro-area Member State may, by acting with the unanimous consent of all Guarantors agree to adopt such other credit enhancement mechanisms as they consider appropriate or to modify the existing credit enhancement mechanisms for the Notes in order to enhance or maintain creditworthiness. The Issuer and the Guarantors are under no obligation to Noteholders or any other person to adopt such supplemental measures or to modify existing credit enhancement mechanisms.

The aggregate principal amount of Notes issued and outstanding under the Programme shall not at any date of issue exceed the then Programme Authorised Amount.

In addition, the sum of (i) the aggregate principal amount of Notes outstanding, (ii) the aggregate amount drawn and paid (and not reimbursed to the Guarantors) in respect of principal under the Deeds of Guarantee and/or the Market Counterparties Deeds of Guarantee and (iii) the aggregate of the Maximum Notional Liabilities in respect of Designated Market Contracts guaranteed (to the extent not drawn and paid) under the Market Counterparties Deeds of Guarantee (the sums of items (i), (ii) and (iii) being the "**Aggregate Guaranteed Outstandings**") shall not at any time exceed the then applicable Programme Authorised Amount, including, without limitation, for the purposes of the Deeds of Guarantee, the Market Counterparties Deeds of Guarantee and the Programme; and no Notes may be issued if or to the extent the Aggregate Guaranteed Outstandings exceed or would exceed the Programme Authorised Amount (all as determined by the Issuer as of the date of issuance of the relevant Notes).

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 the Issuer and address contagion and they had agreed to increase the flexibility of the Issuer 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 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 utilisation 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 the Issuer to provide Financial Assistance of EUR 440,000 million.

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 utilisation and

documentation of such arrangements shall be in accordance with guidelines adopted by the Board of Directors acting unanimously. 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 acting unanimously shall adopt guidelines under the Framework Agreement in relation to such arrangements. The terms of the Memorandum of Understanding 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.

No Guarantor shall be required to issue Guarantees which would result in it having a Guarantee Notional Exposure (as defined below) in excess of its guarantee commitment ("**Guarantee Commitment**") set alongside its name below:

<u>Country</u>	<u>Guarantee Commitments EUR (millions)</u>
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

As at the date of this Prospectus, the Hellenic Republic, Ireland, the Portuguese Republic and the Republic of Cyprus are Stepping-Out Guarantors such that their Guarantee Commitments are currently suspended. This means that the aggregate of the active Guarantee Commitments for the Guarantors which are not Stepping-Out Guarantors is EUR 724,474.32 million.



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 (as defined in the Framework Agreement) approved pursuant to the Framework Agreement, and other principal amounts guaranteed under guarantees issued for other purposes pursuant to the Framework Agreement) which benefit from guarantees issued under the Framework Agreement and which remain outstanding; and
- (ii) without double counting, the aggregate amounts paid in respect of principal by the Guarantors following demands made under guarantees issued under the Framework Agreement which paid amounts have not been reimbursed to the Guarantors.

The Framework Agreement permits the EFSF and euro-area Member States (acting unanimously) to agree to increase the aggregate amount of guarantees issued in connection with EFSF. Such an agreement to increase guarantee capacity is likely to require approvals under the national laws of each Guarantor Member State and neither the Noteholders nor any other persons have the right to require an increase in the aggregate amount of guarantees and the euro-area Member States have absolute discretion in this regard.

The business year of the Issuer is the calendar year save that the first business year was from the date of incorporation of the Issuer to 31 December 2010.

In accordance with the provisions of the Luxembourg Companies Law, the Issuer will publish its audited annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders.

Any future published annual audited accounts prepared for the Issuer will be obtainable free of charge from the specified office of the Issuer, as described in the section "General Information".

### **Financial Assistance and Funding**

On 21 November 2010 Ireland requested financial assistance under Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism and from EFSF. On 28 November 2010, the Eurogroup and the ECOFIN ministers unanimously decided to grant financial assistance in response to the Irish authorities' request and endorsed the measures announced. The financial package of the programme covers financing needs up to EUR 85 billion. The EFSF together with bilateral loans from the United Kingdom, Sweden and Denmark is participating with a share of EUR 22.5 billion. This financial assistance was concluded on 8 December 2013, and the EFSF will not be making any further disbursements to Ireland under it.

On 7 April 2011 the Portuguese Republic requested financial assistance under Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism and from EFSF. On 16 May 2011, the Eurogroup and the ECOFIN ministers unanimously decided to grant financial assistance in response to the Portuguese authorities' request and endorsed the measures announced. The financial package of the programme covers financing needs up to EUR 78 billion. The EFSF is participating with a share of EUR 26 billion. This financial assistance was concluded on 18 May 2014, and the EFSF will not be making any further disbursements to the Portuguese Republic under it.

On 14 March 2012 the Eurogroup Working Group formally approved the second Greek programme after the completion of the private sector involvement offer by the Greek government. The financial package of the programme covers financing needs up to EUR 164.4 billion. The EFSF is participating with a share of EUR 144.6 billion. On 19 December 2014, the Board of Directors approved an extension this programme until 28 February 2015. On 27 February 2015, the Board of Directors approved a new extension of programme until 30 June 2015. On 3 July 2015, the Issuer notified Greece that due to the failure by Greece in meeting its obligation to repurchase drawing rights from the International Monetary Fund (the "IMF") on 30 June 2015, and the subsequent notification of that fact by the Managing Director of the IMF to the Executive Board of the IMF, the cross-default clauses in a number of agreements to which the Issuer was party (collectively referred to as the "**Greek Facility Agreements**") had been triggered. Also on 3 July 2015, the EFSF Board of Directors decided not to accelerate the Issuer's rights under the Greek Facility Agreements, but rather to reserve all rights and remedies of any kind in connection thereto. On 6 October 2015, in light of the fact that Greece had cleared its arrears to the IMF and that a new ESM financial

assistance programme was by then in place, the EFSF Board of Directors decided that the circumstances leading to the events of default mentioned above had been cleared, and decided to waive the Issuer's rights under the Greek Facility Agreements in connection with those events of default. This waiver does not limit the Issuer's rights in connection with any future event of default under the Greek Facility Agreements.

Please see below the details of the EFSF long-term issuances which have been issued under the Programme since its establishment in January 2011:

### Long-Term Notes

#### *Outstanding*

Ref. (Series #)	Nominal Amount	Tenor (yrs)	Issue Date	Maturity Date	Coupon	ISIN
15	1,500,000,000	20Yr	26/03/2012	30/03/2032	3.875%	EU000A1G0AJ7
15.2 (Tap)	1,000,000,000	20Yr	04/05/2012	30/03/2032	3.875%	EU000A1G0AJ7
29	1,500,000,000	25Yr	19/06/2012	03/04/2037	3.375%	EU000A1G0AT6
29.2 (Tap)	1,000,000,000	25Yr	11/07/2012	03/04/2037	3.375%	EU000A1G0AT6
54	2,524,000,000	11Yr	19/12/2012	19/12/2023	6mE + 35bp	EU000A1G0A65
55	3,080,000,000	12Yr	19/12/2012	19/12/2024	6mE + 36bp	EU000A1G0A73
29.3 (Tap)	1,000,000,000	24Yr	21/02/2013	03/04/2037	3.375%	EU000A1G0AT6
74	3,000,000,000	21Yr	04/09/2013	04/09/2034	3.000%	EU000A1G0BJ5
80	1,500,000,000	16Yr	03/12/2013	03/12/2029	2.750%	EU000A1G0BL1
86	4,000,000,000	10Yr	19/02/2014	19/02/2024	2.125%	EU000A1G0BN7
93	3,000,000,000	10Yr	27/05/2014	27/06/2024	1.750%	EU000A1G0BQ0
96	4,000,000,000	30 Yr	29/07/2014	29/07/2044	2.350%	EU000A1G0DB8
93.2 (Tap)	1,500,000,000	10 Yr	19/11/2014	27/06/2024	1.750%	EU000A1G0BQ0
99	1,500,000,000	30 Yr	17/02/2015	17/02/2045	1.200%	EU000A1G0DD4
100	3,000,000,000	10 Yr	28/04/2015	28/04/2025	0.200%	EU000A1G0DE2
99.2 (Tap)	750,000,000	30 Yr	20/05/2015	17/02/2045	1.200%	EU000A1G0DD4
99.3 (Tap)	1,250,000,000	29 Yr	02/02/2016	17/02/2045	1.200%	EU000A1G0DD4
103	3,000,000,000	10 Yr	31/05/2016	31/05/2026	0.400%	EU000A1G0DH5
104	2,000,000,000	31 Yr	31/05/2016	31/05/2047	1.375%	EU000A1G0DJ1
104.2 (Tap)	1,000,000,000	31 Yr	13/09/2016	31/05/2047	1.375%	EU000A1G0DJ1
103.2 (Tap)	2,000,000,000	10 Yr	02/11/2016	31/05/2026	0.400%	EU000A1G0DH5
106	1,500,000,000	26 Yr	13/02/2017	13/02/2043	1.700%	EU000A1G0DL7
108	1,000,000,000	39 Yr	28/02/2017	28/02/2056	2.000%	EU000A1G0DN3
99.4 (Tap)	1,000,000,000	28 Yr	11/04/2017	17/02/2045	1.200%	EU000A1G0DD4
110	4,000,000,000	7.5 Yr	11/04/2017	11/10/2024	0.375%	EU000A1G0DQ6
106.2 (Tap)	2,000,000,000	26 Yr	03/05/2017	13/02/2043	1.70%	EU000A1G0DL7
111	6,000,000,000	10 Yr	03/05/2017	03/05/2027	0.750%	EU000A1G0DR4
113	6,000,000,000	16 Yr	24/05/2017	24/05/2033	1.250%	EU000A1G0DT0
115	2,500,000,000	8 Yr	11/07/2017	11/07/2025	0.500%	EU000A1G0DV6
116	3,500,000,000	31 Yr	11/07/2017	10/07/2048	1.800%	EU000A1G0DW4
118	3,000,000,000	10 Yr	25/07/2017	26/07/2027	0.875%	EU000A1G0DY0
108.2 (Tap)	1,500,000,000	39 Yr	28/02/2017	28/02/2056	2.000%	EU000A1G0DN3
120	2,000,000,000	23 Yr	05/09/2017	05/09/2040	1.450%	EU000A1G0D05
115.2 (Tap)	995,550,000	8 Yr	14/09/2017	11/07/2025	0.500%	EU000A1G0DV6
123	3,000,000,000	6 Yr	17/10/2017	17/10/2023	0.125%	EU000A1G0D39
118.2 (Tap)	1,500,000,000	10 Yr	14/11/2017	26/07/2027	0.875%	EU000A1G0DY0

Ref. (Series #)	Nominal Amount	Tenor (yrs)	Issue Date	Maturity Date	Coupon	ISIN
116.2 (Tap)	1,300,000,000	31 Yr	14/11/2017	10/07/2048	1.800%	EU000A1G0DW4
126	6,000,000,000	7 Yr	17/01/2018	17/02/2025	0.400%	EU000A1G0D62
120.2 (Tap)	2,500,000,000	23 Yr	31/01/2018	05/09/2040	1.450%	EU000A1G0D05
123.2 (Tap)	2,000,000,000	6 Yr	31/01/2018	17/10/2023	0.125%	EU000A1G0D39
127	3,000,000,000	10 Yr	14/02/2018	14/02/2028	0.950%	EU000A1G0D70
128	3,000,000,000	8.5 Yr	17/04/2018	16/10/2026	0.625%	EU000A1G0D88
104.3 (Tap)	1,500,000,000	29 Yr	02/05/2018	31/05/2047	1.375%	EU000A1G0DJ1
127.2(Tap)	2,000,000,000	10 Yr	17/07/2018	14/02/2028	0.950%	EU000A1G0D70
129	2,000,000,000	35 Yr	17/07/2018	17/07/2053	1.750%	EU000A1G0D96
130	4,000,000,000	5 Yr	13/11/2018	17/01/2024	0.200%	EU000A1G0EA8
131	3,000,000,000	7 Yr	14/01/2019	26/01/2026	0.400%	EU000A1G0EB6
106.3 (Tap)	1,500,000,000	26 Yr	19/02/2019	13/02/2043	1.700%	EU000A1G0DL7
132	3,000,000,000	5 Yr	19/02/2019	19/04/2024	0.000%	EU000A1G0EC4
133	3,000,000,000	16 Yr	10/04/2019	10/04/2035	0.875%	EU000A1G0ED2
129.2 (Tap)	1,000,000,000	34 Yr	09/07/2019	17/07/2053	1.750%	EU000A1G0D96
134	2,000,000,000	10.3 Yr	09/07/2019	17/10/2029	0.050%	EU000A1G0EE0
135	3,000,000,000	3.7 Yr	10/10/2019	17/07/2023	0.00%	EU000A1G0EF7
134.2 (Tap)	1,500,000,000	9.9 Yr	12/11/2019	17/10/2029	0.05%	EU000A1G0EE0
136	3,000,000,000	30 Yr	13/01/2020	20/01/2050	0.700%	EU000A1G0EG5
131.2 (Tap)	2,000,000,000	5.9 Yr	10/03/2020	26/01/2026	0.400%	EU000A1G0EB6
134.3 (Tap)	1,500,000,000	9.5 Yr	20/04/2020	17/10/2029	0.050%	EU000A1G0EE0
138	4,000,000,000	5 Yr	15/07/2020	15/07/2025	0.000%	EU000A1G0EJ9
128.2 (Tap)	999,800,000	8.5 Yr	31/07/2020	16/10/2026	0.625%	EU000A1G0D88
139	3,000,000,000	7 Yr	13/10/2020	13/10/2027	0.000%	EU000A1G0EK7
136.2	1,000,000,000	30 Yr	13/10/2020	20/01/2050	0.700%	EU000A1G0EG5
133.2 (Tap)	1,000,000,000	16 Yr	16/11/2020	10/04/2035	0.875%	EU000A1G0ED2
140	3,000,000,000	10 Yr	18/01/2021	20/01/2031	0.000%	EU000A1G0EL5
141	2,000,000,000	10 Yr	18/01/2021	20/01/2052	0.050%	EU000A1G0EM3
139.2	2,000,000,000	6 Yr	08/02/2021	13/10/2027	0.000%	EU000A1G0EK7
142	4,000,000,000	5 Yr	19/04/2021	20/07/2026	0.000%	EU000A1G0EN1
138.2	998,300,000	5 Yr	21/05/2021	15/07/2025	0.000%	EU000A1G0EJ9
132.2	2,500,000,000	5 Yr	14/06/2021	19/04/2024	0.000%	EU000A1G0EC4
140.2	2,000,000,000	9.5 Yr	12/07/2021	20/01/2031	0.000%	EU000A1G0EL5
143	2,500,000,000	21 Yr	17/01/2022	17/01/2053	0.700%	EU000A2SCAA6
144	3,000,000,000	8.2 Yr	17/01/2022	18/03/2030	0.125%	EU000A1G0EP6
145	3,000,000,000	6.5 Yr	05/04/2022	05/09/2028	0.875%	EU000A2SCAB4
146	2,000,000,000	10 Yr	21/06/2022	21/06/2032	2.375%	EU000A2SCAC2
146.2	1,500,000,000	10 Yr	29/08/2022	21/06/2032	2.375%	EU000A2SCAC2
147	4,000,000,000	3 Yr	29/08/2022	15/12/2025	1.500%	EU000A2SCAD0
148	3,500,000,000	5.5 Yr	11/10/2022	11/04/2028	2.375%	EU000A2SCAE8
149	2,000,000,000	3.5 Yr	16/01/2023	17/08/2026	2.750%	EU000A2SCAF5
150	4,000,000,000	10 Yr	16/01/2023	16/02/2033	2.875%	EU000A2SCAG3
151	4,000,000,000	5.5 Yr	24/04/2023	15/12/2028	3.000%	EU000A2SCAHI

**TOTAL AMOUNT OF OUTSTANDING DEBT ISSUED UNDER THE PROGRAMME:****EUR 190,397,650,000***Redemptions / Cancellations since 1 July 2022*

Ref. (Series #)	Nominal Amount	Tenor (yrs)	Issue Date	Maturity Date	Coupon	ISIN
42	3,000,000,000	10Yr	05/09/2012	05/09/2022	2.250%	EU000A1G0A16
53	2,280,000,000	10Yr	19/12/2012	19/12/2022	6mE + 34bp	EU000A1G0A57
42.2 (Tap)	974,350,000	10Yr	15/02/2013	05/09/2022	2.250%	EU000A1G0A16
65	5,000,000,000	10Yr	23/05/2013	23/05/2023	1.875%	EU000A1G0BC0
98	3,000,000,000	8 Yr	20/01/2015	20/01/2023	0.500%	EU000A1G0DC6
105	3,000,000,000	6 Yr	17/01/2017	17/11/2022	0.000%	EU000A1G0DK9
105.2 (Tap)	988,900,000	5 Yr	28/09/2017	17/11/2022	0.000%	EU000A1G0DK9
98.2 (Tap)	968,500,000	3.5 Yr	07/06/2019	20/01/2023	0.500%	EU000A1G0DC6
105.3 (Tap)	999,700,000	3.2 Yr	28/08/2019	17/11/2022	0.00%	EU000A1G0DK9
137	3,000,000,000	3 Yr	20/04/2020	24/04/2023	0.000%	EU000A1G0EH3

**TOTAL AMOUNT REDEEMED / CANCELLED SINCE 1 JULY 2022:****EUR 23,211,450,000**

The EFSF issues, outside the Programme, German law registered notes (*Namenschuldverschreibungen*) by private placement. EUR 870 million in such bonds is outstanding as of the date of this Prospectus.

**Waiver**

On 9 July 2012, Article 3 of the law of 9 July 2010 of the Grand Duchy of Luxembourg relating to the European financial stability facility (*Loi relative au Fonds européen de stabilité financière*), inserted by a law of 3 July 2012 of the Grand Duchy of Luxembourg (*Mémorial A-135 of 5 July 2012, p.1724*) (the "**Law**"), entered into force and provides that "*les biens, les financements et les avoirs de la société, où qu'ils soient situés et quel qu'en soit le détenteur, utilisés aux fins des opérations de financement des États membres de l'Union européenne en difficultés financiers dont la devise est l'euro, ne peuvent faire l'objet d'aucune forme de saisie ou de mainmise*" (the "**Relevant Provision**") (in free translation: the property, funding and assets of the company (being the Issuer), wherever located and by whomsoever held, used for the purpose of financing operations for Member States of the European Union in financial difficulties whose currency is the euro, cannot be subject to any form of seizure, taking or attachment).

By a supplemental trust deed dated 9 July 2012, to the extent that the property, funding or assets (*les biens, les financements ou les avoirs*) of the Issuer would in any jurisdiction benefit from the Relevant Provision, the Issuer agreed, with respect to its obligations under the Notes and any enforcement proceedings in respect of such obligations, for the benefit of the Trustee and the holders of Notes issued under the Programme and with effect from the date of entry into force of the Law, to renounce any claim to, and to irrevocably waive, any such benefit to the fullest extent permitted by the laws of such jurisdiction. This waiver has been subsequently incorporated in the trust deed dated 28 June 2013 and the Trust Deed dated 21 December 2018.

### **INFORMATION INCORPORATED BY REFERENCE**

The audited financial statements of the Issuer for the period from 1 January 2022 through to 31 December 2022 together with the auditor's report shall be deemed to be incorporated in, and to form part of, this Prospectus.

Such financial statements incorporated by reference in this Prospectus will be available on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)) and on the website of the Issuer ([https://www.esm.europa.eu/how-we-decide/efsf#headline-efsf\\_annual\\_accounts](https://www.esm.europa.eu/how-we-decide/efsf#headline-efsf_annual_accounts)).

## CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to the provisions of Title I of ERISA, such as pension plans, retirement plans, profit-sharing plans, 401(k) plans, health and welfare plans, medical plans, certain voluntary employee's beneficiary associations and certain look-through entities, such as tax-exempt group trusts, common or collective trust funds of banks, collective investment funds, and insurance company separate accounts whose underlying assets include the assets of such employee benefit plans, certain insurance company general accounts, separately managed accounts whose underlying assets include the assets of such employee benefit plans and other funds and investment vehicles that are treated as holding plan assets because of plans' investment in the entities (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. ERISA also imposes limits on transactions between ERISA Plans and the ERISA Plan's service providers or other related parties.

Each fiduciary of an ERISA Plan should consider ERISA and the regulations and guidance thereunder when considering an investment in the Notes. Fiduciaries of ERISA Plans, as well as other "plans" and other retirement arrangements within the meaning of Section 4975(e)(1) of the Code that are subject to Section 4975 of the Code, such as individual retirement accounts, health savings accounts and "Keogh" plans (together with an ERISA Plan, a "Plan"), should also consider, among other items, the issues described below when considering an investment in the Notes.

### **Fiduciary Duty of Investing ERISA Plans**

When evaluating the prudence of an investment, the ERISA Plan's fiduciary should consider the U.S. Department of Labor (the "DOL") regulation on investment duties. Under ERISA, a person who exercises discretionary authority or control regarding the management or disposition of an ERISA Plan's assets is generally considered a fiduciary of such an ERISA Plan. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, which should be taken into account with regards to each ERISA Plan's particular facts and circumstances. For example, when considering an investment in the Notes with an ERISA Plan's assets, the ERISA Plan's fiduciary would typically determine, particularly in light of the risks and limited liquidity inherent in an investment in the Notes, whether the investment (i) would satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA, (ii) be in accordance with the documents and instruments governing the ERISA Plan pursuant to Section 404(a)(1)(D) of ERISA and (iii) be prudent with respect to the Programme's structure and the nature of its proposed investments.

In addition, ERISA requires the fiduciary of an ERISA Plan to maintain indicia of ownership of the ERISA Plan's assets within the jurisdiction of the U.S. Federal District Courts. While it is not intended that the underlying assets of the Issuer will be "plan assets," there can be no assurance that, notwithstanding the commercially reasonable efforts of the Issuer, the underlying assets of the Issuer will not otherwise be deemed to include "plan assets" for purposes of Title I of ERISA or Section 4975 of the Code. In any event, the Issuer is not accepting any appointment, conditional or otherwise, as a fiduciary to an investing ERISA Plan. Fiduciaries of ERISA Plans should also consider ERISA's rules relating to delegation of control.

ERISA Plans that invest in the Notes may be required to report compensation, including indirect compensation, paid in connection with the ERISA Plan's investment in the Notes on Schedule C of Form 5500 (Annual Return/Report of Employee Benefit Plan). The descriptions in this Prospectus of services provided to investors in the Notes, management fees, incentive fees, ancillary fees, direct fees, other fees and direct compensation paid by investors in the Notes and any indirect compensation and commissions earned by the Issuer, the Guarantors, the Dealers and their affiliates in respect of an investment in the Notes, including the fees paid to the payor, the Issuer, the Guarantors and the Dealers, are intended to satisfy the disclosure requirement for "eligible indirect compensation," for which an alternative reporting procedure on Schedule C of Form 5500 may be available.

Fiduciaries of ERISA Plans should consider whether an investment in the Notes might constitute or give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

### **Prohibited Transactions**

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan and persons and affiliates that have certain relationships to the Plan, including the Plan's fiduciaries

and other service providers (referred to as "parties in interest" under Section 3(14) of ERISA and "disqualified persons" under Section 4975(e)(2) of the Code and collectively, "**Parties in Interest**"). Regardless of whether the underlying assets of the Issuer are deemed to include the assets of a Plan, an investment in the Notes by a Plan, with respect to which any of the Issuer, the Guarantors, the Dealers or their respective affiliates (each, a "**Transaction Party**") is considered a Party in Interest may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction.

The Transaction Parties may be Parties in Interest with respect to many Plans, and if an acquisition, holding or disposition of the Notes were determined to be a prohibited transaction between a Plan and a Party in Interest, a statutory or administrative prohibited transaction exemption would be required. Included among the exemptions are the statutory exemption of Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to certain transactions between a Plan and a service provider to the Plan, provided that neither the service provider nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and provided further that the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction) and the administrative exemptions of Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments made by bank collective investment funds), PTCE 84-14 (relating to transactions effected by independent "qualified professional asset managers"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by certain "in-house asset managers"). Each fiduciary of a Plan should consider in an investment in the Notes, among other things, whether such an investment would involve (i) a direct or indirect extension of credit to a Party in Interest, (ii) a sale or exchange of any property between a Plan and a Party in Interest or (iii) a transfer to, or use by or for the benefit of, a Party in Interest of the Plan's assets. In this regard, there can be no assurance that any of these or other exemptions will be available with respect to any particular transaction involving an investment in the Notes.

The investment class exemptions described above cover per se prohibited transactions between Plans and Parties in Interest. Most of the exemptions do not provide relief from some or all of the self-dealing prohibitions under Section 406 of ERISA or Section 4975 of the Code, and fiduciaries of Plans should consider whether any of the self-dealing prohibitions could be relevant here.

Each fiduciary of a Plan that has engaged in a non-exempt prohibited transaction may be required to, among other potential actions, (i) restore to the Plan any profit realized on the transaction, (ii) reimburse the Plan for any losses suffered by the Plan as a result of the transaction or (iii) unwind the transaction. Under Section 4975 of the Code, a Party in Interest may be required to pay excise taxes based on the amount involved in the transaction (including a 100% excise tax if the transaction is not corrected within a certain time period).

### **The ERISA Plan Asset Regulation**

Under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (collectively, the "**ERISA Plan Asset Regulation**"), when a Plan invests in an "equity interest" of an entity (which is defined as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features) that is neither a "publicly offered security" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "operating company" (as described below) or that participation in such an entity by "Benefit Plan Investors" is not "significant." A "**Benefit Plan Investor**" means a Plan.

### **Similar Plan Law**

"Governmental plans" within the meaning of Section 3(32) of ERISA, "church plans" within the meaning of Section 3(33) of ERISA that have made no election under Section 410(d) of the Code and non-U.S. plans described in Section 4(b)(4) of ERISA, while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to a U.S. federal, state, local or non-U.S. law or regulation that contains one or more provisions that are similar to the foregoing provisions of ERISA and the Code (each, a "**Similar Law**"). Fiduciaries of any such entities subject to a Similar Law should consult with their counsel before purchasing the Notes.

## **Representations and Warranties**

Each prospective investor in the Notes will be required to represent, or deemed to have represented, that unless the applicable Final Terms specify that the relevant Notes are not ERISA eligible, either (a) it is or it is not a Benefit Plan Investor or a governmental, church or non-U.S. plan or (b) its acquisition, holding and disposition of the Notes will not result in or constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

Each prospective investor in the Notes that is a Benefit Plan Investor will be deemed to have represented and warranted by its investment that (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or control over the investment and management of "plan assets" (a "**Plan Fiduciary**"), on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Notes, (y) the Transaction Parties are not otherwise acting as a "fiduciary," as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Whether or not the underlying assets of the Issuer are deemed to be "plan assets," an investment in the Notes by a Benefit Plan Investor is subject to Title I of ERISA or Section 4975 of the Code. Accordingly, Plan Fiduciaries should consult their own counsel as to the consequences under ERISA and the Code of an investment in the Notes. Fiduciaries of other plans, in consultation with their advisors, should consider the impact of their applicable Similar Laws on an investment in the Notes and the considerations discussed above.



## TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

In this section, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area.

### **Luxembourg Taxation**

*The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

All payments of interest and principal by the Luxembourg paying agent under the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended (the "**2005 Law**"), which provides for a 20% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the 2005 Law). Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Responsibility for the withholding of tax in application of the 2005 Law is assumed by the Luxembourg paying agent within the meaning of this law and not by the Issuer.

In addition, pursuant to the 2005 Law, Luxembourg resident individuals can opt to self-declare and pay a 20 per cent. tax (which is final when the Luxembourg resident individuals are acting in the context of the management of their private wealth) on interest payments made by certain paying agents not established in Luxembourg, i.e. paying agents located in an EU member state other than Luxembourg or a member state of the European Economic Area.

### **Common Reporting Standard**

The Organisation for Economic Co-operation and Development has developed a new global standard for the annual automatic exchange of financial information between tax authorities (the "**CRS**"). The CRS has been implemented into Luxembourg domestic law via the law dated 18 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU. The regulation may impose obligations on the Issuer and its shareholder / Noteholders, if the Issuer is actually regarded as a reporting Financial Institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the shareholder / Noteholders), tax identification number and CRS classification of the shareholder / Noteholders in order to fulfil its own legal obligations.

Investors should contact their own tax advisers regarding the application of CRS to their particular circumstances.

## United States Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes that are properly treated as debt for U.S. federal income tax purposes by a U.S. Holder (as defined below). This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, including Notes whose terms do not require full repayment of principal in certain circumstances, and the relevant Final Terms may contain additional or modified disclosure concerning the U.S. federal income tax consequences relevant to other types of Notes as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets (generally, property held for investment). The summary does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, investors whose functional currency is not the U.S. dollar or investors required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to the Notes as a result of such income being recognized on an applicable financial statement). Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Final Terms.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any State thereof or the District of Columbia (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No opinion or ruling is being sought in connection with the Notes and there is no guarantee the U.S. Internal Revenue Service (the "**IRS**") or courts agree with everything in this summary.

Notes in bearer form are not being offered to U.S. Holders. A U.S. Holder who owns a Note in bearer form may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

**THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

### Payments of Interest

#### *General*

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "**foreign currency**"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "Original Issue Discount — General"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount ("**OID**"),

if any, accrued with respect to the Notes (as described below under "Original Issue Discount") generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

## **Original Issue Discount**

### *General*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note with a term of more than one year, will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method generally before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

### *Acquisition Premium*

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the

denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

#### *Amortisable Bond Premium*

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, an amount in excess of the sum of all amounts payable on the Note after the purchase date, other than payment of qualified stated interest, may elect to treat the excess as "**amortisable bond premium**", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

#### *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Note with a term of one year or less (a "Short-Term Note") is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### *Market Discount*

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not

exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

#### *Variable Interest Rate Notes*

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any

stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See "Contingent Payment Debt Instruments" below for a discussion of the U.S. federal income tax treatment of such Notes.

#### **Election to Treat All Interest as Original Issue Discount**

A U.S. Holder may elect to include in income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described above under "Amortisable Bond Premium") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note or a Note purchased at a premium, the electing U.S. Holder will be treated as having made the election discussed above under "Market Discount" or "Amortisable Bond Premium" to include market discount in income or amortise such premium, as applicable currently over the life of all debt instruments

with market discount or premium, as applicable held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### **Contingent Payment Debt Instruments**

Certain Series or Tranches of Notes may be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("**Contingent Notes**"). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID, and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "**comparable yield**"), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "Original Issue Discount – General", above, applied to the projected payment schedule. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognized upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realized on the sale, exchange or retirement.

### **Purchase, Sale and Retirement of Notes**

#### *Notes other than Contingent Notes*

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest

payments, and (ii) the amount of any amortisable bond premium or acquisition premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original Issue Discount — Market Discount" or "Original Issue Discount — Short-Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Long-term capital gains of non-corporate U.S. Holders are subject to reduced rates of taxation. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. The deductibility of losses are subject to significant limitations.

#### *Contingent Notes*

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

#### **Foreign Currency Notes**

##### *Interest*

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.



## *OID*

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

## *Market Discount*

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

## *Premium*

Amortisable bond premium or acquisition premium on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

## *Foreign Currency Contingent Notes*

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Contingent Payment Debt Instruments". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Foreign Currency—Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative

adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

#### *Sale or Retirement*

*Notes other than Foreign Currency Contingent Notes.* As discussed above under "Purchase, Sale and Retirement of Notes", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

*Foreign Currency Contingent Notes.* Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realized by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realized will be determined by separating such amount realized into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realized allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realized will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realized upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realized over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the

payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realized by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

#### *Disposition of Foreign Currency*

Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss. U.S. Holders should consult their own tax advisers regarding how to account for disposition of foreign currency.

#### **Reference rate adjustment**

If the elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, results in an adjustment to the interest calculation provisions of the Conditions (a "**Reference Rate Adjustment**"), this may be treated as a deemed exchange of old notes for new notes, which may be taxable to U.S. Holders, or may affect the calculation of OID. U.S. Holders should consult with their tax advisers regarding the potential consequences of a Reference Rate Adjustment.

#### **Information reporting and backup withholding**

Information returns may be filed with the IRS in connection with payments on the Notes, accruals of OID and the proceeds from a sale or other disposition of the Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

#### **Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment to the IRS. A maximum penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

U.S. Holders should consult their tax advisers regarding any reporting obligations they have as a result of their acquisition, ownership or disposition of the Notes. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more dealers appointed from time to time in relation to each tranche of Notes (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a Master Dealer Agreement dated on or about 21 December 2018 (the "**Master Dealer Agreement**"). Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Master Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### **Selling Restrictions**

#### **United States**

The Notes and the Guarantees in respect thereof have not been and will not be registered under the Securities Act, the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that, except as permitted by the Master Dealer Agreement, it will not offer or sell the Notes of any Series (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Notes of such Series within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes of any Series (other than a sale pursuant to Rule 144A) during the distribution compliance period with respect to that Series a confirmation or other notice setting forth the restrictions on offers and sales of the Notes of that Series within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes of a Series, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Notes offered and sold outside the United States to non U.S. persons may be sold in reliance on Regulation S. The Master Dealer Agreement provides that the Dealer(s) may directly or through their respective U.S. broker dealer affiliates arrange for the offer and resale of Notes within the United States only to persons whom they reasonably believe are QIBs and QPs who can represent that (a) they are QPs who are QIBs within the meaning of Rule 144A, (b) they are not broker dealers who own and invest on a discretionary basis less than US\$25 million in securities of unaffiliated issuers, (c) they are not a participant directed employee plan, such as a 401(k) plan, (d) they are acting for their own account, or the account of one or more QIBs each of which is a QP, (e) they are not formed for the purpose of investing in the Issuer or the Notes, (f) each account for which they are purchasing will hold and transfer at least U.S.\$100,000 in principal amount of Notes at any time, (g) they understand that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories and (h) they will provide notice of the transfer restrictions set forth in this Prospectus to any subsequent transferees.

The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than any QIB who is also a QP and to whom an offer has been made directly by one of the Dealers or its U.S. broker dealer affiliate. Distribution of this Prospectus by any non U.S. person outside the United States or by any QIB that is a QP within the United States to any U.S. person or to any other person within the United States, other than any QIB that is a QP and those persons, if any, retained to advise such non U.S. person or QIB that is a QP with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB that is a QP and those persons, if any, retained to advise such non U.S. person or QIB that is a QP, is prohibited.

The Notes in bearer form (being Notes which are represented on issue by a Global Bearer Note and which are not subject to the Book-Entry Registration Agreement) are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In respect of such Notes in bearer form having a maturity of more than 365 days, TEFRA C will be specified in the applicable Final Terms, and the relevant Dealer will be required to represent and agree that:

- (a) it understands that under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the C Rules), such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance;
- (b) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions in connection with the original issuance of such Notes; and
- (c) in connection with the original issuance of such Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser or such Dealer is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of such Notes.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the C Rules.

#### **United Kingdom**

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under

circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Luxembourg**

The Notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and, neither this Prospectus nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading of the Notes on the Regulated Market of the Luxembourg Stock Exchange and to listing on its official list.

### **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to the Programme or the Notes has been or will be lodged with or registered by the Australian Securities and Investments Commission ("**ASIC**") or any other regulatory authority in Australia.

Each relevant Dealer has represented, warranted and agreed that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Programme or the Notes in Australia, unless:
  - (i) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
  - (ii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
  - (iii) such action complies with all applicable laws, regulations and directives; and
  - (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Notes, each person to whom Notes are issued (an "**Investor**"):

- (a) will be deemed by the Issuer and each of the Dealers to have acknowledged that if any Investor on-sells any Notes within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer debt securities in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Dealers to have undertaken not to sell those Notes in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Notes.

This Prospectus and the Final Terms relating to an issue of Notes, are not, and under no circumstances are to be construed as, an advertisement or public offering of any Notes in Australia.

### **General**

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer, the Guarantors and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Master Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Prospectus.

## TRANSFER RESTRICTIONS

**In light of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale or other transfer offered hereby.**

### Regulation S Notes

Each purchaser of an interest in Notes (other than Restricted Notes) and each subsequent purchaser of Notes (A) in the case of (1) and (2) below, prior to the expiration of the distribution compliance period (as such term is defined in Regulation S), and (B) in the case of (3), (4), (5), (6) and (7) below, throughout the period that it holds such Notes, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and it is not an affiliate of the Issuer, any of the Guarantors or a person acting on behalf of the Issuer, any of the Guarantors or such an affiliate.
- (2) It understands that prior to the expiration of the applicable distribution compliance period (as such term is defined in Regulation S) for such Notes, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A in an amount not less than U.S.\$100,000 to a person that it and any person acting on its behalf reasonably believes is a QIB that is also a QP purchasing for its own account or for the account of a QIB that is also a QP each of which is purchasing not less than U.S.\$100,000 principal amount of Notes or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that the Unrestricted Notes of a Series will be evidenced by an Unrestricted Global Note. Before any interest in an Unrestricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Note, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.
- (4) It is, or at the time the Notes are purchased it will be, the owner of such Notes.
- (5) It understands that the Notes have not been and will not be registered under the Securities Act.
- (6) It understands and acknowledges that unless the applicable Final Terms specify that the relevant Notes are not ERISA eligible, either (a) it is or it is not a Benefit Plan Investor or a governmental, church or non-U.S. plan or (b) its acquisition, holding and disposition of the Notes will not result in or constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.
- (7) It understands and acknowledges that if it is a Benefit Plan Investor, (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Notes, (y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.
- (8) It acknowledges that the Issuer, any of the Guarantors, the Dealer(s) and their respective affiliates, and others, will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the applicable Dealer(s). If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.



## Rule 144A Notes

Each purchaser of an interest in a Restricted Note, by accepting delivery of this Prospectus and the Restricted Notes, will be deemed to have represented, agreed and acknowledged that:

It is (a) a QIB that is also a QP, (b) not a broker dealer which owns and invests on a discretionary basis less than US\$25 million in securities of unaffiliated issuers, (c) not a participant directed employee plan, such as a 401(k) plan, (d) acquiring such Notes for its own account, or the account of one or more QIBs each of which is also a QP, (e) not formed for the purpose of investing in the Restricted Notes or the Issuer, and (f) aware, and each owner of such Notes has been advised, that the seller of such Restricted Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

It will (a) along with each account for which it is purchasing, hold and transfer interests in the Restricted Notes in a principal amount that is not less than U.S.\$100,000 and (b) provide notice of the transfer restrictions set forth herein to any subsequent transferees. In addition, it understands that the Issuer may receive a list of participants holding positions in the Issuer's securities from one or more book entry depositories.

It understands that the Restricted Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB and that is also a QP purchasing for its own account or for the account of one or more QIBs, each of which is also a QP or (b) to a non U.S. person within the meaning of Regulation S in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with any applicable securities laws of any State of the United States.

It understands that the Issuer has the power to compel any owner of Restricted Notes that is a U.S. person and is not a QIB and a QP to sell its interest in the Rule 144A Notes, or may sell such interest on behalf of such owner. The Issuer has the right to refuse to honor the transfer of an interest in the Restricted Notes to a U.S. person who is not a QIB and a QP.

It understands and acknowledges that unless the applicable Final Terms specify that the relevant Notes are not ERISA eligible, either (a) it is or it is not a Benefit Plan Investor or a governmental, church or non-U.S. plan or (b) its acquisition, holding and disposition of the Notes will not result in or constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any applicable Similar Law.

It understands and acknowledges that if it is a Benefit Plan Investor, (x) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any Plan Fiduciary, on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Notes, (y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

It understands that the Restricted Global Note and any Restricted Notes in definitive form issued in exchange thereof, unless otherwise agreed between the Issuer and the Trustee in accordance with applicable law, will bear a legend (in all capital letters) to the following effect:

**THE NOTES REPRESENTED HEREBY AND THE GUARANTEES IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES REPRESENTED HEREBY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB") AND THAT IS A QUALIFIED PURCHASER ("QP") WITHIN THE MEANING OF SECTION 2(A)(51) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT") PURCHASING FOR ITS OWN ACCOUNT OR FOR THE**

ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT, AND IN AN AMOUNT FOR EACH ACCOUNT OF NOT LESS THAN U.S.\$100,000 PRINCIPAL AMOUNT OF NOTES OR (2) IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S, AND, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES REPRESENTED HEREBY IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

If the owner hereof is a U.S. Person within the meaning of Regulation S, such owner represents that (1) it is a QIB that is also a QP; (2) it is not a broker dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers; (3) it is not a participant directed employee plan, such as a 401(k) plan; (4) it is holding the Notes represented hereby for its own account or for the account of one or more QIBs, each of which is a QP; (5) it was not formed for the purpose of investing in the issuer or the Notes represented hereby; (6) it understands that the issuer may receive a list of participants holding positions in its securities from one or more book entry depositaries and (7) it will provide notice of the foregoing transfer restrictions to its subsequent transferees.

The owner hereof hereby acknowledges that if at any time while it holds an interest in this Note it is a U.S. Person within the meaning of Regulation S that is not a QIB and a QP, the issuer may (a) compel it to sell its interest in this Note to a person who is (i) a U.S. Person who is a QIB and a QP that is, in each case, otherwise qualified to purchase the Notes represented hereby in a transaction exempt from registration under the Securities Act or (ii) not a U.S. Person within the meaning of Regulation S or (b) compel the owner to sell its interest in the Notes represented hereby to the issuer or an affiliate of the issuer or transfer its interest in this Note to a person designated by or acceptable to the issuer at a price equal to the lesser of (x) the purchase price therefor paid by the owner, (y) 100 per cent. of the principal amount thereof or (z) the fair market value thereof. The Issuer has the right to refuse to honor a transfer of an interest in the Notes represented hereby to a U.S. Person who is not a QIB and a QP. The Issuer has not been and will not be registered under the Investment Company Act.

By accepting this Note (or any interest in the Notes represented hereby) each owner hereof, and each fiduciary acting on behalf of the owner (both in its individual and corporate capacity), will be deemed to represent, warrant and agree that either (a) it is not, and it is not acting on behalf of (i) an "Employee Benefit Plan" (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, (ii) a "Plan" as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), that is subject to Section 4975 of the Code, (iii) any entity whose underlying assets include "plan assets" by reason of such an Employee Benefit Plan's or Plan's investment in such entity (each of (i)-(iii), a "Benefit Plan Investor") or a governmental, church or non-U.S. plan, and no part of the assets to be used by it to purchase or hold such Notes or any interest herein constitutes the assets of any such Benefit Plan Investor or governmental, church or non-U.S. plan or (b) its acquisition, holding or disposition does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of a U.S. federal, state, local or non-U.S. law or regulation that contains one or more provisions that are similar to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code ("Similar Law"). No purchase by or transfer to a Benefit Plan Investor of this Note, or any interest herein, will be effective, and neither the Issuer nor the Trustee will recognise any such acquisition or transfer.

**By accepting this Note (or any interest in the Notes represented hereby) each Benefit Plan Investor owner hereof, and each fiduciary acting on behalf of the Benefit Plan Investor owner (both in its individual and corporate capacity), will be deemed to represent, warrant and agree that (x) none of the Issuer, the Guarantors, the Dealers or their respective affiliates (each, a "Transaction Party") has provided any investment recommendation or investment advice to the Benefit Plan Investor, or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or control over the investment and management of "plan assets" (a "Plan Fiduciary"), on which either the Benefit Plan Investor or Plan Fiduciary has relied in connection with the decision to invest in the Notes, (y) the Transaction Parties are not otherwise acting as a "fiduciary", as that term is defined in Section 3(21) of ERISA or Section 4975(e)(3) of the Code, to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's investment in the Notes and (z) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.**

**The Issuer may compel each owner of the Notes represented hereby that is a U.S. Person within the meaning of regulations to certify periodically that such owner is a QIB and a QP.**

It acknowledges that the Issuer, the Guarantors, the Dealers and their respective affiliates, and others, will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it by its purchase of Restricted Notes is no longer accurate, it shall promptly notify the Issuer and the applicable Dealer(s). If it is acquiring any Note as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

It understands that Restricted Notes of a Series will be represented by interests in one or more Restricted Global Notes. Before any interest in a Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Note, it will be required to provide a Transfer Agent with a written certification as to compliance with applicable securities laws.

**Prospective purchasers are hereby notified that sellers of the Restricted Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.**

## **USE OF PROCEEDS**

The net proceeds of the Notes will be used to refinance Financial Assistance (as defined in the "Description of the Issuer" section of this Prospectus) granted prior to 1 July 2013 to euro-area Member States which experienced financial difficulties.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Issuer passed on 18 January 2011. Each of the Issuer and the Guarantors has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the execution by them of the Deeds of Guarantee. The Programme Authorised Amount was increased from €27,000,000,000 to €55,000,000,000 following a unanimous decision of the Eurogroup Working Group on 19 May 2011, further increased from €55,000,000,000 to €164,000,000,000 following a unanimous decision of the Eurogroup Working Group on 1 March 2012 and further increased from €164,000,000,000 to €241,000,000,000 following a unanimous decision of the Eurogroup Working Group on 14 March 2012 in accordance with Articles 10(5) and 10(8) of the Framework Agreement. The update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 28 June 2023.

### Documents on Display

Copies of the following documents will be available for inspection and obtainable during normal business hours at the offices of the Issuer at 6a, Circuit de la Foire Internationale, L-1347 Luxembourg, Grand Duchy of Luxembourg from the date of this Prospectus. Where certain documents are also available on the website of the Issuer, the relevant hyperlinks have been included below.

- (a) this Prospectus (<https://www.esm.europa.eu/investors/esm-and-efsf/legal-documents>);
- (b) the constitutive documents including the articles of association (*statuts*) of the Issuer ([https://www.esm.europa.eu/system/files?file=document/efsf\\_status\\_coordonnes\\_23avr12014.pdf](https://www.esm.europa.eu/system/files?file=document/efsf_status_coordonnes_23avr12014.pdf));
- (c) the Framework Agreement ([https://www.esm.europa.eu/system/files?file=document/20111019\\_efsf\\_framework\\_agreement\\_en.pdf](https://www.esm.europa.eu/system/files?file=document/20111019_efsf_framework_agreement_en.pdf));
- (d) the Deeds of Guarantee relating to the Notes;
- (e) the Trust Deeds relating to the Notes (which contains the forms of Notes in global and definitive form) and the Market Counterparties Deeds of Guarantee;
- (f) the Market Counterparties Deeds of Guarantee;
- (g) the Agency Letters;
- (h) the Agency Agreement;
- (i) the Master Dealer Agreement (<https://www.esm.europa.eu/investors/esm-and-efsf/legal-documents>); and
- (j) the Issuer's most recent annual accounts audited by independent auditors (*réviseurs d'entreprises agréés*) ([https://www.esm.europa.eu/how-we-decide/efsf#headline-efsf\\_annual\\_accounts](https://www.esm.europa.eu/how-we-decide/efsf#headline-efsf_annual_accounts)).

### Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had since the date of the incorporation of the Issuer, a significant effect on the financial position of the Issuer.

### No Material Adverse Change

Save as disclosed in the Prospectus, since 31 December 2022, there has been no material adverse change in the prospects of the Issuer.

**Clearing of the Notes**

The Notes may be accepted for clearance through Clearstream, Frankfurt. The appropriate common code and/or the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. The legal entity identifier (LEI) of the Issuer is 222100OW6UHQXNHKN143.

**THE ISSUER**

**European Financial Stability Facility**

6a, Circuit de la Foire Internationale  
L-1347 Luxembourg  
Grand Duchy of Luxembourg

**ISSUING AND PAYING AGENT**

**Deutsche Bundesbank**

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Z 512 Wertpapierbelieferung  
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D-60047 Frankfurt am Main  
Germany

**CLEARSTREAM, FRANKFURT**

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65760 Eschborn  
Germany

**TRUSTEE**

**Deutsche Trustee Company Limited**

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London, EC2N 2DB  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

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Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**LUXEMBOURG LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**

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