

Final Terms dated 22 March 2017

**The State Treasury of
THE REPUBLIC OF POLAND**

**Represented by
The Minister of Development and Finance**

**Issue of EUR 500,000,000 2.375 per cent. Notes due 18 January 2036
(the "Notes")**

(to be consolidated and form a single series with the existing EUR 750,000,000 2.375 per cent. Notes due 18 January 2036 issued on 18 January 2016 and EUR 750,000,000 2.375 per cent. Notes due 18 January 2036 issued on 20 April 2016 (the "Original Notes"))

**under the €60,000,000,000
Euro Medium Term Note Programme**

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Simplified Base Prospectus dated 27 February 2015. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Simplified Base Prospectus dated 7 March 2017 and the Conditions.

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| 1. | Issuer: | The State Treasury of the Republic of Poland represented by the Minister of Development and Finance |
| 2. | (i) Series Number: | 42 |
| | (ii) Tranche Number: | 3 |
| | | The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the Original Notes as and to the extent that interests in the Temporary Global Note are exchanged for interests in the Permanent Global Note, as described in these Final Terms |
| 3. | Specified Currency or Currencies: | Euro (" EUR ") |
| 4. | Aggregate Principal Amount: | |
| | (i) Series: | EUR 2,000,000,000 |
| | (ii) Tranche: | EUR 500,000,000 |
| 5. | Issue Price: | 102.701 per cent. of the Aggregate Principal Amount of the Tranche plus accrued interest |

		from (and including) the Interest Commencement Date to (but excluding) the Issue Date
6.	(i) Specified Denomination(s):	EUR 1,000
	(ii) Calculation Amount:	EUR 1,000
7.	(i) Issue Date:	23 March 2017
	(ii) Interest Commencement Date:	18 January 2017
8.	Maturity Date:	18 January 2036
9.	Interest Basis:	2.375 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status:	Senior
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	2.375 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	18 January in each year commencing on 18 January 2018 up to (and including) the Maturity Date, adjusted for payment purposes only in accordance with the Following Business Day Convention
	(iii) Fixed Coupon Amount:	EUR 23.75 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions	Not Applicable

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| 17. | Zero Coupon Note Provisions | Not Applicable |
| 18. | Index-Linked Interest Note Provisions | Not Applicable |
| 19. | Dual Currency Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. | Call Option | Not Applicable |
| 21. | Put Option | Not Applicable |
| 22. | Final Redemption Amount of each Note | EUR 1,000 per Calculation Amount |
| 23. | Early Termination Amount | EUR 1,000 per Calculation Amount |
| | Early Termination Amount(s) payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 24. | Form of Notes: | <p>Bearer Notes:</p> <p>Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note</p> <p>Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purposes of immobilisation in accordance with article 4 of the Belgian law of December 2005</p> |
| 25. | New Global Note form: | Applicable |
| 26. | Additional Financial Centre(s) or other special provisions relating to Payment Dates: | Not Applicable |
| 27. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | No |

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| 28. | Details relating to partly paid Notes: | Not Applicable |
| 29. | Details relating to instalment Notes: | Not Applicable |
| 30. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 31. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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| 32. | (i) | If syndicated, names of Managers: | <i>Joint Lead Managers:</i>
Barclays Bank PLC
BNP Paribas
Commerzbank Aktiengesellschaft
ING Bank N.V.
J.P. Morgan Securities plc
PKO Bank Polski SA |
| | (ii) | Stabilising Manager (if any): | Not Applicable |
| 33. | | If non-syndicated, name of Dealer: | Not Applicable |
| 34. | | TEFRA: | The D Rules are applicable |
| 35. | | Additional selling restrictions: | Not Applicable |

LISTING APPLICATION

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the €60,000,000,000 Euro Medium Term Note Programme of the State Treasury of the Republic of Poland represented by the Minister of Development and Finance.

ENGLISH LANGUAGE VERSION BINDING

These Final Terms have been executed in both the Polish and the English language. The English language version of these Final Terms will be the binding version for the purposes of their construction. Accordingly, if there are any discrepancies between the Polish language version and the English language version of these Final Terms, the English language version will prevail.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the State Treasury of the Republic of Poland represented by the Minister of Development and Finance upon authorisation of the Minister of Development and Finance, Piotr Nowak, Undersecretary of State in the Ministry of Finance:

By: 
Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from on or around the Issue Date
- The Original Notes were admitted to trading on the regulated market of the Luxembourg Stock Exchange

2. RATINGS

The Issuer's unsecured, unsubordinated long-term debt securities have been rated:

- Fitch Ratings: A- (stable outlook)
- Moody's Investors Service: A2 (negative outlook)
- S&P Global Ratings: BBB+ (stable outlook)

3. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds of the issue of the Notes will be used to finance the Republic's State budget borrowing requirements
- (ii) Estimated net proceeds: EUR 514,637,191.78 (including accrued interest)
- (iii) Estimated total expenses: EUR 600 (listing fee)

5. YIELD

Indication of yield: 2.198 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

9. **OPERATIONAL INFORMATION**

ISIN Code:	Until the Notes are consolidated, become fungible with and form a single series with the Original Notes, the Notes will have the temporary ISIN XS1584948415; after that, the Notes will have the same ISIN as the Original Notes, which is XS1346201889
Common Code:	Until the Notes are consolidated, become fungible with and form a single series with the Original Notes, the Notes will have the temporary Common Code 158494841; after that, the Notes will have the same Common Code as the Original Notes, which is 134620188
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day 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
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

APPENDIX CONDITIONS

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 "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* The State Treasury of the Republic of Poland represented by the Minister of Finance (the "**Republic**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €50,000,000,000 in aggregate principal amount of notes (the "**Notes**").
- (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 the 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) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 27 February 2015 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Republic, Deutsche Bank AG, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *The 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 during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg.
- (e) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. The holders of the Notes (the "**Noteholders**" or the "**Holders**") 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 Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.
- (f) *Status:* The Notes are treasury bonds within the meaning of the Order of the Minister of Finance on the conditions of issuing treasury bonds to be offered on foreign markets dated 15 December 2010 (Journal of Laws No. 244 item 1630).

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;

"Agency" means any political sub-division, regional government, ministry, department, authority or statutory corporation of the Republic of Poland or the government thereof (whether or not such statutory corporation is autonomous) and any corporation or other entity (but not any commercial corporation or other commercial entity) which is directly or indirectly controlled (whether by reason of whole or partial ownership, control over voting or other relevant decision-making power to direct management, the composition of management or otherwise) by the Republic of Poland or the government thereof and/or one or more Agencies;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET2 Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) 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;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) "Preceding Business Day Convention" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) "FRN Convention", "Floating Rate Convention" or "Eurodollar Convention" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) "No Adjustment" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other 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:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) 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
 - (b) 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 (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) 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);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means:
 - (A) if the 2000 ISDA Definitions apply, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); or
 - (B) if the 2006 ISDA Definitions apply, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" 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 D₁ is greater than 29, in which case D₂ will be 30;

(vi) if "30E/360" or "Eurobond Basis" is so specified means:

(A) if the 2000 ISDA Definitions apply, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or

(B) if the 2006 ISDA Definitions apply, 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:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" 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 D₂ will be 30; and

(vii) if "30E/360 (ISDA)" is so specified, means 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:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" 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 D₁ will be 30; and

"D₂" 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 D₂ will be 30;

"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;

"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;

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

"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 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;

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) 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;

"ISDA Definitions" means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) (the **"2000 ISDA Definitions"**) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) (the **"2006 ISDA Definitions"**);

"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;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Member State" means a member state of the European Union;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Optional Redemption Amount (Call)" 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;

"Optional Redemption Amount (Put)" 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;

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

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

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

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) 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
 - (B) in the case of payment by transfer to an account, a TARGET2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) 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
 - (B) 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;

"Permitted Security Interest" means:

- (i) any Security Interest upon property to secure Public External Indebtedness incurred for the purpose of financing the acquisition of such property (or property which forms part of a class of assets of a similar nature where the Security Interest is by reference to the constituents of such class from time to time); or
- (ii) any Security Interest existing on property at the time of its acquisition; or
- (iii) any Security Interest arising by operation of law which has not been foreclosed or otherwise enforced against the assets to which it applies; or
- (iv) any Security Interest securing or providing for the payment of Public External Indebtedness incurred in connection with any Project Financing **provided that** such

Security Interest applies to (A) properties which are the subject of such Project Financing or (B) revenues or claims which arise from the operation, failure to meet specifications, exploitation, sale or loss of, or failure to complete, or damage to, such properties; or

- (v) the renewal or extension of any Security Interest described in subparagraphs (i) to (iv) above, **provided that** the principal amount of the Public External Indebtedness secured thereby is not increased;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or any other jurisdiction or entity, including with limitation, 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:**

- (i) in relation to euro, it means the principal financial centre of such Member State as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Project Financing" means any arrangement for the provision of funds which are to be used solely to finance a project for the acquisition, construction, development or exploitation of any property pursuant to which the persons providing such funds agree that the principal source of repayment of such funds will be the project and the revenues (including insurance proceeds) generated by such project;

"Public External Indebtedness" means any obligation incurred after 1945 for borrowed money (A) evidenced by bonds, notes or other securities which are or may be quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market and (B) denominated or payable, or at the option of the holder thereof payable, in a currency other than the lawful currency of the Republic;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"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 Final Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount 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 Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) 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;
- (ii) 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
- (iii) 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 Fiscal Agent 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;

"**Security Interest**" means any mortgage, charge, pledge, lien, security interest or other encumbrance securing any obligation of the Republic or any other type of preferential arrangement having similar effect over any assets or revenues of the Republic;

"**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**" has the meaning given in the Agency Agreement;

"**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;

"**TARGET2 Settlement Day**" means any day on which TARGET2, or any successor to such system, is open;

"**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 additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), 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 additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and 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 Agency Agreement;
- (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 Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form Denomination and Title**

The Notes are in bearer form 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. Title to the Notes and the Coupons will pass by delivery. 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 any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status**

The Notes constitute direct, general and unconditional obligations of the Republic and will at all times rank *pari passu* and without any preference among themselves. The full faith and credit of the Republic is pledged for the due and punctual payment of the principal of, and interest on, the Notes and the performance of all the Republic's other obligations under the Notes. The payment obligations of the Republic under the Notes will at all times rank at least equally with all the other present and future unsecured and unsubordinated indebtedness of the Republic, save only for any obligation which may be preferred by mandatory provisions of applicable law.

5. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Republic shall not, and shall not permit (to the extent the Republic has the power to refuse such permission) any Agency to, create or permit to arise or subsist any Security Interest (other than a Permitted Security Interest) upon any of the Republic's assets or revenues, present or future, to secure any Public External Indebtedness of the Republic or of any other Person or any guarantee or indemnity of the Republic in respect of Public External Indebtedness of any other Person unless, at the same time or prior thereto, and thereafter, the Republic's obligations under the Notes are secured equally and rateably therewith or have the benefit of such other arrangement as may be approved by Noteholders as a Reserved Matter (as described in Condition 17 (*Meetings of Noteholders; Written Resolutions*)).

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*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 arrears on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). 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 6 (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 Fiscal Agent 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.

7. **Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*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 arrears on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). 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 Fiscal Agent 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) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates

which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

- (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
- (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) 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;
- (iv) 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 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
- (v) 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.
- (c) *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 Paying Agents and each listing 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 four Business Days after the relevant Interest Determination Date. 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 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 Republic, the Paying 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.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*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 Fiscal Agent 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).

9. Dual Currency Note Provisions

- (a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. 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 11 (*Payments*).
- (b) *Redemption at the option of the Republic:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Republic in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Republic's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Republic to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (c) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(b) (*Redemption at the option of the Republic*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(b) (*Redemption at the option of the Republic*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (d) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Republic shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(d), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(d), may be withdrawn: **provided, however, that if**, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption

Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(d), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

- (e) *No other redemption:* The Republic shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (d) above.
- (f) *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 10(f) or, if none is so specified, a Day Count Fraction of 30E/360.

- (g) *Purchase:* The Republic and its Agencies may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (h) *Cancellation:* All Notes so redeemed or purchased by the Republic, and any unmatured Coupons attached to or surrendered with them may be cancelled or held and resold (**provided that** such resale is outside the United States, as defined in Regulation S under the United States Securities Act of 1933 (as amended)). Any Notes so purchased, while held by or on behalf of the Republic or any Agency, shall not entitle the holder to vote at any meeting of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Noteholders. Any Notes so cancelled will not be reissued.

11. Payments

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any 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 town clearing 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 any 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 a Paying Agent in New York City if (i) the Republic has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents 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 such Paying Agents 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 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 12 (*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 specify that the Fixed Rate Note Provisions are applicable and a 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 specify that this Condition 11(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 Note or early redemption in whole of such Note pursuant to Condition 10(d) (*Redemption at the option of Noteholders*), Condition 10(b) (*Redemption at the option of the Republic*) or Condition 13 (*Events of Default*), 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 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 any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such 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 Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal 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 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Taxation**

All payments of principal and interest in respect of the Notes and the Coupons 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 whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Poland or any political subdivision or any authority thereof or therein having power to tax (together, "**Taxes**"), unless such withholding or deduction is required by law. In that event, the Republic shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of a holder which is liable to such Taxes in respect of such Note or Coupon by reason of its having some connection with the Republic of Poland other than the mere holding of such Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had presented such Note or Coupon on the last day of such period of 30 days.

13. **Events of Default**

- (a) *Declaration of Acceleration:* If any of the following events (each an "**Event of Default**") occurs and is continuing:
- (i) any amount of interest in respect of the Notes is not paid within 30 days of the due date for payment thereof; or
 - (ii) the Republic fails duly to perform or observe any of its material obligations under or in respect of the Notes which failure continues unremedied for 45 days after written notice thereof has been delivered by any Noteholder to the Republic at the Specified Office of the Fiscal Agent;

then the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing to the Republic (with a copy to the Fiscal Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Republic.

- (b) *Withdrawal of Declaration of Acceleration:* If the Republic receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn, the Republic shall give notice thereof to the

Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect but without prejudice to any rights or obligations which may have arisen before the Republic gives such notice (whether pursuant to these Conditions or otherwise). No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

14. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15. 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 Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing 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 Republic may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Republic and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Republic reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Republic shall at all times maintain a Fiscal Agent; and
- (b) the Republic will ensure that as long as it maintains a Paying Agent in a Member State, such a Paying Agent will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Republic shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (as agreed to in writing by the Republic) the rules of which require the appointment of a Paying Agent in any particular place, the Republic shall maintain a Paying Agent having its Specified Office in the place required by the rules of such listing authority, stock exchange and/or quotation system.

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

17. Meetings of Noteholders; Written Resolutions

- (a) *General:* The provisions for convening meetings of Noteholders as set out in Schedule 1 to the Agency Agreement shall apply to the Notes. The following is a summary of selected provisions in that Schedule.

For the purposes of Condition 13 (*Events of Default*), this Condition 17 and Schedule 1 to the Agency Agreement, a Note will be deemed to be "outstanding" as set out in Clause 1.3 of the

Agency Agreement. In addition, in respect of a Note which is (a) held by the Republic or (b) held by the National Bank of Poland, a department, ministry or agency of the Republic, or by a corporation, trust or other legal entity that is controlled by the Republic or a department, ministry or agency of the Republic and the Holder of the Note does not have autonomy of decision, the Note will be deemed to be not outstanding where:

- (i) the Holder of the Note for these purposes is the entity legally entitled to vote the Note for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled Holder to vote the Note for or against a proposed modification;
 - (ii) a corporation, trust or other legal entity is controlled by the Republic or by a department, ministry or agency of the Republic if the Republic or the National Bank of Poland or any department, ministry or agency of the Republic has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
 - (iii) the Holder of a Note has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the Holder may have in relation to the Republic:
 - (A) the Holder may not, directly or indirectly, take instruction from the Republic on how to vote on a proposed modification; or
 - (B) the Holder, in determining how to vote on a proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the Holder's own interest; or
 - (C) the Holder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose holdings of Notes (if that person then held any Notes) would be deemed to be not outstanding under this definition.
- (b) *Convening a meeting of Noteholders:* A meeting of Noteholders:
- (i) may be convened by the Republic at any time; and
 - (ii) will be convened by the Republic or the Fiscal Agent upon the request in writing of Holders of not less than 10 per cent. of the aggregate principal amount of the Notes then outstanding.
- (c) *Quorum at initial meeting:* The quorum at any meeting at which Noteholders may vote in respect of a proposed modification relating to:
- (i) a Reserved Matter will be one or more persons present and holding or representing not less than 66⅔ per cent. of the aggregate principal amount of the Notes then outstanding; and
 - (ii) a matter which is not a Reserved Matter will be one or more persons present and holding or representing not less than 50 per cent. of the aggregate principal amount of the Notes then outstanding.
- (d) *Quorum at adjourned meeting:* The quorum for any adjourned meeting will be one or more persons present and holding or representing:
- (i) not less than 66⅔ per cent. of the aggregate principal amount of the Notes then outstanding in the case of an adjourned meeting convened in respect of a proposed modification relating to a Reserved Matter; and
 - (ii) not less than 25 per cent. of the aggregate principal amount of the Notes then outstanding

in the case of an adjourned meeting convened in respect of a proposed modification relating to a matter which is not a Reserved Matter.

- (e) *Voting on non-Reserved Matters:* Save as otherwise provided in the Agency Agreement and Condition 17(j) (*Manifest error; technical amendments*), any proposed modification in relation to a matter which is not a Reserved Matter may only be approved with the consent of the Republic and:

- (i) the affirmative vote of more than 50 per cent. of the aggregate principal amount of the then outstanding Notes represented at a duly called and quorate meeting of Noteholders; or
- (ii) a written resolution signed by or on behalf of a Holder or Holders of more than 50 per cent. of the aggregate principal amount of the Notes then outstanding.

- (f) *Voting on Reserved Matters:* Except as provided in Condition 17(g) (*Cross-Series Modification*), any proposed modification relating to a Reserved Matter may only be approved with the consent of the Republic and:

- (i) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding Notes represented at a duly called and quorate meeting of Noteholders; or
- (ii) a written resolution signed by or on behalf of a Holder or Holders not less than 66⅔ per cent. of the aggregate principal amount of the Notes then outstanding.

- (g) *Cross-Series Modification:* A Cross-Series Modification relating to a Reserved Matter affecting the Notes and any other series of Debt Securities may only be approved with the consent of the Republic and:

- (i)
 - (A) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the Holders of the Debt Securities of all series (taken in aggregate) that would be affected by the proposed modification; or
 - (B) a written resolution signed by or on behalf of the Holders of not less than 66⅔ per cent. of the aggregate principal amount of the outstanding Debt Securities of all series (taken in aggregate) that would be affected by the proposed modification;

and

- (ii)
 - (A) the affirmative vote of more than 66⅔ per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the Holders of each series of Debt Securities (taken individually) that would be affected by the proposed modification; or
 - (B) written resolutions signed by or on behalf of the Holders of more than 50 per cent. of the aggregate principal amount of the then outstanding Debt Securities of each series (taken individually) that would be affected by the proposed modification.

If a proposed Cross-Series Modification in relation to a Reserved Matter is not approved in the manner described above but would have been approved if it had involved only the Notes and one or more, but less than all, of the other series of Debt Securities affected by the proposed modification, that Cross-Series Modification will be deemed to have been approved in relation to the Notes and the Debt Securities of each other series whose modification would have been approved if the proposed modification had involved only the Notes and such other series of Debt Securities, **provided that:**

- (a) prior to the Record Date for the proposed Cross-Series Modification, the Republic has publicly notified holders of the Notes and other affected Debt Securities of the conditions under which the proposed Cross-Series Modification will be deemed to have been approved if it is approved in the manner described above in relation to the Notes and some but not all of the other affected series of Debt Securities; and
- (b) those conditions are satisfied in connection with the proposed Cross-Series Modification.

For the purposes of this Condition 17:

"Debt Securities" means the Notes and any other bills, bonds, debentures, notes or other debt securities issued by the Republic in one or more series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a Debt Security;

"Cross-Series Modification" means a modification which affects (i) the Notes or any agreement governing the issuance or administration of the Notes, and (ii) one or more other series of Debt Securities or any agreement governing the issuance or administration of such other series of Debt Securities;

"modification" in relation to the Notes means any modification, amendment, supplement or waiver of the terms and conditions of the Notes or any agreement governing the issuance, constitution or administration of the Notes, and has the same meaning in relation to any other Debt Security save that any of the foregoing references to the Notes or any agreement governing the issuance, constitution or administration of such Notes shall be read as references to such other Debt Securities or any agreement governing the issuance, constitution or administration of such other Debt Securities; and

"Series", when used in relation to the Notes, shall have the meaning ascribed to the term in the introductory paragraphs to these Conditions and **"series"**, when used in relation to a tranche of Debt Securities, shall mean such tranche of Debt Securities together with any further tranche or tranches of Debt Securities that in relation to each other and to the original tranche of Debt Securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series.

- (h) *Written resolutions:* A written resolution signed by or on behalf of Holders of the requisite majority of the outstanding Debt Securities will be valid for all purposes as if it was a resolution passed at a meeting of Holders of the Debt Securities duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in like form each signed by or on behalf of one or more Holders of Debt Securities.
- (i) *Binding effect:* A resolution duly passed at a meeting of Holders of Debt Securities duly convened and held, and a written resolution duly signed by the requisite majority of Holders of Debt Securities, will be binding on all such Holders, whether or not the Holder was present or represented at the meeting, voted for or against the resolution or signed the written resolution.
- (j) *Manifest error; technical amendments:* Notwithstanding anything to the contrary in these Conditions, the Notes, the Conditions and the Agency Agreement may be modified, amended or supplemented by the Republic and the Fiscal Agent without the consent of the Noteholders of any Series for the purpose of:
 - (i) adding to the covenants of the Republic;
 - (ii) surrendering any right or power conferred upon the Republic;
 - (iii) securing the Notes;
 - (iv) curing any ambiguity, or curing, correcting or supplementing any defective provision contained in the Agency Agreement or in the Conditions or the Notes of any Series; or
 - (v) amending the Agency Agreement or the Conditions or Notes of any Series in any manner that the Republic and the Fiscal Agent may determine and that does not

adversely affect the interest of any holder of Notes of that Series in any material respect.

The Republic will publish details of any such modification in accordance with Condition 19 (*Notices*) within 10 days of the modification becoming legally effective.

- (k) *Reserved Matters*: In these Conditions, "**Reserved Matter**" means any proposal:
- (i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, instalment(s), interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, instalment(s), interest or any other amount payable in respect of the Notes on any date;
 - (ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;
 - (iii) to change this definition or the definition of "outstanding";
 - (iv) to change or waive the provisions of the Notes set out in Condition 4 (*Status*);
 - (v) to approve any arrangement relating to a Security Interest (other than a Permitted Security Interest) upon any of the Republic's assets or revenues, present or future, to secure any Public External Indebtedness of the Republic or of any other Person or any guarantee or indemnity of the Republic in respect of Public External Indebtedness of any other Person benefitting the Republic's obligations under the Notes pursuant to Condition 5 (*Negative Pledge*);
 - (vi) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity, set out in Condition 13 (*Events of Default*);
 - (vii) to change the law governing the Notes, the courts to the jurisdiction of which the Republic has submitted in the Notes, the Republic's obligation to maintain an agent for service of process in England or the Republic's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 24 (*Governing Law and Jurisdiction*);
 - (viii) to change the quorum required at any meeting of Noteholders or the majority required to pass any resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them, including in respect of a Cross-Series Modification; and
 - (ix) to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Republic or any other person, which would result in the Conditions as so modified being less favourable to the holders of Notes which are subject to the Conditions as so modified than:
 - (A) the provisions of the other obligations or securities of the Republic or any other person resulting from the relevant exchange or substitution; or
 - (B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series having the largest aggregate principal amount;

and has the same meaning in relation to the Debt Securities of any other series save that any of the foregoing references to the Notes or any agreement governing the issuance or administration of the Notes shall be read as references to such other debt securities or any agreement governing the issuance or administration of such other Debt Securities.

18. **Further Issues**

The Republic may from time to time, without the consent of the Noteholders or the Couponholders, 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) so as to form a single series with the Notes.

19. **Notices**

Notices to the Noteholders 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 Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Luxembourg (which is expected to be the *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 Noteholders.

20. **Currency Indemnity**

If any sum due from the Republic in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Republic, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Republic shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Republic and delivered to the Republic or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Republic and shall give rise to a separate and independent cause of action.

21. **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 United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) 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.

22. **Redenomination, Renominalisation and Reconventioning**

- (a) *Application:* This Condition 22 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.
- (b) *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Republic may, without the consent of the Noteholders and Couponholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

- (c) *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:
- (i) the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); **provided, however, that**, if the Republic determines, with the agreement of the Fiscal Agent then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Republic shall promptly notify the Noteholders and Couponholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;
 - (ii) if Notes have been issued in definitive form:
 - (A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Republic gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in euro are available for exchange (**provided that** such Notes and Coupons are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Republic thereunder (including the obligation to exchange such Notes in accordance with this Condition 22) shall remain in full force and effect; and
 - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
 - (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State.
- (d) *Interest:* Following redenomination of the Notes pursuant to this Condition 22, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder.
- (e) *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and 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, with effect from the Redenomination Date the Interest Determination date shall be deemed to be the second TARGET2 Settlement Day before the first day of the relevant Interest Period.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes.

- (c) *Appropriate forum:* The Republic agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 23(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 23 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Consent to enforcement etc.:* For the purposes of the State Immunity Act 1978, the Republic consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.
- (f) *Service of Process:* The Republic agrees that the process by which any Proceedings are begun may be served on it by being delivered in England to the Embassy of the Republic of Poland in London, 47 Portland Place, London W1B 1JL, England as its authorised agent for the service of process in England. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.
- (g) *Waiver of immunity:* To the extent that the Republic may in any jurisdiction claim for itself or its properties, assets or revenues immunity (whether sovereign, diplomatic or other) from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Republic or its properties, assets or revenues, the Republic agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction **provided however, that** immunity is not waived in respect of present or future "premises of the mission" as such term is defined in the Vienna Convention on Diplomatic Relations signed in 1961, or "consular premises" as such term is defined in the Vienna Convention on Consular Relations signed in 1963 or military property or military assets of the Republic related thereto.

Ostateczne Warunki z dnia 22 marca 2017 r.

Skarb Państwa

RZECZYPOSPOLITEJ POLSKIEJ

**Reprezentowany przez
Ministra Rozwoju i Finansów**

**Emisja Obligacji na kwotę 500.000.000 EUR, oprocentowanych według stopy 2,375
procent z terminem wymagalności 18 stycznia 2036 r.
("Obligacje")**

(które zostaną skonsolidowane i będą stanowić jedną serię wraz z istniejącymi Obligacjami na kwotę 750.000.000 EUR, oprocentowanymi według stopy 2,375 procent z terminem wymagalności 18 stycznia 2036 r., wyemitowanymi w dniu 18 stycznia 2016 r. oraz Obligacjami na kwotę 750.000.000 EUR, oprocentowanymi według stopy 2,375 procent z terminem wymagalności 18 stycznia 2036 r., wyemitowanymi w dniu 20 kwietnia 2016 r. ("Pierwotne Obligacje"))

**w ramach Programu Emisji Euroobligacji Średnioterminowych
na kwotę 60.000.000.000 EUR**

CZĘŚĆ A – WARUNKI UMOWNE

Niniejszy dokument stanowi Ostateczne Warunki dotyczące emisji Obligacji w nim opisanych. Uznaje się, że terminy użyte w niniejszych Ostatecznych Warunkach zostały zdefiniowane odpowiednio do celów Warunków ("Warunki") przedstawionych w Uproszczonym Prospekcie Bazowym z dnia 27 lutego 2015 roku. Niniejsze Ostateczne Warunki zawierają ostateczne warunki Obligacji i powinny być interpretowane łącznie z Uproszczonym Prospektem Bazowym z dnia 7 marca 2017 r. oraz Warunkami.

1. Emitent: Skarb Państwa Rzeczypospolitej Polskiej reprezentowany przez Ministra Rozwoju i Finansów
2. (i) Numer Serii: 42
(ii) Numer Transzy: 3
Obligacje będą skonsolidowane, będą stanowić jedną serię i będą zamienne dla celów handlowych na Pierwotne Obligacje w chwili i w zakresie, w jakim udziały w Tymczasowej Obligacji Globalnej są zamieniane na udziały w Stałej Obligacji Globalnej zgodnie z opisem zawartym w niniejszych Ostatecznych Warunkach
3. Określona Waluta lub Waluty: Euro ("EUR")
4. Łączna Kwota Nominalna:

- | | | |
|------|----------|-------------------|
| (i) | Seria: | 2.000.000.000 EUR |
| (ii) | Transza: | 500.000.000 EUR |
5. Cena Emisyjna: 102,701 procent Łącznej Kwoty Nominalnej Transzy powiększone o narosłe odsetki od Daty Rozpoczęcia Naliczania Odsetek (włącznie) do Daty Emisji (z wyłączeniem tej daty)
- | | | |
|----|---|-----------|
| 6. | (i) Określony Nominał (Określone Nominały): | 1.000 EUR |
| | (ii) Kwota Obliczenia: | 1.000 EUR |
- | | | |
|----|---|---------------------|
| 7. | (i) Data Emisji: | 23 marca 2017 r. |
| | (ii) Data Rozpoczęcia Naliczania Odsetek: | 18 stycznia 2017 r. |
8. Termin Wymagalności: 18 stycznia 2036 r.
9. Podstawa Oprocentowania: Stała Stopa Oprocentowania w wysokości 2,375 procent (szczegółowe informacje są określone poniżej)
10. Podstawa Wykupu/Płatności: Wykup według wartości nominalnej
11. Zmiana Podstawy Oprocentowania lub Podstawy Wykupu/Płatności: Nie ma zastosowania
12. Opcje Put/Call: Nie ma zastosowania
13. Status: Obligacje Nadrzędne
14. Sposób dystrybucji: Emisje Syndykowane

POSTANOWIENIA DOTYCZĄCE ODSETEK DO WYPŁATY (JEŻELI BĘDĄ)

15. **Postanowienia dotyczące Obligacji o Stałym Stopie Oprocentowania** Mają zastosowanie
- | | | |
|------|------------------------------|--|
| (i) | Stopa Oprocentowania: | 2,375 procent w skali roku płatne co roku z dołu |
| (ii) | Data/Daty Płatności Odsetek: | 18 stycznia w każdym roku poczynając od dnia 18 stycznia 2018 r. do Terminu Wymagalności (włącznie), dostosowana jedynie dla celów płatności zgodnie z Konwencją Następnego Dnia Roboczego |

- | | | |
|-------|--|--------------------------------|
| (iii) | Kwota Kuponów o Oprocentowaniu Stałym: | 23.75 EUR dla Kwoty Obliczenia |
| (iv) | Kwota/Kwoty z Tytułu Niepełnych Odsetek: | Nie ma zastosowania |
| (v) | Baza Obliczania Odsetek: | Actual/Actual (ICMA) |
| (vi) | Pozostałe warunki dotyczące metody obliczania odsetek od Obligacji o Stałej Stopie Oprocentowania: | Nie ma zastosowania |
16. **Postanowienia Dotyczące Obligacji o Zmiennej Stopie Oprocentowania** Nie ma zastosowania
17. **Postanowienia dotyczące Obligacji Zerokuponowych** Nie ma zastosowania
18. **Postanowienia dotyczące Obligacji o Oprocentowaniu Powiązanym z Indekssem** Nie ma zastosowania
19. **Postanowienia Dotyczące Obligacji Dwuwalutowych** Nie ma zastosowania

POSTANOWIENIA DOTYCZĄCE WYKUPU

20. **Opcja Call** Nie ma zastosowania
21. **Opcja Put** Nie ma zastosowania
22. **Kwota Ostatecznego Wykupu każdej Obligacji** 1.000 EUR dla Kwoty Obliczenia
23. **Kwota Wcześniejszego Rozwiązania** 1.000 EUR dla Kwoty Obliczenia
- Kwota/Kwoty Wcześniejszego Rozwiązania płatna/e w razie wystąpienia przypadku naruszenia postanowień i/lub metoda obliczenia powyższej Kwoty/Kwot (jeżeli będzie istniał taki wymóg lub jeżeli powyższa Kwota będzie inna niż określona/ powyższe Kwoty będą inne niż określone w Warunkach):

OGÓLNE POSTANOWIENIA MAJĄCE ZASTOSOWANIE DO OBLIGACJI

24. **Forma Obligacji:** Obligacje na okaziciela:

Tymczasowa Obligacja Globalna zamienna na Stałą Obligację Globalną, która jest zamienna na Obligacje w Formie Materialnej w ograniczonych okolicznościach określonych w Stalej Obligacji Globalnej

Obligacje nie będą fizycznie dostarczane w Belgii, z wyjątkiem Obligacji dostarczanych systemowi rozliczeniowemu, depozytariuszowi lub innej instytucji dla celów immobilizacji, zgodnie z art. 4 belgijskiej ustawy z grudnia 2005 r.

- | | | |
|-----|---|-----------------------|
| 25. | Wzór Nowej Obligacji Globalnej: | Ma zastosowanie |
| 26. | Postanowienia dotyczące Dodatkowego Centrum Finansowego/ Dodatkowych Centrów Finansowych lub inne postanowienia szczególne dotyczące Dat Płatności: | Nie mają zastosowania |
| 27. | Talony na przyszłe Kupony, które zostaną dołączone do Obligacji w Formie Materialnej (i daty, w których Talony te staną się wymagalne): | Nie |
| 28. | Informacje szczegółowe dotyczące Obligacji częściowo opłaconych: | Nie mają zastosowania |
| 29. | Informacje szczegółowe dotyczące Obligacji płatnych w ratach: | Nie mają zastosowania |
| 30. | Postanowienia dotyczące redenominacji, renominalizacji i zmiany konwencji: | Nie mają zastosowania |
| 31. | Pozostałe warunki lub szczególne warunki: | Nie mają zastosowania |

DYSTRYBUCJA

- | | | |
|-----|--|---|
| 32. | (i) W przypadku syndykowanych emisji Obligacji, podać nazwy Organizatorów: | <i>Główni Współorganizatorzy Emisji:</i>
Barclays Bank PLC
BNP Paribas
Commerzbank Aktiengesellschaft
ING Bank N.V.
J.P. Morgan Securities plc
PKO Bank Polski SA |
| | (ii) Organizator Emisji d/s Stabilizacji Emisji (jeżeli będzie): | Nie ma zastosowania |

- | | |
|---|----------------------------|
| 33. W przypadku niesyndykowanych emisji Obligacji, podać nazwę Dealera: | Nie ma zastosowania |
| 34. Zasady TEFRA: | Mają zastosowanie Zasady D |
| 35. Dodatkowe ograniczenia dotyczące sprzedaży: | Nie mają zastosowania |

WNIOSEK W SPRAWIE NOTOWANIA

Niniejsze Ostateczne Warunki obejmują warunki ostateczne wymagane w celu notowania Obligacji w nich opisanych, na kwotę 60.000.000.000 EUR, emitowanych w ramach Programu Emisji Euroobligacji Średnioterminowych przez Skarb Państwa Rzeczypospolitej Polskiej reprezentowany przez Ministra Rozwoju i Finansów.

WIĄŻĄCY CHARAKTER ANGIELSKIEJ WERSJI JĘZYKOWEJ

Niniejsze Ostateczne Warunki zostały podpisane w języku polskim i angielskim. Wersja angielska niniejszych Ostatecznych Warunków będzie wersją wiążącą dla celów ich interpretacji. W związku z powyższym, w przypadku jakichkolwiek rozbieżności pomiędzy polską wersją językową a angielską wersją językową niniejszych Ostatecznych Warunków, angielska wersja językowa będzie nadrzędna.

ODPOWIEDZIALNOŚĆ

Emitent przyjmuje odpowiedzialność za informacje zawarte w niniejszych Ostatecznych Warunkach.

Podpisano w imieniu Skarbu Państwa Rzeczypospolitej Polskiej, reprezentowanego przez Ministra Rozwoju i Finansów, z upoważnienia Ministra Rozwoju i Finansów, Piotr Nowak, Podsekretarz Stanu w Ministerstwie Finansów:

Podpisano:.....
Podpis należycie upoważnionej osoby

CZĘŚĆ B – POZOSTAŁE INFORMACJE

1. NOTOWANIE

- (i) Notowanie: Luksemburg
- (ii) Dopuszczenie do obrotu: Złożono wniosek o dopuszczenie Obligacji do obrotu na rynku regulowanym Luksemburskiej Giełdy Papierów Wartościowych ze skutkiem od Daty Emisji lub w zbliżonym terminie
- Pierwotne Obligacje zostały dopuszczone do obrotu na rynku regulowanym Luksemburskiej Giełdy Papierów Wartościowych

2. OCENY RATINGOWE

Niezabezpieczone, niepodporządkowane długoterminowe papiery dłużne Emitenta uzyskały następującą ocenę ratingową:

- Fitch Ratings: A- (z perspektywą stabilną)
- Moody's Investors Service: A2 (z perspektywą negatywną)
- S&P Global Ratings: BBB+ (z perspektywą stabilną)

3. INTERESY OSÓB FIZYCZNYCH I PRAWNYCH ZAANGAŻOWANYCH W EMISJĘ/OFERTE

Poza honorariami należnymi na rzecz Głównych Współorganizatorów Emisji, o ile Emitentowi wiadomo, żadna z osób zaangażowanych w ofertę sprzedaży Obligacji nie posiada żadnych interesów istotnych z punktu widzenia tej oferty.

4. PRZYCZYNY PRZEPROWADZENIA OFERTY, SZACUNKOWE WPLYWY NETTO ORAZ WYDATKI ŁĄCZNIE

- (i) Przyczyny przeprowadzenia oferty: Wpływy netto z emisji Obligacji zostaną przeznaczone na finansowanie potrzeb pożyczkowych budżetu Skarbu Państwa
- (ii) Szacunkowe wpływy netto: 514.637.191,78 EUR (w tym narosłe odsetki)
- (iii) Szacunkowe wydatki łącznie: 600 EUR (opłata za notowanie)

5. DOCHÓD

Szacunkowy dochód: 2,198 procent w skali roku

Dochód jest obliczany w Dacie Emisji na podstawie Ceny Emisyjnej i nie jest

wyznacznikiem przyszłych dochodów

9. INFORMACJE DOTYCZĄCE OBSŁUGI

Kod ISIN:

Dopóki Obligacje nie staną się zamienne na Pierwotne Obligacje, nie zostaną skonsolidowane i nie będą stanowić jednej serii obligacji z Pierwotnymi Obligacjami. Obligacje będą posiadać tymczasowy Kod ISIN XS1584948415; następnie Obligacje będą posiadać taki sam Kod ISIN jak Pierwotne Obligacje, czyli XS1346201889

Wspólny Kod:

Dopóki Obligacje nie staną się zamienne na Pierwotne Obligacje, nie zostaną skonsolidowane i nie będą stanowić jednej serii obligacji z Pierwotnymi Obligacjami. Obligacje będą posiadać tymczasowy Wspólny Kod 158494841; następnie Obligacje będą posiadać taki sam Wspólny Kod jak Pierwotne Obligacje, czyli 134620188

Ma być przechowywana w sposób zapewniający zgodność z kryteriami Eurosystemu:

Tak

Uwaga: "tak" oznacza, że z chwilą emisji Obligacje mają być zdeponowane u Euroclear lub Clearstream, Luksemburg jako wspólnego depozytariusza, niekonieczne oznacza to natomiast, że Obligacje będą uznawane jako odpowiednie zabezpieczenie dla celów polityki pieniężnej Eurosystemu oraz wykonywania śróddziennych operacji kredytowych przez Eurosystem z chwilą ich emisji czy też w dowolnym czasie w okresie ich ważności. Takie uznanie uzależnione będzie od tego, czy EBC będzie przekonany, że kryteria Eurosystemu zostały spełnione

Jakikolwiek system rozliczeniowy/jakikolwiek systemy rozliczeniowe poza Euroclear Bank SA/NV i Clearstream Banking, *société anonyme*, i odpowiedni numer identyfikacyjny/odpowiednie numery identyfikacyjne:

Nie ma zastosowania

Dostarczenie:

Dostarczenie w zamian za płatność

Nazwa i adres Dodatkowego Agent-Platnika/ Dodatkowych Agentów-

Nie ma zastosowania

WERSJA DO PODPISU

Platników (jeżeli będą):

WERSJA DO PODPISU

**ZAŁĄCZNIK
WARUNKI**

[Angielska wersja Warunków Emisji do załączenia]

