

CONSOLIDATED VERSION¹
(For information purposes)

MASTER FINANCIAL ASSISTANCE FACILITY AGREEMENT

between

EUROPEAN FINANCIAL STABILITY FACILITY

THE HELLENIC REPUBLIC

as Beneficiary Member State

THE HELLENIC FINANCIAL STABILITY FUND

as Guarantor

and

THE BANK OF GREECE

**(as amended by the Amendment Agreement
dated 12 December 2012)**

¹ Please note that the footnotes are not part of the Agreement but inserted solely for clarification purposes

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This **Master Financial Assistance Facility Agreement** is made by and between:

- (A) **European Financial Stability Facility ("EFSF")**, a *société anonyme* incorporated in Luxembourg with its registered office at 43, avenue John F. Kennedy, L-1855 Luxembourg (R.C.S. Luxembourg B153.414), represented by Mr. Klaus Regling, Chief Executive Officer or Mr. Christophe Frankel, Deputy Chief Executive Officer, ("EFSF");
- (B) **The Hellenic Republic** (hereinafter referred to as "**Greece**"), represented by the Minister of Finance,
as the beneficiary member state (the "**Beneficiary Member State**");
- (C) **The Hellenic Financial Stability Fund**, created pursuant the Law on the Establishment of a Hellenic Financial Stability Fund (3864/2010),
as guarantor ("**HFSF**"); and
- (D) **The Bank of Greece**, represented by the Governor of the Bank of Greece,
(the "**Bank of Greece**"),

Herein jointly referred to as the "**Parties**" and each of them a "**Party**".

PREAMBLE

Whereas:

- (1) EFSF was incorporated on 7 June 2010 for the purpose of making stability support to member states of the European Union whose currency is the euro ("**euro-area Member States**"). EFSF may grant financial assistance under financial assistance facility agreements by way of loan disbursements under a programme, precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State (through loans to the governments of such Member States including in non-programme countries), facilities for the purchase of bonds in the secondary market on the basis of an ECB analysis recognising the existence of exceptional financial market circumstances and risks to financial stability or facilities for the purchase of bonds in the primary market (under a macroeconomic adjustment programme or under a precautionary programme). EFSF may also grant financial assistance by providing credit enhancement in conjunction with new debt issued by euro-area Member States, thus reducing the funding cost for euro-area Member States and the funding arrangements of EFSF may be maximised with a combination of resources from private and public financial institutions which can be arranged through special purpose vehicles which will enlarge the amount of resources available to extend loans for bank re-capitalisation and for buying bonds in the primary and secondary markets (each individual utilisation under a financial assistance facility agreement being a "**Financial Assistance**" and, where the context requires, the term "**Financial Assistance**" shall also mean all or any of such forms of financial assistance collectively).

- (2) EFSF shall finance (including by way of pre-funding) the making of Financial Assistance by issuing or entering into bonds, notes, bills, commercial paper, debt securities or other financing arrangements (including treasury operations, DMO Lines, committed and un-committed credit lines, sale and repurchase agreements and reverse sale and repurchase agreements) (in the case of sale and repurchase agreements and reverse sale and repurchase agreements for a term exceeding twelve (12) months, to the extent they have been approved, where necessary, by the board of directors of EFSF and the Guarantors/EWG) ("**Funding Instruments**") which are backed by irrevocable and unconditional guarantees (each a "**Guarantee**") of the euro-area Member States which shall act as guarantors in respect of such Funding Instruments as contemplated by the terms of this Agreement. The guarantors (the "**Guarantors**") of Funding Instruments issued or entered into by EFSF shall be comprised of each euro-area Member State (excluding any euro-area Member State which is or has become a Stepping-Out Guarantor (as defined below) prior to the issue of or entry into such Funding Instruments). The Funding Instruments shall be issued or entered into either on a stand-alone basis or pursuant to a debt issuance programme (the "**EFSF Debt Issuance Programme**") in accordance with the EFSF Funding Guidelines (as defined below). Certain of the proceeds of Funding Instruments may be credited from time to time to the Liquidity Buffer (as defined below).
- (3) On 8 May 2010, the Kingdom of Belgium, Ireland, the Kingdom of Spain, the French Republic, the Italian Republic, the Republic of Cyprus, the Grand Duchy of Luxembourg, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Portuguese Republic, the Republic of Slovenia, the Slovak Republic, the Republic of Finland and KfW (acting in the public interest, subject to the instructions of and with the benefit of the guarantee of the Federal Republic of Germany) (as Lenders) entered into a EUR 80,000,000,000 loan facility agreement (the "**Loan Facility Agreement**") with Greece and the Bank of Greece which provides stability support to Greece in an inter-governmental framework via pooled bilateral loans.
- (4) On 8 February 2012 Greece requested further financial assistance from the euro-area Member States. In accordance with the Statement by the Heads of State or Government of the euro area and EU institutions of 21 July and 26/27 October 2011, EFSF will be used as the financing vehicle for future disbursements to Greece under the financial assistance of the euro-area Member States.
- (5) On 1 March 2012 a Memorandum of Understanding (the "**PSI MoU**") was entered into between the European Commission, Greece and the Bank of Greece relating to (i) a voluntary liability management transaction by way of voluntary bond exchange to be entered into between Greece and certain private sector investors as described in the statement of the Euro Summit dated 26 October 2011 (the "**Voluntary Liability Management Transaction**"); (ii) a buy-back offer (the "**Buy-Back Offer**") whereby Greece, acting through the ECB as its agent, offers to buy-back from Eurosystem national central banks ("**NCBs**") certain marketable debt instruments issued or guaranteed by Greece which are held by NCBs as collateral for Eurosystem monetary policy operations with eligible counterparties; (iii) the payment of accrued interest on the bonds that will be exchanged under the Voluntary Liability Management Transaction, which will be financed in part or in whole by EFSF (the "**Bond Interest Transaction**"); and (iv) the provision of support in bank recapitalisation programmes of financial institutions in Greece (the "**Bank Recapitalisation Transaction**"). The

PSI MoU is separate from and in addition to the Memorandum of Understanding originally signed on 3 May 2010, as last amended by the Supplemental Memorandum of Understanding (Fifth Addendum) of 6 December 2011, between the European Commission, Greece and the Bank of Greece (the "**2011 Memorandum of Understanding**" which, together with the PSI MoU and any subsequent or supplemental memoranda of understanding or addendum to any of them, is the "**MoU**").

- (6) Upon the request of financial assistance from Greece and in line with the PSI MoU, EFSF has entered into Financial Assistance Facility Agreements with Greece and the Bank of Greece, to provide the following Financial Assistance Facilities: (i) on 1 March 2012, a financial assistance facility agreement of up to EUR 30,000,000,000 in order to permit Greece to finance, in part, the Voluntary Liability Management Transaction (the "**PSI LM Facility**"); (ii) on 1 March 2012, a financial assistance facility agreement of EUR 35,000,000,000 in order to permit Greece to finance the Buy-Back Offer (the "**ECB Credit Enhancement Facility**"); (iii) on 1 March 2012, a financial assistance facility agreement of EUR 5,500,000,000 in order to facilitate the making of payments in relation to accrued interest under certain outstanding sovereign bonds issued or guaranteed by Greece, in the context of the Voluntary Liability Management Transaction, such payments to be made at the time and to the extent that such sovereign bonds are exchanged for New Greek Bonds (the "**Bond Interest Facility**"); and (iv) on 1 March 2012, a financial assistance facility agreement of up to EUR 23,000,000,000 in order to finance the recapitalisation of certain financial institutions in Greece (the "**Existing Bank Recapitalisation Facility**").
- (7) A Memorandum of Understanding was entered into between the Commission, the Hellenic Republic and the Bank of Greece on or around 14 March 2012 in relation to this Agreement. The availability and the provision of Financial Assistance under this Agreement, including pursuant to the Facilities (as defined below) made available under the Facility Specific Terms (as defined below), shall, unless otherwise specified, be conditional upon (i) the Beneficiary Member State's compliance with the measures set out in the MoU and (ii) the Guarantors deciding favourably, on the basis of the findings of the regular assessments carried out by the Commission in liaison with the ECB in accordance with the Council Decision of the European Union on the basis of Articles 126(9) and 136 of TFEU on 12 July 2011 (which recast the former Council Decision 2010/320/EU of 10 May 2010 as amended), that the economic policy of the Beneficiary Member State accords with the adjustment programme and with the conditions laid down by the Council in the Decision and any other conditions laid down by the Council or in the MoU.
- (8) It is acknowledged and agreed that the Bank of Greece is a party to this Agreement for the purpose of receiving disbursements on behalf of the Beneficiary Member State.
- (9) It is acknowledged and agreed that in accordance with the terms of a unanimous resolution of the Member States made pursuant to Articles 5(3) and 10(5)(f) of the Framework Agreement the Slovak Republic is permitted not to participate in guaranteeing a specified amount of Funding Instruments issued to finance Financial Assistance to the Beneficiary Member State which amount corresponds to the notional share of the Slovak Republic in the cancelled non-utilised portion of the EUR 80 billion loan facility dated 8 May 2010 between the then euro-area Member

States and the Beneficiary Member State. The Heads of State or Government of the euro area and EU institutions agreed on 26 October 2011 that the effective aggregate amount to be guaranteed by the Slovak Republic for the new Greek programme would not exceed the amount the Slovak Republic committed to guarantee under the concept endorsed on 21 July 2011 which provided for official financing amounting to EUR 109 billion. EFSF and the Guarantors shall enter into such agreements and documents as they see fit to give effect to this arrangement.

- (10) Appropriate measures related to the prevention of, and the fight against, fraud, corruption and other irregularities affecting any Financial Assistance shall be provided for and implemented by the authorities of the Beneficiary Member State.

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

MASTER FINANCIAL ASSISTANCE FACILITY

1. DEFINITIONS

Capitalised terms shall, unless otherwise specified in relation to a Facility in the relevant Facility Specific Terms, have the meanings set out below:

"Acceptance Notice" means, in relation to a Facility, EFSF's written notice to the Beneficiary Member State in the form of the applicable Annex setting out the amount and the detailed provisional financial terms of the Financial Assistance under the relevant Facility, Instalment or Tranche that EFSF is willing to extend to the Beneficiary Member State under this Agreement and the Facility Specific Terms.

"Aggregate Financial Assistance Amount" has the meaning given to such term in Clause 2(1).

"Agreement" means this Master Financial Assistance Facility Agreement, including the Annexes and Schedules hereto (including any Facility Specific Terms entered into between the Parties and the Annexes thereto).

"Allocated Portion" means, in relation to Funding Instruments which cannot be rolled over or re-financed by virtue of a Market Disruption Event, the portion of such Funding Instruments allocated to the Beneficiary Member State by reference to the proportion the aggregate of the outstanding Financial Assistance Amounts provided by EFSF to the Beneficiary Member State bears to the aggregate principal amount of financial assistance provided by EFSF to all beneficiary member states which is outstanding (or by reference to such other matters as may be determined from time to time by the board of directors of EFSF).

"Annex" means an Annex to this Agreement and, for any Facility, any Annex to the Facility Specific Terms which are applicable to that Facility.

"Availability Period" for any Facility means the period specified as such in the applicable Facility Specific Terms, which shall in no case extend beyond 31 December 2014.

"Average Maturity" means, in relation to any Facility, the weighted average maturity of all the Tranches made available under such Facility where the maturity of each Tranche is determined by reference to its final scheduled repayment date (for Tranches where the principal is repaid in full in one single payment at its maturity) or the scheduled amortisations of Financial Assistance (or Tranches thereof) (for any Tranche the principal of which is repayable in scheduled instalments).

"Business Day" means a day on which the TARGET2 payment system is open for business.

"Commission" means the European Commission.

"Commitment Fee" means the fee allocated to the Beneficiary Member State in accordance with the Diversified Funding Strategy and related to (i) the Negative Carry resulting from the issuance or roll-over of Funding Instruments by EFSF (including to fund the Liquidity Buffer) (ii) Issuance Costs related to funding raised

by EFSF that are not otherwise recoverable from the Beneficiary Member State or any other beneficiary member state and (iii) any commitment commissions arising under DMO Lines or committed or un-committed credit lines as may be made available to EFSF, in each case according to the EFSF Funding Guidelines. In accordance with Clause 6(2), the payment of the annual allocation to the Beneficiary Member State of a portion of EFSF's aggregate Commitment Fee shall be made either (a) following the receipt of an invoice or (b) on the first Payment Date under any Tranche, Instalment or Financial Assistance following the determination of the amount to be paid as annual Commitment Fee, expressed as a number of basis points per annum that shall be applied over the relevant Tranche, Instalment or Financial Assistance to result in the amount of the Commitment Fee that would otherwise have been payable upon receipt of an invoice. The allocation of the Commitment Fee to a Beneficiary Member State and the level and/or the payment structure of the Commitment Fee applicable to this Agreement may be changed from time to time by the board of directors of EFSF and approved by the Guarantors.

"Confirmation Notice" means, in relation to a Facility, EFSF's written notice to the Beneficiary Member State substantially in the form of the applicable Annex to the relevant Facility Specific Terms setting out the definitive financial terms of the Financial Assistance under the relevant Facility, Instalment or Tranche that EFSF is willing to extend to the Beneficiary Member State under this Agreement and the Facility Specific Terms.

"Cost of Carry" means, in relation to Funding Instruments, the difference between (i) the interest accrued under the relevant Funding Instruments (a) in the case of a Pre-Funding Operation, during the period from the date EFSF commences incurring liability for interest under the relevant Funding Instruments under the Pre-Funding Operation until the relevant Disbursement Date (or the date on which the proceeds of the relevant Funding Instruments are used to refinance any other Funding Instruments) or, if the proceeds of the Pre-Funding Operation are not partly or entirely disbursed, until the maturity of the relevant Funding Instruments for the undisbursed proceeds, (b) in the case of amounts raised to fund the Liquidity Buffer, during the period when EFSF incurs liability for interest under the relevant Funding Instruments but is not able to recover any amount from the Beneficiary Member State or any other beneficiary member state in respect of such amount as part of the EFSF Cost of Funding under any financial assistance facility agreement, (c) in the case of any re-financing of any Financing, during the period from the date EFSF commences incurring liability for interest under the new Financing until the new Financing is disbursed (or the date on which the proceeds of the relevant Funding Instruments are used to refinance any other Funding Instruments) and (ii) any return on the proceeds of those Funding Instruments actually received by EFSF, if EFSF at its sole discretion invested the amount pre-funded, the residual amount under a Financing or the amount raised to fund the Liquidity Buffer. The Cost of Carry referred to in paragraph (a) above shall be allocated solely to the Beneficiary Member State but the Cost of Carry referred to in paragraphs (b) and (c) above shall be determined on a pooled basis in relation to the pool of short term Funding Instruments and the pool of long term Funding Instruments and allocated to the Beneficiary Member State in accordance with the Diversified Funding Strategy and the methodology for allocation of Funding Instruments agreed by the EWG and the board of directors of EFSF at the time the Cost of Carry is calculated.

"Decision" means the agreement of the representatives of the euro-area Member States in the Eurogroup to grant financial assistance to Greece and Council Decision 2011/734/EU of 12 July 2011 (which recast Council Decision 2010/320/EU of 10 May 2010 as amended) adopted on the basis of Articles 126(9) and 136 of TFEU.

"Deed(s) of Guarantee" means any deed(s) of guarantee entered into by, amongst others, the Guarantors and EFSF in accordance with the terms of the Framework Agreement.

"Disbursement" means a disbursement of funds to, or at the direction of, the Beneficiary Member State under a Facility (including, where permitted by the EFSF Funding Guidelines and the relevant Facility Specific Terms, by way of the payment of the subscription price or purchase price of purchased bonds or subordinated notes or the delivery of Funding Instruments issued by EFSF).

"Disbursement Date" means, in relation to any Financial Assistance made under any Facility by way of a Disbursement, the date on which funds or Funding Instruments issued by EFSF in respect of the relevant Financial Assistance are paid, advanced or delivered to the Beneficiary Member State (or its nominee or to any third party) in accordance with the relevant Facility Specific Terms. Each such Disbursement Date must be a date selected by EFSF which is (i) a Business Day, (ii) a day (other than a Saturday or Sunday) when banks are open for general business in Luxembourg and in the Beneficiary Member State, (iii) a day which falls during the Availability Period, and (iv) which otherwise complies with the relevant Facility Specific Terms.

"Disincentive Payment" means 200 basis points per annum applied to the most recently provided Financial Assistance Amount to have been disbursed at the time when the Eurogroup or the EWG communicates, following the assessment by the Commission, in liaison with the ECB and the IMF, that there has been non-compliance by the Beneficiary Member State with the measures set out in the MoU which results in or would (as may be determined in writing by EFSF) have resulted in the non-provision of a subsequent Financial Assistance which was scheduled to be made under a Facility or any subsequent financial assistance facility agreement between EFSF and the Beneficiary Member State. The period of time on which the Disincentive Payment is based will run from the date of the provision of the most recently provided Financial Assistance Amount to the date of the communication to the Beneficiary Member State by the Eurogroup or the EWG of the decision regarding non-compliance which stops or would (as may be determined in writing by EFSF) have stopped a new disbursement of financial assistance. In accordance with Clause 6(10), the Disincentive Payment will be refunded in full by EFSF, together with any interest (if any) earned by EFSF from the investment of such Disincentive Payment when the provision of Financial Assistance by EFSF to the Beneficiary Member State recommence(s).

"Diversified Funding Strategy" has the meaning given to that term in the Framework Agreement. The Diversified Funding Strategy as adopted by EFSF contemplates the use of the Liquidity Buffer, a pool of short term Funding Instruments and a pool of long term Funding Instruments and that the methodology for allocation of Funding Instruments, funding and other costs and expenses between the Beneficiary Member State and each other beneficiary member state shall be made in accordance with the EFSF Funding Guidelines.

"**DMO Lines**" means treasury, money market or cash management operations between EFSF and the debt management agencies of euro-area Member States entered into in accordance with Article (5)(5) of the Framework Agreement.

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

"**EFSF Cost of Funding**" means, in relation to any Financial Assistance under a Facility, the effective (after hedging) average cost of funding incurred by EFSF in funding such Financial Assistance as determined by EFSF and allocated to the relevant Financial Assistance pursuant to the Diversified Funding Strategy. The EFSF Cost of Funding shall be calculated by EFSF by adding (i) EFSF's (after hedging) average cost of funding the relevant Financial Assistance, expressed as a rate per annum; for the avoidance of doubt, in the case of discount Funding Instruments (e.g. zero-coupon notes), cost of funding shall be calculated with reference to the nominal value of the relevant discount Funding Instrument, (ii) the annual Service Fee (with effect from the first anniversary of the Disbursement Date of the relevant Financial Assistance), (iii) the Commitment Fee (iv) any Guarantee Commission Fee accrued during the relevant period and (v) any other financing costs, margin, negative carry, losses, hedging costs or other costs, fees or expenses. Such EFSF Cost of Funding shall be adjusted to eliminate the effect of rounding in the calculation of interest on Funding Instruments in the form of bonds or notes with a fixed denomination and to take into account any difference in the periods by reference to which interest is calculated under this Agreement and under the related Funding Instruments and the proceeds of any temporary re-investment of interest receipts by EFSF when such interest periods differ. During the period of any Financing(s) which finance a particular Financial Assistance, EFSF Cost of Funding shall be calculated by reference to the cost of funds incurred by EFSF under the Financing(s) which finance the relevant Financial Assistance, adjusted as may be necessary to cover the period between the Payment Dates under the relevant Facility and interest and principal payment dates under the relevant Funding Instruments and any potential residual cost (including any continuing interest to maturity) incurred by EFSF under the Financing(s) EFSF entered into to finance the relevant Financial Assistance.

"**EFSF Funding Guidelines**" means the funding strategy and guidelines of EFSF from time to time adopted by the board of directors of EFSF and approved by the Guarantors.

"**EFSF Investment Guidelines**" means the investment strategy and guidelines of EFSF from time to time adopted by the board of directors of EFSF and approved by the Guarantors.

"**ESM**" means the European Stability Mechanism to be constituted by treaty entered into between the euro-area Member States.

"**EU**" means the European Union.

"**EUR**", "**euro**" and "**€**" denote the single currency unit of the Participating Member States.

"EURIBOR" means, in relation to a period:

- (a) the applicable Screen Rate; or
- (b) (if no Screen Rate is available for the interest period applicable to an unpaid amount in accordance with Clause 6(3)) the average of the rates quoted by Deutsche Bank AG, BNP Paribas and Rabobank to leading banks in the European interbank market,

as of 11:00 a.m. (Luxembourg time) on the date falling two TARGET Days before the first day of that period for the offering of deposits in euro for a comparable period.

"Eurogroup" means the finance ministers from the 17 euro-area Member States.

"Event of Default" means an event defined in Clause 9(1) as modified in respect of any specific Financial Assistance by the Facility Specific Terms applying to the Facility under which such Financial Assistance is made available.

"EWG" means the Eurogroup Working Group.

"Facility" means each facility provided under this Agreement as more particularly referred to in Clause 2(2).

"Facility Specific Terms" means, from time to time, the terms specific to each Facility as set out in a Schedule to this Agreement which have been executed by the Parties to this Agreement (as such Schedule may be amended or supplemented from time to time).

"Financial Assistance Amount" means the aggregate principal amount of any Financial Assistance made available under a Facility, as more particularly determined in accordance with the relevant Facility Specific Terms.

"Financial Support Provider" means the lenders under the Loan Facility Agreement and any other sovereign State or other creditor (other than the IMF or the European Union) granting a bilateral loan to the Beneficiary Member State in conjunction with EFSF.

"Financing" means any financing longer than or equal to one year by way of issuing or entering into Funding Instruments comprising part of the pool of long term Funding Instruments.

"First Interest Period" means, with regard to any Financial Assistance provided under a Facility, the period commencing on (and including) its Disbursement Date and ending on (but excluding) the first Payment Date as specified in the relevant Confirmation Notice for that Facility.

"Framework Agreement" means the framework agreement entered into between the euro-area Member States and EFSF, as may be amended from time to time, which sets out, *inter alia*, the terms and conditions upon which EFSF may provide Financial Assistance to euro-area Member States and finance such Financial Assistance by issuing or entering into Funding Instruments backed by Guarantees issued by the Guarantors.

"**Funding Instruments**" has the meaning given to that term in the Preamble to this Agreement.

"**General Government Debt**" means indebtedness comprising general government debt as determined in accordance with the European System of Accounts 1995 ("ESA 95") as laid down by Council Regulation No (EC) 2223/96 of 25 June 1996 on the European system of national and regional accounts in the Community as amended from time to time. For the avoidance of doubt, the term General Government Debt shall be deemed to include any New Greek Bonds issued in connection with the Voluntary Liability Management Transaction.

"**Greek Bank Instruments**" means the common shares, contingent convertibles or such other instruments as EFSF may in its absolute discretion approve, in each case issued to HFSF by certain financial institutions in Greece in consideration for payments made out of the proceeds of Financial Assistance provided under (a) the Existing Bank Recapitalisation Facility or (b) this Agreement.

"**Guarantee Commission Fee**" means ten (10) basis points per annum (or such other level of Guarantee Commission Fee as may be determined by the board of directors of EFSF and approved by the Guarantors as applicable to the Facilities from time to time) applied to the relevant Financial Assistance Amount.²

"**IMF**" means the International Monetary Fund.

"**IMF Arrangement**" means any agreement, programme, facility or other arrangement between the Beneficiary Member State and the IMF.

"**Instalment**" means for any Facility, the sums under that Facility which have been the subject of a Request for Funds and a related Acceptance Notice; an Instalment may be disbursed in one or more Tranches.

"**Interest Period**" means, in relation to any Financial Assistance provided under a Facility, the First Interest Period and each consecutive twelve (12) months period thereafter, commencing on (and including) the date of the preceding Payment Date for such Financial Assistance and ending on (but excluding) each Payment Date in each case, as determined in accordance with the relevant Facility Specific Terms for that Facility.

"**Interest Rate**" for any Instalment or Tranche means the rate at which interest will accrue on that Instalment or Tranche during each Interest Period as determined by EFSF, which is equal to the sum of (a) the EFSF Cost of Funding and (b) the Margin (if any) applicable to such Financial Assistance Amount.

"**Issuance Costs**" means any costs, fees or expenses incurred in relation to EFSF issuing or entering into Funding Instruments to finance a Financial Assistance under any Facility (including a portion of the Funding Instruments issued or entered into to fund the Liquidity Buffer) and which are due and payable on or about the date of issue

² Pursuant to the terms of the Amendment Agreement (as such term is defined in Schedule 1 (Loan Facility: Facility Specific Terms)), the Guarantee Commission Fee has been reduced to zero (0) basis points per annum for the time being without retroactive effect.

of such Funding Instruments or, as applicable, the date such Funding Instruments are entered into, and any adjustment corresponding to the difference in the net proceeds of Funding Instruments due to such Funding Instruments not being issued at par value.

"Liquidity Buffer" means the proceeds of issuance of, or entry into, the pool of short term Funding Instruments (including, without limitation, the proceeds of issuance of, or entry into, short term notes, bills, commercial paper, treasury operations, DMO Lines, committed and un-committed credit lines and sale and repurchase operations) issued by EFSF in accordance with the EFSF Funding Guidelines and which, from time to time, have not been used to finance a Disbursement (or a disbursement to any other beneficiary member states) or to refinance an existing Pre-Funding Operation or Financing (or similar operations or financings in respect of any other beneficiary member states).

"Loss of Interest" means the difference (if it is a positive amount) between the amount of interest EFSF would receive at the Interest Rate (excluding for these purposes only the Margin component, if any, of the Interest Rate) on the relevant principal amount of Financial Assistance and the interest EFSF would receive (as determined by EFSF) from the reinvestment of the amounts pre-paid or repaid early in each case for the period commencing on (and including) the date of the prepayment or early repayment and ending on (but excluding) the date on which the relevant Financial Assistance was scheduled to be repaid.

"Margin" means, in relation to a Facility, the margin specified in the relevant Facility Specific Terms. The level of the Margin applicable to any Facility may be changed from time to time by the board of directors of EFSF and approved by the Guarantors. For the avoidance of doubt, no reimbursement or reduction in the Margin or the EFSF Cost of Funding shall apply resulting from payments of advance Margin.

"Market Disruption Event" means, at the time of a proposed issuance or roll-over of Funding Instruments, the occurrence of events or circumstances affecting the national or international financial, political or economic conditions or international capital markets or currency exchange rates or exchange controls which in the reasonable view of EFSF (as approved by the unanimous agreement of the Guarantors, as would be the case for the issuance of new Funding Instruments) are likely to prejudice materially the ability of EFSF to achieve a successful issue, offering or distribution of Funding Instruments or dealings in such Funding Instruments in the secondary market.

"Master Facility" has the meaning given to that term in Clause 2(1) of this Agreement.

"Master Facility Agreement" means this Agreement (but excluding the Facility Specific Terms).

"MoU" has the meaning given to that term in the Preamble to this Agreement.

"Negative Carry" means in relation to any Financial Assistance the negative Cost of Carry (if any) incurred by EFSF and allocated by EFSF to the funding of that Financial Assistance.

"Net Disbursement Amount" means, in relation to any Financial Assistance under a Facility, the Financial Assistance Amount thereof less the sum of (without double counting):

- (a) any Issuance Costs;
- (b) any portion of the Service Fee which is to be deducted up-front; and
- (c) any costs, fees, expenses, interest (including pre-paid interest or discount) or costs of Negative Carry,

incurred under or in connection with that Financial Assistance, any other Financial Assistance provided by EFSF to the Beneficiary Member State or any Pre-Funding Operation.

"New Greek Bonds" means the sovereign bonds issued by Greece in connection with the Voluntary Liability Management Transaction.

"Participating Member States" means the member states of the European Union that have the euro as their lawful currency in accordance with the legislation of the European Union relating to Economic and Monetary Union.

"Payment Date" means, in relation to any Financial Assistance, Instalment or Tranche made available under a Facility, each scheduled date for payment of principal, interest or fees due to EFSF, as specified in the Confirmation Notice related to such Financial Assistance, Instalment or Tranche.³

"Pre-Funding Agreement" means an agreement substantially in the form of Annex 1 executed by the Beneficiary Member State and EFSF to authorise EFSF to enter into Pre-Funding Operations (i) prior to the receipt of a Request for Funds or (ii) following a receipt of a Request for Funds but in the absence of the approval of the EWG referred to in Clause 4(4) (or prior to the satisfaction of any of the other conditions to disbursement) and the issuance of an Acceptance Notice.

"Pre-Funding Operation" means an advanced borrowing transaction as described in Clause 4(7) pursuant to which EFSF, if it deems necessary and with the agreement of the Beneficiary Member State, issues or enters into Funding Instruments to pre-finance a specific Financial Assistance on the basis of a Pre-Funding Agreement, which Pre-Funding Operation may occur prior to the time when the conditions precedent to the disbursement of such Financial Assistance are satisfied.

"Relevant Indebtedness" means all indebtedness which constitutes General Government Debt (including all indebtedness of the Beneficiary Member State) denominated or payable in any currency.

"Request for Funds" means the Beneficiary Member State's request for a disbursement of funds under a Facility to be made in the form specified in the Facility Specific Terms applying to the Facility under which such request is to be made.

³ Certain Payment Dates have also been adjusted pursuant to the provisions of the Amendment Agreement (as such term is defined in Schedule 1 (Loan Facility: Facility Specific Terms)).

"**Schedule**" means a Schedule to this Agreement.

"**Screen Rate**" means the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period, displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, EFSF may specify another page or service displaying the appropriate rate after consultation with the Beneficiary Member State.

"**Service Fee**" represents the source of general revenues and resources to cover operational costs of EFSF, comprising (i) the upfront service fee of 50 basis points calculated (without double counting) on the Financial Assistance Amount under an Instalment or Tranche and (ii) the annual service fee of 0.5 basis points per annum, which will accrue day to day on the Aggregate Financial Assistance Amount under each Facility in each Interest Period with effect from the first anniversary of the Disbursement Date of such Financial Assistance (or such other fee level or date as may be agreed between the Parties following a decision by the EWG). The upfront service fee shall be paid in arrear by the Beneficiary Member State upon receipt of an invoice from EFSF or shall be deducted from the amount to be disbursed to the Beneficiary Member State under any Facility provided on the terms of this Agreement. The inclusion of the annual service fee as a component of the EFSF Cost of Funding is without prejudice to any faculty of a Beneficiary Member State to treat this fee as an operating cost in its national accounts. The level of the Service Fee applicable to the Facilities may be changed from time to time by the board of directors of EFSF and approved by the Guarantors. For the avoidance of doubt, the Service Fee covers and replaces any advance Margin EFSF would otherwise be entitled to charge.

"**Stepping-Out Guarantor**" means a Guarantor whose request to suspend its obligation to issue Guarantees under the Framework Agreement has been accepted by the other Guarantors.

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

"**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.

"**Term**" means the tenor of any Financial Assistance provided under a Facility which may not exceed the period from the Disbursement Date of the relevant Financial Assistance to the final Payment Date specified in the relevant Confirmation Notice.

"**Tranche**" means a part or the whole of an Instalment, as the case may be, and may be financed until its final maturity from the Liquidity Buffer or by one or more Financings.

2. **THE MASTER FINANCIAL ASSISTANCE FACILITY AND SPECIFIC FACILITIES**

- (1) EFSF makes available to the Beneficiary Member State under this Agreement a master financial assistance facility (the "**Master Facility**"), subject to the terms and conditions of the Decision (where applicable), the MoU and the Facility Specific

Terms. The Master Facility may be made available by EFSF to the Beneficiary Member State by way of Financial Assistance. The aggregate principal amounts of the Financial Assistance Amounts shall not exceed EUR 61,700,000,000 (as increased from time to time by an amount (up to EUR 24,400,000,000) equal to any cancelled non-utilised principal amount of the Loan Facility Agreement and/or an amount (up to EUR 23,000,000,000) equal to any cancelled non-utilised principal amount of the Existing Bank Recapitalisation Facility, but in any event not exceeding EUR 109,100,000,000 provided that each such increase is approved by the EWG and is confirmed in a letter from the EWG Chairman to EFSF) (the "**Aggregate Financial Assistance Amount**").

- (2) The Master Facility may be provided in the form of such of the following specific facilities (the "**Facilities**" and each a "**Facility**") as are the subject of Facility Specific Terms which have been entered into between the Parties, provided that at the time of signing this Master Facility Agreement at least one (1) of the Facility Specific Terms are entered into:
- (a) a Facility for the provision of loans (the "**Loan Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Loan Facility: Facility Specific Terms";
 - (b) a Facility for the provision of a loan facility providing for sovereign partial risk protection (a "**Sovereign Partial Protection Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Sovereign Partial Protection: Facility Specific Terms";
 - (c) one or more Facilities for the provision of precautionary facilities (each a "**Precautionary Facility**"). A Precautionary Facility may take the form of (a) a precautionary conditioned credit line (a "**Precautionary Credit Line**" or "**PCCL Facility**") on the terms and subject to the conditions more particularly specified in Facility Specific Terms titled "Precautionary Conditioned Credit Line: Facility Specific Terms", (b) an enhanced conditioned credit line (an "**Enhanced Conditioned Credit Line**" or "**ECCL Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Enhanced Conditioned Credit Line: Facility Specific Terms" or (c) an enhanced conditioned credit line with sovereign partial risk protection (an "**Enhanced Conditioned Credit Line with Sovereign Partial Protection**" or "**ECCL+ Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Enhanced Conditioned Credit Line with Sovereign Partial Protection: Facility Specific Terms";
 - (d) a Facility for the provision of loans to recapitalise financial institutions (the "**Bank Recapitalisation Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Bank Recapitalisation Facility: Facility Specific Terms";
 - (e) a Facility for EFSF to make primary market bond purchases (the "**PMP Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Primary Market Bond Purchase Facility: Facility Specific Terms";

- (f) a Facility for EFSF to make secondary market bond purchases (the "**SMP Facility**") on the terms and subject to the conditions specified in the Facility Specific Terms entitled "Secondary Market Bond Purchase Facility: Facility Specific Terms"; and
- (g) a Facility for EFSF to finance a subordinated issue of notes by a compartment of a co-investment fund (the "**CIF Facility**") on the terms and conditions specified in the Facility Specific Terms entitled "Co-Investment Fund Facility: Facility Specific Terms".

The Parties acknowledge and agree that the Facility Specific Terms for each Facility may include different terms in respect of policy conditionality, fees, fee levels and other terms and conditions.

Within the limits of the MOU and this Master Facility Agreement and subject to the express prior agreement of the Parties and the approval of the EWG, the unused amount of a Facility may be used for utilisations under another Facility to the Beneficiary Member State.

- (3) EFSF shall not be under any obligation to provide any Financial Assistance under a Facility other than in accordance with and upon the terms of this Agreement, including the further terms and conditions set out in the relevant Facility Specific Terms. This Agreement and all Facility Specific Terms form a single agreement between the Parties.
- (4) On the date of this Agreement, the Parties have entered into Facility Specific Terms relating to a Loan Facility having a maximum Financial Assistance Amount of up to the Aggregate Financial Assistance Amount.
- (5)
 - (a) In the event that the Beneficiary Member State wishes to obtain financial assistance in the form of an additional or alternative form of Facility, it shall request such other Facility in writing by a letter addressed to the Eurogroup provided that the amount of such other Facility when aggregated with all other Financial Assistance that EFSF has made or is to make available to the Beneficiary Member State under this Agreement shall not exceed the Aggregate Financial Assistance Amount.
 - (b) Following any such written request:
 - (i) the Commission (in liaison with the ECB and the IMF) shall negotiate any necessary modification or supplement to the MoU;
 - (ii) following the approval of any modification or supplement to the MoU, the Commission (in liaison with the ECB and EFSF), shall make a proposal to the EWG of the main terms of the Facility Specific Terms for the relevant Facility based on its assessment of market conditions and provided that the Facility Specific Terms contain financial terms which are consistent with the MoU and the compatibility of maturities with debt sustainability;

- (iii) following a decision of the EWG, EFSF (in conjunction with the EWG) shall negotiate the detailed technical terms of the Facility Specific Terms of the relevant Facility provided that the financial parameters of such Facility Specific Terms shall take into consideration the financial terms proposed by the Commission (in liaison with the ECB and approved by the EWG); and
 - (iv) EFSF, the Beneficiary Member State and the Bank of Greece shall enter into the relevant Facility Specific Terms and enter into such amendments and/or supplements to this Agreement (including Clause 2(4) and the list of the Schedules in Clause 18) as are necessary to provide the relevant Facility.
- (6) EFSF shall not be under any obligation to provide any Financial Assistance at any time if the aggregate principal amount of such Financial Assistance when added to (i) other Financial Assistance provided by EFSF to the Beneficiary Member State or to other beneficiary member states which are euro-area Member States, (ii) any other Financial Assistance which EFSF has committed to provide to the Beneficiary Member State or such other beneficiary member states and (iii) any amounts which have been raised subject to a Pre-Funding Operation based on a Pre-Funding Agreement with the Beneficiary Member State (or similar amounts raised in respect of other beneficiary member states) would cause EFSF to exceed its capacity at such time to raise funds which are fully guaranteed by the Guarantees issued under the Framework Agreement.
- (7) The Beneficiary Member State shall apply all amounts made available to it under this Agreement, including the Facilities, in conformity with its obligations under the MoU, the Decision, this Agreement and otherwise as specified in the relevant Facility Specific Terms.
- (8) All Financial Assistance will be denominated solely in euro, which shall be the currency of account and payment.
- (9) The Preamble, the Annexes and the Schedules to this Agreement (including the Annexes to such Schedules) do and shall hereafter form an integral part of this Agreement. Unless stated to the contrary in this Agreement, the terms of this Agreement shall apply to all Facilities and Facility Specific Terms but without prejudice to the further terms and conditions set out in such Facility Specific Terms which may, in relation to the relevant Facility, supplement, dis-apply, amend or modify any of the terms set out in this Agreement. In the event of any conflict between any provision of this Agreement and of any Facility Specific Terms, the provisions of the Facility Specific Terms shall prevail in relation to the relevant Facility.

3. ENTRY INTO FORCE AND CONDITIONS PRECEDENT

- (1) Following its signature by all Parties, this Agreement shall enter into force on the date on which each of the following conditions have been satisfied:
 - (a) EFSF has received legal opinions satisfactory to it given by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State and

counsel to HFSF in respect of this Agreement and in the form set out in Annex 2 (*Forms of Legal Opinions*). Such legal opinions shall be dated not later than the date of the first Request for Funds made under any Facility;

- (b) EFSF has received from the Minister for Finance of the Beneficiary Member State (or any other person acceptable to EFSF in its sole discretion) an official document indicating the persons authorised to sign this Agreement, any Request for Funds and any other documents to be delivered under any Facility Specific Terms (and thus validly commit the Beneficiary Member State) and containing the specimen signatures of these persons;
 - (c) the signature of the MoU by all parties thereto;
 - (d) the Guarantors (acting unanimously) have approved the terms of this Agreement (including the relevant Facility Specific Terms signed on the date of this Agreement).
- (2) The Facility Specific Terms relating to a Facility shall enter into force on the date determined in accordance with the terms of such Facility Specific Terms.
- (3) The Beneficiary Member State's right to request Financial Assistance under any Facility expires at the end of the Availability Period applicable to such Facility following which any undisbursed amount of the Aggregate Financial Assistance Amount under that Facility shall be considered as immediately cancelled, unless otherwise agreed by the Parties.

4. **REQUESTS, CONDITIONS TO DISBURSEMENTS, FINANCING AND DISBURSEMENTS**

- (1) Subject to the terms and conditions of this Agreement, the relevant Facility Specific Terms, the MoU and the Decision, the Beneficiary Member State may, after consultation with EFSF, request a Disbursement under the relevant Facility by delivering to EFSF a duly completed and valid Request for Funds. A Request for Funds is irrevocable and shall be binding on the Beneficiary Member State unless EFSF has served on the Beneficiary Member State a written notice indicating that EFSF has not obtained funds in the international capital or loan markets or from the Liquidity Buffer on terms and conditions that are acceptable to it and which are consistent with the terms set out in that Request for Funds, in which case the Beneficiary Member State shall cease to be bound by the Request for Funds as from the date the written notice is served on the Beneficiary Member State.
- (2) A Request for Funds will only be considered as duly completed and valid if:
- (a) it specifies the aggregate of the Financial Assistance Amounts to be made available under the relevant Facility in respect of the relevant Request for Funds;
 - (b) it specifies the latest Disbursement Date by which all Financial Assistance requested in the Request for Funds under the relevant Facility is to have been disbursed or made available;

- (c) it specifies such other matters required by the Facility Specific Terms applicable to the Request for Funds; and
 - (d) the Average Maturity of the Financial Assistance under the relevant Facility (or Facilities) (including the Financial Assistance requested under the relevant Instalment) does not exceed 17.5 years as determined by EFSF.
- (3) Following receipt of a duly completed and valid Request for Funds, EFSF's obligation to make Financial Assistance under a Facility available to the Beneficiary Member State shall be subject to:
- (a) the conditions precedent referred to in Clause 3(1)(a) to (d) being satisfied;
 - (b) the signature of a supplement to the MoU, if applicable;
 - (c) the Beneficiary Member State confirming in writing that no event has occurred that would render incorrect any statement made in the legal opinions received by EFSF under Clause 3(1)(a);
 - (d) the Guarantors (acting unanimously), after considering the most recent periodic assessment of the Beneficiary Member State by the Commission, being satisfied with the compliance by the Beneficiary Member State with the terms of the MoU, including prior actions (if any), and the conditions laid down in the Decision (where applicable);
 - (e) EFSF being satisfied that the conditions to drawdown under this Agreement and the relevant Facility Specific Terms are satisfied;
 - (f) EWG and EFSF (in their absolute discretion) having approved the disbursement under the relevant Facility Specific Terms;
 - (g) EFSF being satisfied that no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which may prejudice the Beneficiary Member State's performance of the MoU, this Agreement or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) or which, if adversely determined, would be reasonably likely to have a material adverse effect on the Beneficiary Member State's ability to perform its obligations under the MoU, this Agreement, or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) have been started or threatened in writing against the Beneficiary Member State;
 - (h) (unless otherwise specified in the relevant Facility Specific Terms) EFSF having received, on or before the Disbursement Date the net proceeds of Funding Instruments in an amount sufficient to finance the relevant Instalment or being satisfied that sufficient funds are available to it from the Liquidity Buffer;
 - (i) (unless otherwise specified in the relevant Facility Specific Terms) no material adverse change having occurred since the date of this Agreement such as would, in the opinion of EFSF, after consultation with the Beneficiary Member State, be likely to prejudice materially the ability of the Beneficiary

Member State to fulfil its payment obligations under this Agreement, *i.e.* to service the Financial Assistance and to repay it; and

- (j) (unless otherwise specified in the relevant Facility Specific Terms) no Event of Default having occurred which has not been cured to the satisfaction of EFSF.
- (4) If the conditions in Clause 4(3) are satisfied (except for the condition referred to in Clause 4(3)(h) that needs to be satisfied on the relevant Disbursement Date), EFSF shall, provided that the EWG accepts EFSF's proposal for the detailed terms of the Financial Assistance, send the Beneficiary Member State an Acceptance Notice setting out the provisional terms on which EFSF is willing to make available the Instalment to the Beneficiary Member State. Following the acknowledgement of an Acceptance Notice by the Beneficiary Member State, the Beneficiary Member State and EFSF shall irrevocably be bound by the terms of the Acceptance Notice, subject to however in all cases EFSF being able to obtain funds in the international capital or loan markets or from the Liquidity Buffer on terms and conditions that are acceptable to it and which are consistent with the terms set out in the Acceptance Notice and the non-occurrence of a Market Disruption Event or an Event of Default.
- (5) After serving the Acceptance Notice and receiving the Beneficiary Member State's acknowledgement of the terms set out therein, EFSF shall either:
- (a) disburse the relevant funds or make the relevant Financial Assistance available to the Beneficiary Member State by use of any proceeds previously obtained from Pre-Funding Operations or from the Liquidity Buffer; or
 - (b) for any amount not raised through Pre-Funding Operations or from the Liquidity Buffer, EFSF shall, at its discretion, launch the issue or enter into Funding Instruments to permit the funding of the relevant Instalment.
- (6) If no acknowledgement is received within one (1) Business Day of delivery of an Acceptance Notice, such notice shall be cancelled and shall be of no further effect and the Beneficiary Member State shall be required to submit a new Request for Funds if it wishes to benefit from the Instalment.
- (7) If EFSF considers that a Pre-Funding Operation is necessary in respect of any Instalment and the Beneficiary Member State and EFSF (acting with the approval of its board of directors) agree to and enter into a Pre-Funding Agreement (i) prior to the receipt of a Request for Funds or (ii) following a receipt of a Request for Funds but in the absence of the approval of the EWG referred to in Clause 4(4) (or prior to the satisfaction of any of the other conditions to disbursement) and the issuance of an Acceptance Notice, in each case in respect of that Instalment, the Beneficiary Member State further expressly authorises EFSF to enter into Pre-Funding Operations to pre-finance all such Financial Assistance up to the maximum aggregate amount of principal set out in the Pre-Funding Agreement. EFSF shall inform the Beneficiary Member State in writing of the financial terms of all such Pre-Funding Operations. The Beneficiary Member State shall bear all costs incurred by EFSF in relation to Pre-Funding Operations (including any financing costs, margin, Negative Carry, losses, costs, hedging costs or other fees or expenses) regardless of whether any Financial Assistance is in fact made available and such amounts shall be paid to EFSF on the

Disbursement Date specified in the relevant Acceptance Notice (if any) or within five (5) Business Days of demand by EFSF.

- (8) In the event that EFSF, subject to compliance with the then applicable EFSF Funding Guidelines, can only raise funds to finance or refinance the relevant Instalment or Tranche by issuing Funding Instruments denominated in a currency other than euros and by entering into related currency hedging arrangements, EFSF shall inform the Beneficiary Member State that it needs to raise financing on such a basis. Any additional costs incurred by EFSF in connection with currency hedging arrangements shall be borne by the Beneficiary Member State.
- (9) After serving an Acceptance Notice in respect of an Instalment and receiving the Beneficiary Member State's written acknowledgement of the terms set out therein, subject to any conditions applicable to the provision of Financial Assistance under the relevant Facility as set out in the applicable Facility Specific Terms, EFSF shall issue to the Beneficiary Member State a Confirmation Notice setting out the financial terms applicable to each Instalment or Tranche, as the case may be. In the case of an Instalment made up of a series of Tranches, a separate Confirmation Notice shall be issued for each Tranche. By acknowledging the terms of an Acceptance Notice, the Beneficiary Member State shall be deemed to have accepted in advance the terms of the Financial Assistance set out in each Confirmation Notice. The Beneficiary Member State shall bear its share of the allocation of all costs incurred by EFSF in relation to the Financing (including any financing costs, margin, Negative Carry, losses, costs, hedging costs or other fees or expenses). Any Issuance Costs shall be paid by EFSF out of the sums retained in respect of the Issuance Costs, and any additional cost incurred may be recovered under Clause 6(6).
- (10) If EFSF, due to prevailing market conditions at the time of launching an issue of or seeking to enter into Funding Instruments to fund or to re-finance Financial Assistance (including in relation to the issue of Funding Instruments which themselves re-finance Funding Instruments which finance or re-finance all or part of the relevant Financial Assistance) is not able to obtain funding, then EFSF shall not be under any obligation to make further disbursements of Financial Assistance in respect of such Instalment.
- (11) If EFSF considers that a Market Disruption Event may occur, EFSF shall consult with the Beneficiary Member State no later than five (5) calendar weeks prior to the scheduled maturity or roll-over of the Funding Instrument(s) in respect of which that Market Disruption Event may occur.
- (12) The disbursement of any Financial Assistance shall under no circumstances commit any of the Parties to proceed with the provision and acceptance of any further Financial Assistance whether under this Agreement or any other agreement between the Parties. For the avoidance of doubt, EFSF is under no obligation to consider favourably any request by the Beneficiary Member State at any time to amend or reschedule the financial terms of any Financial Assistance.
- (13) Subject to any Facility Specific Terms which apply to a Facility, on each Disbursement Date, EFSF shall make the relevant Financial Assistance (or the relevant portion thereof) available to the Beneficiary Member State by instructing the ECB no later than 11:00 a.m. (Frankfurt time) on the Disbursement Date to transfer

the Net Disbursement Amount on the Disbursement Date to such euro account(s) of the Beneficiary Member State as the Beneficiary Member State shall advise in writing to the Bank of Greece, EFSF and the ECB at the latest two (2) Business Days prior to the Disbursement Date and as agreed by EFSF.

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

(1) Representations

Each of the Beneficiary Member State and HFSF represents and warrants to EFSF on the date of this Agreement, on the date of execution of any Facility Specific Terms or Pre-Funding Agreement and on each Disbursement Date that:

- (a) all Financial Assistance made available to the Beneficiary Member State shall constitute an unsecured (save to the extent of any security provided in accordance with Clause 5(2)(a)(i)), direct, unconditional, unsubordinated and general obligation of the Beneficiary Member State and will rank at least *pari passu* with all other present and future unsecured and unsubordinated loans and obligations of the Beneficiary Member State arising from its present or future indebtedness;
- (b) in relation to HFSF, the obligations of HFSF under this Agreement shall constitute the unsecured, direct, unconditional, unsubordinated and general obligations of HFSF and will rank at least *pari passu* with all other present and future unsecured and unsubordinated loans and obligations of HFSF arising from its present or future indebtedness;
- (c) the legal opinions of the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State and counsel to HFSF provided in accordance with Clause 3(1)(a) are accurate and correct;
- (d) the law of the Beneficiary Member State does not require EFSF to be authorised as a credit institution or to obtain any licence, consent, or regulatory or administrative authorisation as a condition to providing any Financial Assistance or to be able to enforce the (i) Beneficiary Member State's obligations in relation to such Financial Assistance against the Beneficiary Member State or (ii) HFSF's obligations in relation to such Financial Assistance against HFSF, or if applicable, that an exemption to such requirement exists for EFSF under the law of the Beneficiary Member State;
- (e) the entry into and performance by it of, and the transactions contemplated by, this Agreement (including the Facility Specific Terms or any Pre-Funding Agreement) and the MoU (and the transactions contemplated therein) does not and will not (i) violate any applicable law, regulation or ruling of any competent authority or any agreement, contract or treaty binding on it or any of its agencies; (ii) constitute a default or termination event (howsoever described) under any of the matters listed in sub-paragraph (i); or (iii) result in the creation of security or give rise to an obligation to grant security or transfer assets (by way of collateral or economically similar arrangements) in favour of any other person, other than security to be created by HFSF over the Greek

Bank Instruments in favour of EFSF as expressly contemplated in this Agreement; and

- (f) to the best of its knowledge and belief (having made due and careful enquiry), no litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which may prejudice its execution or performance of the MoU, this Agreement or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) or which, if adversely determined, are reasonably likely to have a material adverse effect on its ability to perform its obligations under the MoU, this Agreement, or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) have been started or threatened in writing against it.

(2) **Undertakings**

The Beneficiary Member State undertakes, in relation to General Government Debt, until such time as all Financial Assistance has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement (including the Facility Specific Terms) have been fully paid:

- (a) with the exception of those encumbrances enumerated in Sub-paragraphs (a)(ii)(1) to (a)(ii)(8) below:
 - (i) not to secure by mortgage, pledge or any other encumbrance upon its own assets or revenues any present or future Relevant Indebtedness and any guarantee or indemnity given in respect thereof, unless the Financial Assistance shall, at the same time, share *pari passu* and *pro rata* in such security; and
 - (ii) not to grant to any other creditor or holder of its sovereign debt any priority over its obligations under this Agreement.

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

- (1) encumbrances upon any property incurred to secure the purchase price of such property and any renewal or extension of any such encumbrance which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing; and
- (2) encumbrances on commercial goods arising in the course of ordinary commercial transactions (and expiring at the latest within one year thereafter) to finance the import or export of such goods into or from the country of the Beneficiary Member State; and
- (3) encumbrances securing or providing for the payment of Relevant Indebtedness incurred exclusively in order to provide financing for a specific investment project, provided that the

properties to which any such encumbrances apply are properties which are the subject of such project financing, or which are revenues or claims which arise from the project; and

- (4) any other encumbrances in existence on the date of the signing of this Agreement, provided that such encumbrances remain confined to the properties presently affected thereby and properties which become affected by such encumbrances under contracts in effect on the date of the signing of this Agreement (including for the avoidance of doubt the crystallisation of any floating charge which had been entered into at the date of this Agreement) and provided further that such encumbrances secure or provide for the payment of only those obligations so secured or provided for on the date hereof or any refinancing of such obligations; and
- (5) all other statutory encumbrances and privileges which operate solely by virtue of law and which cannot be reasonably avoided by the Beneficiary Member State; and
- (6) any encumbrance granted or consented to under a securitisation transaction which has been consented to in advance by EFSF provided that such transaction is consistent with the policy conditions of the MoU and is accounted for in national accounts in accordance with ESA 95 principles and Eurostat guidance on securitisation operations conducted by Member States' governments; and
- (7) any encumbrance securing the Beneficiary Member State's obligations to any central securities depository, such as Euroclear or Clearstream, given in the normal course of the Beneficiary Member State's business; and
- (8) any encumbrance securing an indebtedness of less than EUR 3 million provided that the maximum aggregate of all indebtedness secured by such encumbrances shall not exceed EUR 50 million.

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

- (b) to utilise all Financial Assistance consistently with the Decision as in force at the relevant time and in accordance with the MoU as the same has been modified or supplemented as at the date of the Request for Funds applicable to such Financial Assistance;

- (c) to obtain and maintain in full force and effect all authorisations necessary for it and HFSF to comply with its obligations under this Agreement (including the Facility Specific Terms) and each Pre-Funding Agreement;
- (d) to ensure that at all times all Financial Assistance made available to the Beneficiary Member State under the Facilities shall constitute an unsecured (save to the extent of any security provided in accordance with Clause 5(2)(a)(i)), direct, unconditional, unsubordinated and general obligation of the Beneficiary Member State and will rank at least *pari passu* with all other present and future unsecured and unsubordinated loans and obligations of the Beneficiary Member State arising from its present or future Relevant Indebtedness;
- (e) to comply in all respects with applicable laws which might affect its ability to perform this Agreement (including the Facility Specific Terms) and each Pre-Funding Agreement;
- (f) to pay the amount allocated by EFSF to the Beneficiary Member State of any fees, costs and expenses, including in particular Issuance Costs, breakage or termination costs, and Cost of Carry incurred in respect of any Funding Instruments or hedging contract which EFSF may have undertaken (including in relation to the amounts raised to fund the Liquidity Buffer, Financings and/or Pre-Funding Operations) regardless of whether the provision of any Financial Assistance or any utilisation under a Facility takes place;
- (g) not to enter into or arrange (without the prior written consent of EFSF) any transactions or arrangements for the acquisition, purchase or exchange of New Greek Bonds, directly or indirectly via the Bank of Greece, any affiliate or agent or any special purpose entity whether at a price equal to, above or below par value, unless such transaction or arrangement for the acquisition, purchase or exchange of New Greek Bonds is for the purposes of a short term investment as contemplated under the PSI LM Facility. Where any transaction or proposed transaction would require the prior written consent of EFSF pursuant to this Clause, the Beneficiary Member State must notify EFSF of the details of the proposed transaction in order to request such consent no fewer than ten (10) Business Days prior to the date upon which the Beneficiary Member State enters into, or proposes to enter into, any legally binding offer, agreement or arrangement in relation to such transaction; and
- (h) more generally, to indemnify and hold harmless EFSF on first demand from and against any additional interest, costs, claims, losses, damages, liabilities and expenses (including legal fees, costs of investigation and any value added tax or equivalent thereof) incurred or suffered by EFSF and which result from (i) any information which is received from the Beneficiary Member State in connection with this Agreement or any Pre-Funding Agreement, the transactions contemplated herein or with the MoU being incorrect, inaccurate or misleading; (ii) any breach of the representations, warranties and/or undertakings in this Agreement, any Pre-Funding Agreement or any Facility Specific Terms; and/or (iii) any action, claim, demand, proceeding, investigation, arbitration or judgment brought against EFSF in connection with EFSF entering into and the performance of this Agreement, any Pre-Funding

Agreement or any Facility Specific Terms or in connection with the transactions contemplated therein or in the MoU.

- (3) HFSF undertakes until such time as all principal under this Agreement has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement have been fully paid:
 - (a) not to secure by mortgage, pledge or any other encumbrance upon the Greek Bank Instruments or assets or revenues of HFSF in relation thereto, any present or future indebtedness of the Beneficiary Member State, HFSF or any other entity or person or any guarantee or indemnity given in respect thereof, unless the Financial Assistance shall, at the same time, share *pari passu* and *pro rata* in such security;
 - (b) not to grant to any other creditor any priority over EFSF;
 - (c) to obtain and maintain in full force and effect all authorisations necessary for it to comply with its obligations under this Agreement; and
 - (d) to comply in all respects with applicable laws which might affect its ability to perform this Agreement.
- (4) HFSF undertakes, that, until such time as all principal under this Agreement has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement have been fully paid, it will upon the request of EFSF grant valid first ranking security over all of its rights and interest in and in relation to the Greek Bank Instruments as security for the performance of its obligations under this Agreement.
- (5) The Beneficiary Member State shall ensure that, until all principal under this Agreement has been fully repaid, all Greek Bank Instruments acquired pursuant to recapitalisations or financial support of financial institutions in Greece using the proceeds of Financial Assistance provided under this Agreement shall be acquired by HFSF.
- (6) Each of the Beneficiary Member State and, if applicable, the Bank of Greece undertakes that, following a request by EFSF pursuant to Clause 5(4) above, it will do all things necessary (including in relation to the registration of such security interest and the payment of any fees, costs, expenses or taxes in relation thereto) in order to procure that such a security interest is validly and properly granted in favour of EFSF and is legally binding on each of HFSF, the Beneficiary Member State and the Bank of Greece.
- (7) Each of the Beneficiary Member State and HFSF shall indemnify EFSF in relation to any amounts paid by EFSF in connection with the establishment, perfection, registration or enforcement of any security granted pursuant to Clause 5(4) and any such amounts shall be payable to EFSF on demand from either or each of the Beneficiary Member State and HFSF.
- (8) In accordance with Clause 2(9), the above representations, warranties and undertakings may be expressly supplemented, dis-applied, amended or modified in

relation to a Facility and/or additional representations and warranties may apply in relation to a Facility all as specified in the relevant Facility Specific Terms.

6. INTEREST, COSTS, FEES AND EXPENSES

- (1) In respect of each Financial Assistance under a Facility, interest shall accrue on the Financial Assistance Amounts at a rate equal to the applicable Interest Rate during each Interest Period.
- (2)
 - (a) On each Payment Date under a Facility, the Beneficiary Member State shall pay in cleared funds to the account designated to it in writing by EFSF for this purpose (or to such other account as the Parties may agree from time to time for the purpose of this Agreement) an amount equal to the interest due and payable under the relevant Facility on such Payment Date.
 - (b) For the purpose of calculating the Commitment Fee component of the interest due and payable by the Beneficiary Member State, the payment of the annual allocation to the Beneficiary Member State of a portion of EFSF's aggregate Commitment Fee shall be made either (i) following the receipt of an invoice or (ii) on the first Payment Date under any Tranche, Instalment or Financial Assistance following the determination of the amount to be paid as annual Commitment Fee, expressed as a number of basis points per annum that shall be applied over the relevant Tranche, Instalment or Financial Assistance to result in the amount of the Commitment Fee that would otherwise have been payable upon receipt of an invoice. The allocation of the Commitment Fee to a Beneficiary Member State and the level and/or the payment structure of the Commitment Fee applicable to this Agreement may be changed from time to time by the board of directors of EFSF and approved by the Guarantors.
- (3) Without prejudice to the terms of Clause 9, if the Beneficiary Member State fails to pay any sum payable under a Facility on its due date, the Beneficiary Member State shall pay in addition default interest on such sum (or, as the case may be, the amount thereof for the time being due and unpaid) to EFSF from the due date to the date of actual payment in full, calculated by reference to successive interest periods (each of such length as EFSF may from time to time select, the first period beginning on the relevant due date and, wherever possible, the length of such period shall be that of one week) at a rate per annum on such overdue amount which is equal to the rate which is 200 basis points per annum over the higher of (a) the EURIBOR rate applicable to the relevant period selected by EFSF and (b) the Interest Rate which would have been payable if the overdue amount had, during the period of non-payment, constituted Financial Assistance under the relevant Facility (if any). So long as the failure to pay continues, such rate shall be refixed in accordance with the provisions of this Clause 6(3) on the last day of each such interest period and unpaid interest under this Clause concerning previous interest periods shall be added to the amount of interest due at the end of each such interest period. The default interest is immediately due and payable.
- (4) On each Payment Date the Beneficiary Member State shall pay to EFSF any Commitment Fees (except as otherwise paid), Service Fees, Guarantee Commission

Fees and such other fees as may be specified in the relevant Facility Specific Terms accrued on the relevant Facility during the Interest Period ending on such Payment Date.

- (5) EFSF shall, during each Interest Period, provide to the Beneficiary Member State on a regular basis details of the Interest Rate and any other amounts accrued under the Facilities during the relevant Interest Period.
- (6) Except to the extent deducted pursuant to Clause 6(7), the Negative Carry, Loss of Interest, Issuance Costs and all other commissions, fees and costs incurred by EFSF in respect of Pre-Funding Operations or Financings shall be promptly paid by the Beneficiary Member State within five (5) Business Days following the receipt of invoices which EFSF will periodically provide (such periodicity being no longer than quarterly), such payment to be made to the account designated in writing by EFSF for this purpose.
- (7) EFSF shall be entitled to deduct the Negative Carry together with all other commissions, fees and costs related to any Pre-Funding Operations and all other amounts that may be deducted in determining the Net Disbursement Amount in relation to any Financial Assistance (whether under this Agreement or any other facility provided by EFSF to the Beneficiary Member State) when calculating the Net Disbursement Amount to be made available in relation to a disbursement of funds settled in cash (whether or not the amounts deducted relate to that disbursement of funds).
- (8) In the event that any hedging instrument in relation to a Funding Instrument which is financing any Financial Assistance is terminated early for any reason (including early termination by EFSF in accordance with the hedging instrument documentation) then the Beneficiary Member State shall indemnify EFSF in respect of the cost of servicing the relevant Funding Instrument on a non-hedged basis and any costs incurred as a consequence of such early termination (to the extent such costs are not already included in the EFSF Cost of Funding). There shall not be any double counting between amounts due to EFSF under Clause 5(2)(f) and this Clause 6(8).
- (9) The Beneficiary Member State undertakes to pay within five (5) Business Days of demand by EFSF all costs, charges and expenses, including legal, professional, banking or exchange charges incurred in connection with the preparation, execution, implementation and termination of this Agreement (and the Facility Specific Terms), each Pre-Funding Agreement and any related document, any amendment, supplement or waiver in respect of this Agreement (and the Facility Specific Terms), each Pre-Funding Agreement and any related document including the costs and expenses payable by EFSF in relation to the preparation and issuance of Funding Instruments to finance the Financial Assistance provided hereunder. These costs and expenses to be borne by the Beneficiary Member State include legal costs (such as costs incurred to obtain legal opinions and drafting documentation), rating agency costs, listing costs, travel costs (if applicable), commissions related to the Funding Instruments, fees of service providers and clearance systems, taxes, registration fees and publication costs.
- (10) If the circumstances set out in the definition of Disincentive Payment apply, such Disincentive Payment shall accrue and shall be paid by the Beneficiary Member State to EFSF on the last day of the calendar quarter in respect of which the Disincentive

Payment is applicable. The Disincentive Payment will be refunded in full by EFSF, together with any interest (if any) earned by EFSF from the investment of such Disincentive Payment when the provision of Financial Assistance by EFSF to the Beneficiary Member State recommence(s).

- (11) The Beneficiary Member State shall in addition bear all such other costs, charges, fees and expenses in connection with the Facilities at such times and in such manner as is set out in any Facility Specific Terms.
- (12) Any amount payable by the Beneficiary Member State in respect of costs, charges, fees and expenses or otherwise in accordance with this Clause 6 for which no due date for payment is specified in this Clause 6 shall be payable within five (5) Business Days of demand by EFSF.

7. REPAYMENT, EARLY REPAYMENT, MANDATORY REPAYMENT AND CANCELLATION

- (1) Subject to the specific terms applying to a Facility as set out in this Agreement or in any Facility Specific Terms the Beneficiary Member State shall repay the principal amount of each Financial Assistance Amount in cleared funds to the account designated to it in writing by EFSF for this purpose (or to such other account as the Parties may agree from time to time for the purpose of this Agreement) on the date(s) (each of which must be an Payment Date) and under the conditions notified to it by EFSF in the relevant Confirmation Notice.
- (2) If financing granted to the Beneficiary Member State under the IMF Arrangement, any of the facilities provided by the Financial Support Providers, the IMF or the European Union (or any body or institution thereof) or any of the facilities provided by EFSF as described in Preamble (6) is repaid by the Beneficiary Member State in advance in whole or in part on a voluntary or mandatory basis, a proportional amount of the Financial Assistance Amounts of the Financial Assistance provided under this Agreement together with accrued interest and all other amounts due in respect thereof shall become immediately due and repayable in a proportionate amount established by reference to the proportion which the principal sum repaid in advance in respect of the IMF Arrangement or the relevant facility represents to the aggregate principal amount outstanding in respect of the IMF Arrangement or such facility immediately prior to such repayment in advance.
- (3) The Beneficiary Member State shall pay on the date of such early repayment all accrued interest and all other amounts due in respect of the amount repaid and shall reimburse all costs, expenses, fees and Loss of Interest incurred and/or payable by EFSF as a consequence of an early repayment in respect of any Financial Assistance under this Clause 7.
- (4) The Beneficiary Member State may cancel, on not less than ten (10) Business Days' prior written notice, the whole or any part (being a minimum amount of euro one hundred million) of the undisbursed amount of a Facility, provided that no Request for Funds for that amount has been made under the relevant Facility.
- (5) EFSF may cancel the whole or any part of the undisbursed amount of a Facility if
 - (i) the MoU is amended in a way that reduces the amount of the Financial Assistance

available for the Beneficiary Member State, or (ii) the Beneficiary Member State notifies its intention not to draw any more under this Agreement or under such Facility.

- (6) EFSF may also cancel as it deems appropriate the whole or any part of the undisbursed amount of any or all Facilities to the Beneficiary Member State in case the IMF cancels the IMF Arrangement, any other Financial Support Provider cancels in whole or in part any support facility entered into with, or in respect of, the Beneficiary Member State or EFSF cancels any of the facilities provided by EFSF as described in Preamble (6). In this case the cancellation of a Facility shall be proportionate to (a) in the case of cancellation by the IMF, the proportion which the sum cancelled represents to the aggregate initial amount of such IMF Arrangement and (b) in the case of cancellation of any of the other facilities, the proportion which the cancelled amount represents to the aggregate of the initial amounts of this Agreement and each of the facilities provided by EFSF and each of the other Financial Support Providers. Notwithstanding the foregoing, a cancellation under this Clause 7(6) shall not be required upon a cancellation by EFSF of the Existing Bank Recapitalisation Facility or the ECB Credit Enhancement Facility.
- (7) If EFSF certifies in writing to the Beneficiary Member State that a Market Disruption Event has occurred and that EFSF cannot re-finance Funding Instruments which finance any Financial Assistance made available (whether to the Beneficiary Member State or to any other beneficiary member state) at their maturity, then, EFSF will, based on an assessment in coordination with the IMF, the Commission and the ECB of the liquidity position of the Beneficiary Member State, evaluate the Beneficiary Member State's capacity to repay a portion of the outstanding amount of the Financial Assistance corresponding to the Beneficiary Member State's Allocated Portion of the Funding Instruments which cannot be rolled over or re-financed by virtue of the Market Disruption Event. If the result of the evaluation is that the Beneficiary Member State has sufficient cash resources available, then, unless otherwise notified by EFSF, an amount of the Financial Assistance outstanding in an amount equal to the Allocated Portion shall become due and payable to EFSF at the date of maturity of such Funding Instruments. Such repayment shall constitute a scheduled repayment and not a voluntary or mandatory pre-payment.
- (8) If the proceeds of any Disbursement are used by the Beneficiary Member State to finance the recapitalisation of a financial institution as confirmed by the terms of the relevant Request for Funds and Acceptance Notice:
 - (a) the Beneficiary Member State shall provide the proceeds of such disbursement to HFSF for it to recapitalise the relevant financial institution;
 - (b) the Beneficiary Member State shall notify EFSF in writing in the event that it receives a payment from HFSF or that financial institution or if HFSF or the Beneficiary Member State sells to a third party any loan, bond, debt security, shares or capital or other instrument (including, *inter alia*, Greek Bank Instruments) which it holds in relation to that financial institution (or any of its affiliates) in connection with the recapitalisation of that financial institution. The Beneficiary Member State shall, upon written notice from EFSF, having given reasonable consideration to losses under the portfolio of the Beneficiary Member State and HFSF related to the recapitalisation of financial institutions,

repay a portion of any Facility demanded by EFSF (together with accrued interest on such portion), such portion not to exceed the amount received by the Beneficiary Member State from HFSF or the relevant financial institution by way of reimbursement or the proceeds of sale of the relevant loan, bond, debt security, shares or capital or other instrument realised by the Beneficiary Member State. HFSF shall not unnecessarily delay the payment to the Beneficiary Member State of undistributed profit resulting from its operations;

- (c) in the event that the Beneficiary Member State or HFSF realises a profit upon sale or placement to a third party of any loan, bond, debt security, share, capital or other instrument which it or HFSF holds in relation to that financial institution (or any of its affiliates), in connection with the recapitalisation of such financial institution then the Beneficiary Member State shall promptly (and in any event within five (5) Business Days of receipt of such profit by the Beneficiary Member State or HFSF) repay a portion of any Facility demanded by EFSF (together with accrued interest on such portion) in an amount equal to such realised profit. HFSF shall not unnecessarily delay the payment to the Beneficiary Member State of undistributed profit resulting from its operations; and
- (d) in the event that a repayment under this Clause gives rise to an obligation to repay or pre-pay financing granted to the Beneficiary Member State by the IMF or under any of the facilities provided by the Financial Support Providers, EFSF acknowledges and agrees that the amount to be repaid to EFSF under this Clause shall be reduced proportionately such that the aggregate amount to be repaid by the Beneficiary Member State in accordance with this Clause 7(8) together with the consequent amounts to be repaid by the Beneficiary Member State in accordance with the IMF Arrangement or under any of the facilities provided by the Financial Support Providers shall be the amount determined in accordance with Clause 7(8)(b) and/or Clause 7(8)(c) (as the case may be). A repayment under this Clause 7(8) shall constitute a scheduled repayment and not a voluntary or mandatory re-payment.

8. PAYMENTS

- (1) All payments to be made by the Beneficiary Member State under this Agreement and all the Facility Specific Terms shall be paid without set-off or counterclaim, free and clear of, and without deduction for and on account of, any taxes, commissions and any other charges for the entire term of this Agreement.
- (2) The Beneficiary Member State declares that all payments and transfers under this Agreement (including all the Facility Specific Terms) and each Pre-Funding Agreement are not subject to any tax or any other impost in the country of the Beneficiary Member State and shall not be so subject for the entire term of this Agreement. If nevertheless the Beneficiary Member State or the Bank of Greece is required by law to make any such deductions, the Beneficiary Member State shall pay the requisite additional amounts so that, after making any deduction as is required by law, EFSF receives in full the amounts specified by this Agreement, the relevant Facility Specific Terms or the relevant Pre-Funding Agreement (as the case may be).

- (3) All payments by the Beneficiary Member State to EFSF shall be made via SWIFT message MT202 in TARGET2 on the due date before 11:00 a.m. (Frankfurt time) to the TARGET2 participant SWIFT-BIC: ECBFDEFFBAC in favour of the account designated to it in writing by EFSF for this purpose (or to such other account as the Parties may agree from time to time for the purpose of this Agreement).
- (4) The ECB or EFSF shall advise the Beneficiary Member State and the Bank of Greece at least ten (10) calendar days prior to each due date of the amount of principal and interest due and payable on such date and of the details (Interest Rate, Interest Period) on which the interest calculation is based.
- (5) The Beneficiary Member State shall send to EFSF and to the ECB a copy of the payment instructions sent by the Beneficiary Member State and relating to a payment due to EFSF under this Agreement at least two (2) Business Days prior to the relevant due date.
- (6) If the Beneficiary Member State shall pay, on a given date, an amount in relation to any Financial Assistance which is less than the total amount due and payable on such date under the relevant Facility Specific Terms, the Beneficiary Member State hereby waives any rights it may have to make any appropriation of the amount so paid as to the amounts due.

The amount so paid in respect of such Financial Assistance shall be applied in or towards satisfaction of payments due in relation to such Financial Assistance in the following sequence:

- (a) *first* against any fees, costs, expenses and indemnities (including any Disincentive Payment, Issuance Costs and Commitment Fees);
- (b) *second* against any interest for late payments as determined under Clause 6(3);
- (c) *third* against other interest; and
- (d) *fourth* against principal,

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

- (7) Any calculation or determination under this Agreement and under any Facility Specific Terms:
 - (a) by EFSF shall be made in a commercially reasonable manner; and
 - (b) by the ECB or EFSF shall, absent manifest error, be binding on EFSF and the Beneficiary Member State.

9. EVENTS OF DEFAULT

- (1) EFSF may, by written notice to the Beneficiary Member State, cancel all or any part of the Facilities (or any of them) and/or declare the aggregate principal amount of any or all Financial Assistance made and outstanding under the Facilities to be immediately due and payable, together with accrued interest and all other amounts due in respect thereof, if:
 - (a) the Beneficiary Member State, HFSF or the Bank of Greece shall fail to pay to EFSF any amount of principal or interest in relation to any Financial Assistance or any other amounts due under this Agreement, any Facility Specific Terms or a Pre-Funding Agreement on its due date, whether in whole or in part, in the manner and currency as agreed in this Agreement, the Facility Specific Terms or the Pre-Funding Agreement; or
 - (b) the Beneficiary Member State, HFSF or the Bank of Greece shall default in the performance of any obligation under this Agreement (including the obligation set out in Clause 2(7) to apply any Financial Assistance in accordance with the terms of the MoU but excluding any other obligations under the MoU) or a Pre-Funding Agreement other than the obligations referred to in Clause 9(1)(a), and such default shall continue for a period of one month after written notice thereof shall have been given to the Beneficiary Member State by EFSF; or
 - (c) EFSF sends the Beneficiary Member State a declaration of default in circumstances where the Beneficiary Member State's, HFSF's or the Bank of Greece's obligations under this Agreement (including the Facility Specific Terms) or a Pre-Funding Agreement are declared by a court of competent jurisdiction not to be binding on or enforceable against the Beneficiary Member State, HFSF or the Bank of Greece or are declared by a court of competent jurisdiction to be illegal; or
 - (d) EFSF sends the Beneficiary Member State a declaration of default in circumstances where (i) it has been established that in relation to this Agreement (including the Facility Specific Terms), any Pre-Funding Agreement or the MoU, the Beneficiary Member State, HFSF or the Bank of Greece has engaged in any act of fraud or corruption or any other illegal activity, or any other actions detrimental to EFSF or (ii) any representation or warranty made by the Beneficiary Member State or HFSF under this Agreement (including the Facility Specific Terms) or any Pre-Funding Agreement (including in relation to the legal opinions provided under Clause 3(1)(a)) is inaccurate, untrue or misleading and which in the opinion of EFSF could have a negative impact on the capacity of the Beneficiary Member State or HFSF to fulfil its obligations under this Agreement (including under the Facility Specific Terms), any Pre-Funding Agreement or the rights of EFSF under this Agreement (including under the Facility Specific Terms) or any Pre-Funding Agreement; or
 - (e) any agreement for the provision of a loan or any other financial assistance between the Beneficiary Member State, the Bank of Greece and EFSF or any EU institution or body, regardless of amount, is the subject of a declaration of

default or there is a default on any payment obligation of any kind towards EFSF or any EU institution or body by the Beneficiary Member State or the Bank of Greece and such payment default gives rise to a declaration of default; or

- (f) the Loan Facility Agreement or any of the facilities described in Preamble (6) is the subject of a declaration of default; or
- (g) EFSF sends the Beneficiary Member State a declaration of default in circumstances where any payment default has occurred under any series of New Greek Bonds or any series of New Greek Bonds are the subject of a declaration of default; or
- (h) Relevant Indebtedness of the Beneficiary Member State or HFSF having an aggregate principal amount in excess of EUR 250 million is the subject of a declaration of default as defined in any instrument governing or evidencing such indebtedness and as a result of such a declaration of default there is an acceleration of such indebtedness or a *de facto* moratorium on payments; or
- (i) the Beneficiary Member State does not make timely repurchases from the IMF in relation to the IMF Arrangement of any outstanding purchases in accordance with the applicable repurchase obligation schedule or has overdue charges on outstanding purchases and the Managing Director of the IMF has notified the Executive Board of IMF that such repurchases or such payment of charges have become overdue; or
- (j) any loan agreement or agreement for the provision of financial assistance between the Beneficiary Member State or HFSF and any institution or body of the EU, the IMF or any other Financial Support Provider, regardless of amount, is the subject of a declaration of default; or
- (k) the Beneficiary Member State does not pay a substantial portion of its Relevant Indebtedness as it falls due or declares or imposes a moratorium on the payment of its Relevant Indebtedness or of Relevant Indebtedness assumed or guaranteed by it provided that for the purpose of this Agreement, the Voluntary Liability Management Transaction shall not trigger a default under this Clause.

In accordance with Clause 2(9), any of the above Events of Default may be expressly supplemented, dis-applied, amended or modified or additional Events of Default may be stipulated for any specific Financial Assistance if so specified in the Facility Specific Terms applying to the Facility under which such Financial Assistance is to be made available.

- (2) EFSF may, but is not obliged to, exercise its rights under this Clause and may also exercise them only in part without prejudice to the future exercise of such rights.
- (3) The Beneficiary Member State shall reimburse all costs, expenses, fees and Loss of Interest incurred and payable by EFSF as a consequence of an early repayment of any Financial Assistance under this Clause at the times and in the manner set out in this Agreement or the applicable Facility Specific Terms. In addition, the Beneficiary

Member State shall pay default interest, as provided in Clause 6(3) above, which shall accrue as from the date when the outstanding principal amount in respect of such Financial Assistance has been declared immediately due and payable, until the date of actual payment in full.

10. INFORMATION UNDERTAKINGS

- (1) With effect from the date of this Agreement, the Beneficiary Member State shall supply to EFSF:
 - (a) all documents dispatched by the Beneficiary Member State to holders of New Greek Bonds or its creditors generally at the same time as they are dispatched and shall supply to EFSF as soon as reasonably practicable following receipt, all documents issued generally to creditors of any other entities which incur indebtedness which constitutes General Government Debt;
 - (b) a regular quarterly report on the progress made in fulfilment of the terms of the MoU;
 - (c) promptly, such further information regarding its fiscal and economic condition, as EFSF may reasonably request;
 - (d) any information pertaining to any event which could reasonably be expected to cause an Event of Default to occur (and the steps, if any, being taken to remedy it);
 - (e) any information pertaining to any event which could constitute a non-payment or other event of default under the New Greek Bonds or any proposal to amend, modify or waive any terms of such New Greek Bonds;
 - (f) details of all payments due and payments made to holders of New Greek Bonds;
 - (g) a declaration that the Beneficiary Member State no longer intends to request any more Financial Assistance under this Agreement, as soon as that is the case; and
 - (h) if the Beneficiary Member State proposes to, directly or indirectly via the Bank of Greece, any affiliate or agent or any special purpose entity enter into or arrange any transactions or arrangements for the acquisition, purchase or exchange of New Greek Bonds whether at a price equal to, above or below par value, provide to EFSF details of such proposed transaction including the proposed amount and date of such acquisition and whether the New Greek Bonds will be held as short term investments as contemplated under the PSI LM Facility, cancelled, held to maturity or held as long term investments.
- (2) The Beneficiary Member State undertakes to inform EFSF immediately if any event occurs that would render incorrect any statement made in the legal opinions referred to in Clause 3(1)(a) above.
- (3) The Beneficiary Member State undertakes to promptly notify EFSF in the event that litigation, arbitration or administrative proceedings or investigations of, or before, any

court, arbitral body or agency which may prejudice its execution or performance of the MoU, this Agreement or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) or which, if adversely determined, would be reasonably likely to have a material adverse effect on its ability to perform its obligations under the MoU, this Agreement, or the transactions contemplated herein (including the Facility Specific Terms or any Pre-Funding Agreement) are started or threatened in writing against it.

- (4) HFSF undertakes to provide to EFSF promptly such further information regarding the Greek Bank Instruments as EFSF may reasonably request.

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

- (1) The Beneficiary Member State shall permit EFSF to send its own agents or duly authorised representatives to carry out any technical or financial assessments, controls or audits that it considers necessary in relation to the management of this Agreement, (including the Facility Specific Terms) and any Financial Assistance provided thereunder.
- (2) The Beneficiary Member State directly or through the Bank of Greece shall supply relevant information and documents which may be requested for the purpose of such assessments, controls or audits, and take all suitable measures to facilitate the work of persons instructed to carry them out. The Beneficiary Member State and the Bank of Greece undertake to give to the persons referred to in Clause 11(1) (or to procure the giving to such persons of) access to sites and premises where the relevant information and documents are kept.
- (3) The Beneficiary Member State and the Bank of Greece shall ensure investigation and satisfactory treatment of any suspected and actual cases of fraud, corruption or any other illegal activity in relation to the management of this Agreement (including all the Facility Specific Terms) and any Financial Assistance provided thereunder. All such cases as well as measures related thereto taken by national competent authorities shall be reported to EFSF and the Commission without delay.

12. **NOTICES**

- (1) All notices in relation to this Agreement and the Facility Specific Terms shall be validly given if in writing and sent to the addressees listed Annex 3 (*List of Contacts*). Each Party will update addressees and notify it to the other Party hereto upon the same being amended from time to time.
- (2) All notices shall be given by registered mail. In case of urgency, they can be given by fax, SWIFT message or by hand-delivered letter to the addressees above mentioned and confirmed by registered mail without undue delay. Notices become effective with the actual receipt of the fax, the SWIFT message or the hand-delivered letter.
- (3) All documents, information and materials to be furnished under this Agreement and the Facility Specific Terms shall be in the English language.
- (4) Each Party to this Agreement will notify to the other Parties the list and specimen signatures of the persons authorised to act on its behalf under this Agreement and

under the Facility Specific Terms, promptly upon its signature of this Agreement. Likewise, each Party will update such list and notify the other Parties hereto upon the same being amended from time to time.

13. **GUARANTEE AND INDEMNITY**

- (1) HFSF irrevocably and unconditionally:
 - (a) guarantees to EFSF punctual performance by the Beneficiary Member State of the Beneficiary Member State's obligations under this Agreement in connection with Financial Assistance used to finance the recapitalisation of financial institutions in Greece;
 - (b) undertakes with EFSF that whenever the Beneficiary Member State does not pay any amount when due under or in connection with this Agreement, HFSF shall immediately on demand pay that amount as if it was the principal obligor provided that such amount is due in connection with Financial Assistance used to finance the recapitalisation of financial institutions in Greece; and
 - (c) agrees with EFSF that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal it will, as an independent and primary obligation, indemnify EFSF immediately on demand against any cost, loss or liability it incurs as a result of the Beneficiary Member State not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under this Agreement in connection with Financial Assistance used to finance the recapitalisation of financial institutions in Greece on the date when it would have been due. The amount payable by HFSF under this indemnity will not exceed the amount it would have had to pay under this Clause 13 if the amount claimed had been recoverable on the basis of a guarantee.
- (2) The guarantee set out in Clause 13(1) is a continuing guarantee and will extend to the ultimate balance of sums payable by the Beneficiary Member State under this Agreement, regardless of any intermediate payment or discharge in whole or in part.
- (3) If any discharge, release or arrangement (whether in respect of the obligations of the Beneficiary Member State or any security for those obligations or otherwise) is made by EFSF in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Clause 13 will continue or be reinstated as if the discharge, release or arrangement had not occurred.
- (4) The obligations of HFSF under this Clause 13 will not be affected by any act, omission, matter or thing which, but for this Clause 13(4), would reduce, release or prejudice any of its obligations under this Clause 13 (without limitation and whether or not known to it or to EFSF) including:
 - (a) any time, waiver or consent granted to, or composition with, the Beneficiary Member State or other person;

- (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Beneficiary Member State or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
 - (c) any incapacity or lack of power or authority of the Beneficiary Member State or any other person;
 - (d) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous) or replacement of this Agreement or any other document or security including without limitation any change in the purpose of, any extension of, or any increase in, any facility or the addition of any new facility under this Agreement or other document;
 - (e) any unenforceability, illegality or invalidity of any obligation of any person under this Agreement or any other document or security; or
 - (f) any moratorium in relation to the Beneficiary Member State or any insolvency or similar proceedings in relation to any other person.
- (5) HFSF waives any right it may have of first requiring EFSF to proceed against or enforce any other rights or security or claim payment from any person before claiming from HFSF under this Clause 13. This waiver applies irrespective of any law or any provision of any document to the contrary.
- (6) Until all amounts which may be or become payable by the Beneficiary Member State under or in connection with this Agreement have been irrevocably paid in full, EFSF may:
- (a) refrain from applying or enforcing any other moneys, security or rights held or received by it in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and HFSF shall not be entitled to the benefit of the same; and
 - (b) hold in an interest-bearing suspense account any moneys received from HFSF or on account of any of HFSF's liability under this Clause 13.
- (7) Until all amounts which may be or become payable by the Beneficiary Member State under or in connection with this Agreement have been irrevocably paid in full, HFSF will not exercise any rights which it may have by reason of performance by it of its obligations under this Agreement or by reason of any amount being payable, or liability arising, under this Clause 13:
- (a) to be indemnified by the Beneficiary Member State;
 - (b) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiary Member State under this Agreement or of any other guarantee or security taken pursuant to, or in connection with, this Agreement;

- (c) to bring legal or other proceedings for an order requiring the Beneficiary Member State to make any payment, or perform any obligation, in respect of which HFSF has given a guarantee, undertaking or indemnity under Clause 13(1);
- (d) to exercise any right of set-off against the Beneficiary Member State; and/or
- (e) to claim or prove as a creditor of the Beneficiary Member State in competition with EFSF.

If HFSF receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to EFSF by the Beneficiary Member State under or in connection with this Agreement to be repaid in full on trust for EFSF and shall promptly pay or transfer the same to EFSF.

- (8) This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by EFSF.

14. MISCELLANEOUS

- (1) If any one or more of the provisions contained in this Agreement or in any of the Facility Specific Terms should be or become fully or in part invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained in this Agreement or any Facility Specific Terms shall not in any way be affected or impaired thereby. Provisions which are fully or in part invalid, illegal or unenforceable shall be interpreted and thus implemented according to the spirit and purpose of this Agreement and the Facility Specific Terms.
- (2) The Parties to this Agreement acknowledge and accept the existence and terms of the MoU, the EFSF Funding Guidelines and the EFSF Investment Guidelines as the same may be amended, supplemented or updated from time to time.
- (3) A person which is not Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or benefit from any term of this Agreement save as expressly provided in any relevant Facility Specific Terms. Unless otherwise specified in this Agreement, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.
- (4) Neither the Beneficiary Member State nor HFSF shall have any right to assign or transfer any of its rights or obligations under this Agreement (including the Facility Specific Terms) without the prior written consent of EFSF.
- (5) Subject to any provision to the contrary in any Facility Specific Terms, EFSF shall have the right (without any requirement of consent from the Beneficiary Member State or HFSF) to freely assign and/or otherwise transfer its rights or claims against the Beneficiary Member State to all or any of the Guarantors in the circumstances described in Article 6(8) of the Framework Agreement subject to the terms of the Deed(s) of Guarantee. In addition, subject to any provision to the contrary in any Facility Specific Terms, the Parties agree that the rights and obligations of EFSF may

be freely transferred to ESM and/or to any other entity owned collectively directly or indirectly by the euro-area Member States. The Parties agree that the rights and obligations of EFSF under this Agreement may be freely transferred to an independent, bankruptcy remote, special purpose company. EFSF or the transferee shall be entitled to notify the Parties to this Agreement of any such assignment or transfer.

15. **GOVERNING LAW AND JURISDICTION**

- (1) This Agreement and the Facility Specific Terms (including any Annexes and Schedules thereto) and any non-contractual obligations arising out of or in connection with each of them shall be governed by and shall be construed in accordance with English law.
- (2) The Parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Agreement and each of its Facility Specific Terms (including the Annexes and Schedules thereto) to the exclusive jurisdiction of the courts of the Grand Duchy of Luxemburg.
- (3) Clause 15(2) is for the benefit of EFSF only. As a result, nothing in Clause 15(2) prevents EFSF from taking proceedings relating to a dispute ("**Proceedings**") in the courts of the domicile of the Beneficiary Member State or of the governing law of this Agreement and the Beneficiary Member State hereby irrevocably submits to the jurisdiction of such courts. To the extent allowed by law, EFSF may take concurrent Proceedings in any number of such jurisdictions.
- (4) The Beneficiary Member State, HFSF and the Bank of Greece hereby irrevocably and unconditionally waive all immunity to which each of them is or may become entitled, in respect of itself or its assets, from legal proceedings in relation to this Agreement and each of its Annexes and Schedules (including the Annexes to such Schedules) and each Pre-Funding Agreement, including, without limitation, immunity from suit, judgment or other order, from attachment, arrest or injunction prior to judgment, and from execution and enforcement against its assets to the extent not prohibited by mandatory law.

16. **ENTRY INTO FORCE**

Following its signature by all Parties, this Agreement shall enter into force on the date on which EFSF has received the official notification (in the form of the legal opinions in Annex 2 to this Agreement) by the Beneficiary Member State that all constitutional and legal requirements for the entry into force of this Agreement and the valid and irrevocable commitment of the Beneficiary Member State and HFSF to all obligations under this Agreement have been fulfilled.

17. **EXECUTION OF THE AGREEMENT**

This Agreement and its relevant Schedules (if applicable) shall be executed by each Party in four originals in the English language, each of which shall constitute an original instrument.

18. **ANNEXES AND SCHEDULES**

The Annexes and Schedules of this Agreement shall constitute an integral part hereof and as of the date of this Agreement comprise:

Annex 1: Form of Pre-Funding Agreement

Annex 2: Forms of Legal Opinions

Annex 3: List of Contacts

Schedule 1: Loan Facility: Facility Specific Terms

Executed in Athens on _____ and in Luxembourg on
_____.

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by

Klaus Regling, Chief Executive Officer

The Beneficiary Member State

THE HELLENIC REPUBLIC

Represented by

THE BANK OF GREECE

Represented by

The Guarantor

THE HELLENIC FINANCIAL STABILITY FUND

Represented by

ANNEX 1
FORM OF PRE-FUNDING AGREEMENT

AUTHORISATION FOR PRE-FUNDING AND INDEMNITY AGREEMENT (THE "PRE-FUNDING AGREEMENT")

This **Authorisation for Pre-funding and Indemnity Agreement** is made by and between:

- (A) **European Financial Stability Facility ("EFSF")**, a *société anonyme* incorporated in Luxembourg with its registered office at 43, avenue John F. Kennedy, L-1855 Luxembourg (R.C.S. Luxembourg B153.414), represented by Mr. Klaus Regling, Chief Executive Officer or Mr. Christophe Frankel, Deputy Chief Executive Officer / Chief Financial Officer; and
- (B) **The Hellenic Republic** (hereinafter referred to as "**Greece**"), represented by the Minister of Finance,

as the Beneficiary Member State (the "**Beneficiary Member State**"),

Herein jointly referred to as the "Parties" and each of them a "**Party**".

1. The Parties, the Hellenic Financial Stability Fund and the Bank of Greece are parties to a Master Financial Assistance Facility Agreement dated [●] under which EFSF has agreed to make available to the Beneficiary Member State a Master Facility in an Aggregate Financial Assistance Amount of up to EUR [●] billion, as amended and supplemented by the Facility Specific Terms dated [●] in respect of the EUR [●] Facility (together, the "**FFA**"). Terms defined in the FFA shall have the same meaning in this Pre-Funding Agreement.
2. The Financial Assistance will be made available in one or more Instalments each of which may be disbursed in one or more Tranches. EFSF and the Beneficiary Member State hereby acknowledge and agree that advance borrowings in the form of Pre-Funding Operations may be effected by EFSF for the purpose of pre-funding a future Instalment whether or not a written Request for Funds from the Beneficiary Member State has been delivered to EFSF and prior to the issuance of an Acceptance Notice by EFSF. The Beneficiary Member State hereby authorises EFSF to enter into such Pre-Funding Operations in respect of the Instalment due following the [●] periodic review in a maximum aggregate amount of principal of EUR [●].
3. The Beneficiary Member State hereby undertakes to pay to EFSF all costs (including the Negative Carry, as defined in the FFA, and all commissions, fees and costs) resulting from such Pre-Funding Operations, even if for whatever reason, in particular due to time needed for decision-making relating to the provision of the Financial Assistance based on the compliance with Clauses 3 and 4 of the FFA, the disbursement to the Beneficiary Member State of the net proceeds of the relevant Pre-Funding Operations is delayed or it does not take place.
4. For a pre-funded Instalment that is subsequently disbursed (becoming thereafter treated as a Financing), the Cost of Carry accrues from the date EFSF commences incurring liability for interest under the relevant Funding Instruments until the relevant Disbursement Date (or the date on which the proceeds of the relevant

Funding Instruments are used to refinance any other Funding Instruments) or, if the proceeds of the Pre-Funding Operation are not partly or entirely disbursed, until the maturity of the relevant Funding Instrument for the undisbursed proceeds. For a pre-funded Instalment where the disbursement is delayed, for whichever reason, the Cost of Carry accrues from the date EFSF commences incurring liability for interest under the relevant Funding Instruments and until the date that a final decision on the use of the funds has been taken by EFSF, after consultation with the Beneficiary Member State. For a pre-funded Instalment that is not subsequently disbursed, the Member State remains liable for all the costs incurred by EFSF in relation to the Pre-Funding Operations, in accordance with Clause 4(7) of the FFA.

5. The Beneficiary Member State shall, on the Disbursement Date specified in the relevant Acceptance Notice (if any) or within five (5) Business Days of demand by EFSF, pay all costs incurred by EFSF in relation to Pre-Funding Operations (including financing costs, margin, Negative Carry, losses, costs, hedging costs or other fees or expenses) regardless of whether any Financial Assistance is in fact made available provided that the maximum aggregate amount of principal for Pre-Funding Operations is the amount specified in paragraph 2 above.
6. If the Beneficiary Member State fails to pay any amount under this Pre-Funding Agreement on the date it is due for payment, this shall constitute an Event of Default under Clause 9(1) of the FFA.
7. The fact that EFSF is prepared to carry out and enter into a Pre-Funding Operation will not condition in any respect its decision regarding the compliance by the Beneficiary Member State with the economic policy conditions of the MoU and the Decision or on whether the conditions precedent to the provision of any Financial Assistance under any Instalment have been satisfied.
8. Once the conditions foreseen in Clause 3 and 4 of the FFA are fulfilled and an Acceptance Notice has been issued and acknowledged, EFSF will issue a Confirmation Notice for the Financial Assistance prefunded.
9. Clauses 12, 13, 14 and 15 of the FFA shall also apply to this Pre-Funding Agreement as if references to "this Agreement" were to this Pre-Funding Agreement.
10. This Pre-Funding Agreement enters into force upon signature by the Parties.

This Pre-Funding Agreement is provided to the Bank of Greece for information.

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by

Mr. Christophe Frankel, Deputy Chief Executive Officer / Chief Financial Officer

The Beneficiary Member State

THE HELLENIC REPUBLIC

Represented by

**ANNEX 2
FORMS OF LEGAL OPINIONS**

PART I FORM OF LEGAL OPINION FOR BENEFICIARY MEMBER STATE

(to be issued on official letterhead of the Legal Advisor to
the State at the Ministry of Finance)

[*place, date*]

To: European Financial Stability Facility
43, avenue John F. Kennedy
L-1855 Luxembourg
Attention: Chief Financial Officer

Re: EUR [●] Master Financial Assistance Facility Agreement between European Financial Stability Facility (as EFSF), the Hellenic Republic (as Beneficiary Member State), the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on [●]

Dear Sirs,

In my capacity as Legal Advisor to the State at the Ministry of Finance, I refer to the above referenced Master Financial Assistance Facility Agreement and all its Annexes and Schedules which constitute an integral part thereof (hereinafter together referred to as the "**Agreement**") entered into between the European Financial Stability Facility (hereinafter referred to as "**EFSF**"), the Hellenic Republic (hereinafter referred to as the "**Beneficiary Member State**"), the Hellenic Financial Stability Fund as guarantor and the Bank of Greece on [*insert date*]. I also refer to the Memorandum of Understanding signed on [*insert date*] [and its subsequent updates the most recent of which was signed on [●]] between the Commission, the Beneficiary Member State and the Bank of Greece (hereinafter referred to as the "**MoU**").

I warrant that I am fully competent to issue this legal opinion in connection with the Agreement on behalf of the Beneficiary Member State.

I have examined originals or copies of the execution versions of the Agreement and of the MoU. I have also examined the relevant provisions of national and international law applicable to the Beneficiary Member State and the Bank of Greece, the powers of signatories and such other documents as I have deemed necessary or appropriate. Furthermore, I have made such other investigations and reviewed such matters of law as I have considered relevant to the opinion expressed herein.

I have assumed (i) the genuineness of all signatures (except those on behalf of the Beneficiary Member State and the Bank of Greece) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Agreement of, and their valid authorisation and signing by, each Party other than the Beneficiary Member State and the Bank of Greece and (iii) the validity, binding effect and enforceability of the Agreement on each Party under the laws of England.

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

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

Subject to the foregoing, I am of the opinion that:

1. With respect to the laws, regulations and legally binding decisions currently in force in Greece, the Beneficiary Member State is by the execution of the Agreement by [●], validly and irrevocably committed to fulfil all of its obligations under it. In particular, the provisions of the Agreement relating to the provision of Financial Assistance are fully valid.
2. The Beneficiary Member State's execution, delivery and performance of the Agreement and signature of the MoU: (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) have not and will not violate any applicable law, regulation or ruling of any competent authority or any agreement or treaty binding on it or any of its agencies.
3. The representations and warranties given by the Beneficiary Member State in the Agreement are true and accurate.
4. Nothing in this Agreement contravenes or limits the rights of the Beneficiary Member State to make punctual and effective payment of any sum due for the principal, interest or other charges under the Agreement.
5. The Agreement is in proper legal form under Hellenic law for enforcement against the Beneficiary Member State and the Bank of Greece. The enforcement of the Agreement would not be contrary to mandatory provisions of Hellenic law, to the *ordre public* of the Hellenic Republic, to international treaties or to generally accepted principles of international law binding on the Beneficiary Member State and the Bank of Greece.
6. It is not necessary in order to ensure the legality, validity or enforceability of the Agreement that it be filed, recorded, or enrolled with any court or authority in the Hellenic Republic.
7. No taxes, duties, fees or other charges imposed by the Hellenic Republic or any taxing authority thereof or therein are payable in connection with the execution and delivery of the Agreement and with any payment or transfer of principal, interest, commissions and other sums due under the Agreement.

8. No exchange control authorisations are required and no fees or other commission are to be paid on the transfer of any sum due under the Agreement.
9. The signature of the Agreement by [●], the Governor of the Bank of Greece legally and validly binds the Bank of Greece.
10. The choice of English law as governing law for the Agreement is a valid choice of law binding the Beneficiary Member State and the Bank of Greece in accordance with Hellenic law.
11. The Beneficiary Member State has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the Courts of the Grand Duchy of Luxembourg and the jurisdiction of the other courts referred to in Clause 15(3) of the Agreement in connection with the Agreement and any judgement of this court would be conclusive and enforceable in the Hellenic Republic.
12. Neither the Beneficiary Member State nor the Bank of Greece nor any of their respective property is immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Agreement.
13. The execution of the Agreement has been made upon the provisions of [*insert appropriate reference to Hellenic law*].
14. The Agreement has been validly ratified in accordance with the provisions of [*insert appropriate reference to Hellenic law*].
15. In conclusion, the Agreement has been duly executed on behalf of the Beneficiary Member State and the Bank of Greece and all the obligations of the Beneficiary Member State and the Bank of Greece in relation to the Agreement are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

[*Signatory*]

Legal Advisor to the State at the Ministry of Finance

PART II FORM OF LEGAL OPINION FOR GUARANTOR

(to be issued on official letterhead of the counsel to HFSF)

[*place, date*]

To: European Financial Stability Facility
43, avenue John F. Kennedy
L-1855 Luxembourg
Attention: Chief Financial Officer

Re: EUR [●] Master Financial Assistance Facility Agreement between European Financial Stability Facility (as EFSF), the Hellenic Republic (as Beneficiary Member State), the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on [●]

Dear Sirs,

In my capacity as special counsel to the Hellenic Financial Stability Fund specifically in connection with its entry into the Agreement (as defined below) as Guarantor (as defined below), I refer to the above referenced Master Financial Assistance Facility Agreement and all its Annexes and Schedules which constitute an integral part thereof (hereinafter together referred to as the "**Agreement**") entered into between the European Financial Stability Facility (hereinafter referred to as "**EFSF**"), the Hellenic Republic (hereinafter referred to as the "**Beneficiary Member State**"), the Hellenic Financial Stability Fund as guarantor (hereinafter referred to as the "**Guarantor**") and the Bank of Greece on [*insert date*]. I also refer to the Memorandum of Understanding signed on [*insert date*] [and its subsequent updates the most recent of which was signed on [●]] between the Commission, the Beneficiary Member State and the Bank of Greece (hereinafter referred to as the "**MoU**").

I warrant that I am fully competent to issue this legal opinion in connection with the Agreement on behalf of the Guarantor.

I have examined originals or copies of the execution versions of the Agreement and of the MoU. I have also examined the relevant provisions of national and international law applicable to the Guarantor, the powers of signatories and such other documents as I have deemed necessary or appropriate. Furthermore, I have reviewed such matters of law as I have considered relevant to the opinion expressed herein.

I have assumed (i) the genuineness of all signatures (except those on behalf of the Guarantor) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Agreement of, and their valid authorisation and signing by, each Party other than the Guarantor and (iii) the validity, binding effect and enforceability of the Agreement on each Party under the laws of England.

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

This opinion is limited to Hellenic law as it stands at the date of this opinion and no opinion is expressed as to the laws of any other jurisdiction.

Subject to the foregoing, I am of the opinion that:

1. With respect to the laws, regulations and legally binding decisions currently in force in Greece, the Guarantor is by the execution of the Agreement by [●], validly and irrevocably committed to fulfil all of its obligations under it.
2. The Guarantor's execution, delivery and performance of the Agreement: (i) has been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) has not and will not violate any applicable law, regulation or ruling of any competent authority or any agreement or treaty binding on it or any of its agencies.
3. The Agreement is in proper legal form under Hellenic law for enforcement against the Guarantor. The enforcement of the Agreement would not be contrary to mandatory provisions of Hellenic law, to the *ordre public* of the Hellenic Republic, to international treaties or to generally accepted principles of international law binding on the Guarantor.
4. The signature of the Agreement by [name], [signatory on behalf of HFSF] legally and validly binds the Guarantor.
5. The choice of English law as governing law for the Agreement is a valid choice of law binding the Guarantor in accordance with Hellenic law.
6. The Guarantor has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the Courts of the Grand Duchy of Luxembourg and the jurisdiction of the other courts referred to in Clause 15(3) of the Agreement in connection with the Agreement and any judgement of this court would be conclusive and enforceable in the Hellenic Republic.
7. Neither the Guarantor nor any of its property is immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Agreement.
8. The execution of the Agreement has been made upon the provisions of law 3864/2010 of the Hellenic Republic, as currently in effect.
9. An enforceable and valid judgment for a sum of money entered against the Guarantor by a court of the Grand Duchy of Luxembourg or any of the other courts referred to in Clause 15(3) of the Agreement in connection with the Agreement will be recognised and enforced by Greek courts in accordance with the provisions of Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and/or with Articles 780 and 905 et seq. of the Greek Code of Civil Procedure.

10. In conclusion, the Agreement has been duly executed on behalf of the Guarantor and all the obligations of the Guarantor in relation to the Agreement are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

The opinions set out above are subject to the following reservations and qualifications:

- (a) this opinion is subject to all insolvency, bankruptcy, liquidation, reorganisation, moratorium, resolution of credit institutions and other laws affecting the rights of creditors or secured creditors generally;
- (b) a Greek Court if seized to hear a case based on the Agreement may not treat as conclusive those certificates and determinations which the Agreement states are to be so treated;
- (c) no opinion is expressed on matters of fact; and
- (d) individual rules of foreign law may be found to be inapplicable in the courts of the Hellenic Republic if they are contrary to Greek public policy within the meaning of Article 16 of the Rome Convention or to Greek Mandatory Rules in the meaning of Article 7 of the Rome Convention. The choice of foreign law will be recognised and enforced subject to the application of the mandatory provisions of Greek law, within the meaning of Article 7 of the Rome Convention.

[*Signatory*]

Counsel to the Hellenic Financial Stability Fund

ANNEX 3
LIST OF CONTACTS⁴

⁴ These pages are left intentionally blank for publication purposes

SCHEDULE 1 LOAN FACILITY: FACILITY SPECIFIC TERMS

WHEREAS:

Pursuant to a Master Financial Assistance Facility Agreement between the European Financial Stability Facility ("**EFSF**") as EFSF, the Hellenic Republic as Beneficiary Member State, the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on or around 14 March 2012 (the "**Master Facility Agreement**"), EFSF has agreed to make available to the Beneficiary Member State a Master Facility in an Aggregate Financial Assistance Amount of up to EUR 109,100,000,000 (in accordance with Clause 2(1) of the Master Facility Agreement). All or part of the Master Facility will be made available by way of a loan facility (the "**Loan Facility**") on the terms and subject to the conditions of the Master Facility Agreement as varied or supplemented by these Facility Specific Terms.

1. DEFINITIONS

- (a) Capitalised terms shall (unless defined in these Facility Specific Terms) have the meanings set out in Clause 1 (*Definitions*) of the Master Facility Agreement.
- (b) For the purpose of these Facility Specific Terms the following capitalised terms shall have the meanings set out below:

"**Amendment Agreement**" means the amendment agreement to the Master Financial Assistance Facility Agreement dated on or about 7 December 2012.⁵

"**DBB Instalment**" means an Instalment of the Loan Facility (i) in an aggregate principal amount of up to EUR 10,200,000,000 (ten billion two hundred million euro) or such other amount as is approved by the EWG, acting unanimously (as such term is defined in clause 10(5) of the Framework Agreement) if indispensable to ensure the debt sustainability and therefore the continuation of the Greek programme, (ii) which may be drawn to finance Debt Buy-Back Operations, (iii) Disbursements under which may have a maturity of up to 30 years, taking into account the maturity of sovereign obligations purchased in connection with the Debt Buy-Back Operations and (iv) which may be disbursed in the form of EFSF Debt Securities or, subject to approval by EFSF, cash.

"**Debt Buy-Back Operations**" means public debt tender purchases of various categories of sovereign obligations of Greece to be made as described in the Eurogroup Statement (as defined in the Amendment Agreement) and, in each case, in accordance with the formal decision on the disbursement of the Eurogroup to be made on or about 13 December 2012.⁶

⁵ N.B. the Amendment Agreement was executed on 12 December 2012.

⁶ The term "Eurogroup Statement" as defined in the Amendment Agreement refers to the announcement made by the Eurogroup on 27 November 2012 that the euro area Member States would be prepared to consider a number of debt sustainability initiatives, including in relation to financial assistance provided to Greece by EFSF.

"**Effective Date**" means the Effective Date (as defined in the Amendment Agreement).⁷

"**EFSF Debt Securities**" means funding instruments issued by EFSF in the form of short term notes with maturities of up to 364 days.

"**Margin**" means, generally in relation to the Loan Facility, zero, **provided** that with effect from 1 January 2017 the Margin applicable to the DBB Instalment shall be 200 bps (two hundred basis points) *per annum*. The level of the Margin applicable to the Loan Facility or the DBB Instalment may be changed from time to time by the board of directors of EFSF and approved by the Guarantors.

"**Securitisation Notes**" means notes issued by one or more special purpose companies or funds (the "**Issuer**") structured by or on behalf of Greece or the Greek privatisation agency (the "**Hellenic Republic Asset Development Fund**", or "**HRADF**") or any successor or replacement body and (i) which hold shares in state owned companies which will be privatised by way of initial public offerings, private sales of shares or private sales of assets, or (ii) which hold land and buildings, natural gas storage rights, economic rights, voting rights or other assets or rights which will be privatised by way of sale, or (iii) which hold the right to the receipts or the proceeds of privatisation transactions which rights have been assigned, transferred or pledged to such company by Greece or by HRADF (or any successor or replacement thereof) (the "**Securitized Assets**"), provided that EFSF is satisfied that (a) the Issuer is compliant with rating agency criteria for bankruptcy-remoteness of a structured finance note issuer and has full and unencumbered legal and beneficial title to the Securitized Assets, (b) the notes have a minimum rating acceptable to EFSF from at least two (2) of S&P, Moody's and/or Fitch, (c) the notes are first ranking as to payment both of interest and of principal and (d) the coupon on the notes is at least equal to the Interest Rate on the DBB Instalment and provided that EFSF is supplied with such information or legal opinions it may reasonably request in order for it to make an assessment of any Securitisation Notes.

2. THE LOAN FACILITY

- (a) This Loan Facility is subject to the terms and conditions of the Master Facility Agreement as varied or supplemented by these Facility Specific Terms.
- (b) The aggregate principal amount of the Financial Assistance Amounts available under this Loan Facility shall not exceed the Aggregate Financial Assistance Amount (the "**Aggregate Loan Facility Amount**").
- (c) The Availability Period in respect of this Loan Facility shall commence on (and include) the date on which these Facility Specific Terms enter into force in accordance with Clause 3 and shall expire on (and include) 31 December 2014, **provided** that the Availability Period in respect of the

⁷ N.B. the Effective Date occurred on 13 December 2012.

DBB Instalment shall commence on the Effective Date and shall end on 20 December 2012 or such later date as is approved by the EWG and EFSF.

- (d) The Average Maturity of the Financial Assistance made under this Loan Facility shall not exceed 32.5 years.

3. **ENTRY INTO FORCE AND CONDITIONS PRECEDENT**

This Loan Facility shall enter into force when the conditions in Clause 3(1) of the Master Facility Agreement are satisfied and when the following additional conditions are satisfied:

- (a) EFSF has received legal opinions satisfactory to it given by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State and counsel to the Hellenic Financial Stability Fund in respect of these Facility Specific Terms and in the forms set out in Annex 2 (*Forms of Legal Opinions*) of the Master Facility Agreement. Such legal opinions shall be dated not later than the date of the first Request for Funds made under this Loan Facility; and
- (b) the Guarantors (acting unanimously) have approved these Facility Specific Terms.

4. **REQUESTS, DISBURSEMENTS AND CONDITIONS TO DISBURSEMENTS**

Clause 4 of the Master Facility Agreement shall apply to each Request for Funds and each Disbursement under this Loan Facility, except that it shall be an additional condition to any Disbursement under the DBB Instalment that:

1. EFSF has received a certificate of compliance satisfactory to it given by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State in the form set out in **Annex 2 (Certificate of Compliance)** to the Amendment Agreement and such certificate of compliance remains correct and accurate as at the Disbursement Date. Such certificate of compliance shall be dated not later than the date of the Request for Funds. The Beneficiary Member State undertakes to inform EFSF immediately if, between the date of the certificate of compliance and the Disbursement Date, any event occurs that would render incorrect any statement made in the certificate of compliance;
2. EFSF has received legal opinions from Cleary, Gottlieb Steen & Hamilton and/or their correspondent law firms regarding compliance by Greece with applicable terms and conditions in loans and bonds;
3. EFSF has received a notification from the Beneficiary Member State of the outcome of the Debt Buy-Back Operation, including (i) the aggregate principal amount of Greek sovereign bonds in respect of which tenders for exchanges are received, (ii) the offer purchase prices specified by the holders of the Greek sovereign bonds which make tenders for exchange of their Greek sovereign bonds, (iii) the proposed clearing price to be used under the Debt Buy-Back Operation, (iv) the volume of Greek sovereign bonds in aggregate and of each series (with details of ISIN numbers and maturities) which would be acquired at that level of clearing price, (v) details of the participation percentage and whether the minimum participation

percentage has been achieved, (vi) confirmation that the conditions precedent to the Debt Buy-Back Operation, other than the delivery of the EFSF Debt Securities or (if approved by EFSF) disbursement in cash under this Agreement pursuant to the Request for Funds, have been satisfied in full and (vii) confirmation of the amount of EFSF Debt Securities or (if approved by EFSF) cash to be delivered or disbursed by EFSF in respect of the DBB Instalment in respect of the Request for Funds; and

4. EFSF has received from the exchange or tender agent responsible for the Debt Buy-Back Operation a confirmation of the accuracy of the information supplied by the Beneficiary Member State to EFSF in relation to the tenders received in relation to the Debt Buy-Back Operation (referred to in (3) above).

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

Clause 5 (REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS) of the Master Facility Agreement shall apply to this Loan Facility, **provided** that:

- (i) Paragraphs (e) and (f) of Clause 5(1) shall be amended by including the words "any Debt Buy-Back Operations" after the phrase "MoU (and the transactions contemplated therein)";
- (ii) the following additional undertakings shall apply:
 - (A) the Beneficiary Member State shall use any EFSF Debt Securities or cash received in any Disbursement under the DBB Instalment solely for the purpose of financing the Debt Buy-Back Operations (but excluding costs, fees, expenses or liabilities incurred under or related to such operations);
 - (B) the Beneficiary Member State shall comply in all respects with all applicable laws and regulations relating to the Debt Buy-Back Operations; and
 - (C) the Beneficiary Member State shall keep until maturity or (following five (5) days notice to EFSF) cancel all sovereign obligations repurchased in connection with Debt Buy-Back Operations and shall not, without the prior written consent of EFSF, reissue or resell such sovereign obligations or use such sovereign obligations as collateral for any financing transaction or otherwise.
- (iii) paragraph (g) of Clause 5(2) (Undertakings) shall be amended by inserting the words "or a Debt Buy-Back Operation" after the words "under the PSI LM Facility"; and
- (iv) paragraph (h) of Clause 5(2) (Undertakings) shall be amended by inserting the words "or in connection with the Debt Buy-Back Operations" at the end thereof.

6. INTEREST, COSTS, FEES AND EXPENSES

Clause 6 (INTEREST, COSTS, FEES AND EXPENSES) of the Master Facility Agreement shall apply to this Loan Facility, provided that:

- (i) in the period from the Effective Date until the tenth (10th) anniversary of the Effective Date interest shall not be due and payable but shall be deferred, **provided** that for the purpose of such deferral the term "interest" shall only include item (i) in the definition of EFSF Cost of Funding and shall not include the annual Service Fee, the Commitment Fee, any applicable Margin and any other costs, fees or expenses mentioned in item (v) in the definition of EFSF Cost of Funding;
- (ii) on or prior to the tenth (10th) day following the tenth (10th) anniversary of the Effective Date, EFSF shall notify the Beneficiary Member State in writing of the aggregate amount of interest which has accrued and has been deferred together with the funding and related costs (including principal reimbursements) incurred by EFSF in financing the deferral of such interest (the aggregate of all such amounts being the "**Aggregate Accrued Amounts**");
- (iii) the Beneficiary Member State shall repay to EFSF the Aggregate Accrued Amounts in instalments according to the amortisation profile to be established at the time that the notice is provided under paragraph (ii) above;
- (iv) the Aggregate Accrued Amounts shall bear interest in accordance with Clause 6 of the Master Facility Agreement which shall be payable beginning on the date specified in the notice referred to in paragraph (ii) above and on each anniversary of such date (each such date an "**Accrued Amount Payment Date**") until the Aggregate Accrued Amounts are repaid in full; and
- (v) the deferral of interest set out in Clause 6(i) to (iv) of this Loan Facility Agreement is and remains at all times conditional upon the Beneficiary Member State continuing to comply with the policy conditionally set out in the MoU and strong implementation by the Beneficiary Member State with the agreed reform measures during the post-programme surveillance period. In case of non-compliance, EFSF may suspend or terminate the deferral of interest in whole or in part.

7. **REPAYMENT, EARLY REPAYMENT, MANDATORY REPAYMENT AND CANCELLATION**

Clause 7 of the Master Facility Agreement shall apply to this Loan Facility, provided that notwithstanding any provision to the contrary in Clause 7 of the Master Facility Agreement, the Beneficiary Member State may voluntarily prepay all or any portion of the DBB Instalment in one or more prepayments subject to the following conditions:

- (i) Each such prepayment shall be in a principal amount of at least EUR 200,000,000.00 (two hundred million euro);
- (ii) the Beneficiary Member State shall notify the EFSF in writing of each such prepayment, such notification to occur by letter which is received by the EFSF at least two (2) months prior to the date of such prepayment setting out the amount of such prepayment and whether such prepayment shall be made in cash or in the form of Securitisation Notes (as described in paragraphs (iv) and

- (v) below), and such notice shall be irrevocable and binding on the Beneficiary Member State;
- (iii) each such prepayment shall be made together with all costs, expenses, fees, accrued interest and all other amounts due or incurred by EFSF in respect of the amount prepaid, Loss of Interest, Negative Carry, brokerage costs and costs of termination of any hedging which shall become payable by the Beneficiary Member State in connection with such prepayment (as invoiced by EFSF to the Beneficiary Member State), **provided** that on or after 1 January 2017, Loss of Interest shall be payable by the Beneficiary Member State only to the extent that it exceeds the aggregate amount of Margin paid during the twelve (12) months period immediately preceding the date of such prepayment with respect to the amount of that part of the DBB Instalment which is being prepaid in the relevant instance and **provided further** that in respect of any prepayment made on or prior to the tenth (10th) anniversary of the Effective Date, deferred interest (as defined in sub-paragraph 6(e)(i) above of this Schedule 1 (*Loan Facility: Facility Specific Terms*)) which has accrued with respect to the amount of that part of the DBB Instalment which is being prepaid in the relevant instance shall not be paid together with such prepayment but instead shall continue to be deferred as provided in Clause 6 of Schedule 1 (*Loan Facility: Facility Specific Terms*);
- (iv) such prepayment, if in cash, may be made in whole or in part out of privatisation proceeds which exceed the anticipated flow of privatisation proceeds as set out in the Beneficiary Member State's Medium Term Fiscal Strategy Framework; and
- (v) the Beneficiary Member State may propose to EFSF to conditionally discharge all or part of the DBB Instalment by the delivery of Securitisation Notes if it anticipates receiving privatisation proceeds which exceed the anticipated flow of privatisation proceeds as set out in the Beneficiary Member State's Medium Term Fiscal Strategy Framework and has arranged for a publicly listed securitisation in respect of anticipated privatisation proceeds. In this event EFSF may in its discretion decide to accept such Securitisation Notes if they are in form and substance satisfactory to EFSF but it is not obligated to do so. If EFSF accepts such delivery of Securitisation Notes, there shall be a conditional discharge of the DBB Instalment in an amount equal to the nominal principal amount of the Securitisation Notes which discharge shall become definitive if the Securitisation Notes are paid in full at their initial scheduled maturity, **provided** that the Beneficiary Member State shall remain liable to repay the portion of the DBB Instalment which it anticipated would be repaid with the proceeds of the Securitisation Notes as and when due if the Securitisation Notes have not been repaid in full prior to the maturity of the DBB Instalment or if there is any Failure to Pay, Bankruptcy or Restructuring (as such terms are defined in the 2003 ISDA Credit Derivatives Definitions) in relation to the Securitisation Notes or if for any other reason EFSF does not receive proceeds from the Securitisation Notes equal to such portion of the DBB Instalment (and any interest which would have accrued on such portion of the DBB Instalment hereunder but for the prepayment made by way of Securitisation Notes); and

(vi) amounts prepaid may not be re-borrowed.

8. **PAYMENTS**

Clause 8 of the Master Facility Agreement shall apply to this Loan Facility.

9. **EVENTS OF DEFAULT**

Clause 9 of the Master Facility Agreement shall apply to this Loan Facility.

10. **OTHER PROVISIONS**

Clauses 10 (*Information Undertakings*), 11 (*Undertakings relating to Inspections, Fraud Prevention and Audits*), 12 (*Notices*), 13 (*Guarantee and Indemnity*), 14 (*Miscellaneous*), 15 (*Governing Law and Jurisdiction*) and 16 (*Execution of the Agreement*) of the Master Facility Agreement shall apply to this Loan Facility.

11. **ANNEXES**

The Annexes to this Loan Facility shall constitute an integral part thereof and comprise:

Annex 1: Form of Request for Funds

Annex 2: Form of Acceptance Notice

Annex 3: Form of Confirmation Notice

Executed in Athens on _____ and in Luxembourg on _____.

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by

Klaus Regling, Chief Executive Officer

The Beneficiary Member State

THE HELLENIC REPUBLIC

Represented by

THE BANK OF GREECE

Represented by

THE HELLENIC FINANCIAL STABILITY FUND

Represented by

Annex 1
FORM OF REQUEST FOR FUNDS

[on letterhead of the Beneficiary Member State]

By fax followed by registered mail:

European Financial Stability Facility
[Insert address]
Fax: [•]

Copies to:

European Commission
[Insert address]
Fax: [•]

European Central Bank
[Insert address]
Fax: [•]

Bank of Greece
[Insert address]
Fax: [•]

**Subject: EUR [•] Loan Facility (the "Loan Facility")
Request for Funds for the Instalment of EUR [•]**

Dear Sirs,

We refer to the Master Financial Assistance Facility Agreement made between the European Financial Stability Facility ("**EFSF**") as EFSF, the Hellenic Republic as Beneficiary Member State, the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on [•] as amended and supplemented by the Facility Specific Terms in respect of the EUR [•] Loan Facility signed on [•] (together, the "**Agreement**"). Terms defined in the Agreement shall have the same meaning herein.

1. We hereby irrevocably request that an Instalment of the Loan Facility be disbursed under and in accordance with the Agreement upon the following terms:
 - (a) the aggregate of the Financial Assistance Amounts of the Financial Assistance to be made in respect of the Instalment to be EUR [•][, which may be disbursed in Tranches within the Availability Period]; and

- (b) the latest of the Disbursement Date(s) of [any Tranche /the Financial Assistance Amount] to be provided under this Instalment shall be [_____].⁸
2. We acknowledge and agree that EFSF may make use of the Diversified Funding Strategy.
3. We acknowledge and agree that the provision of any Financial Assistance made available shall be in accordance with and subject to:
- (a) the issue by EFSF of an Acceptance Notice, our acknowledgement of the terms set out therein and, in due course, the issue by EFSF of a Confirmation Notice;
- (b) EFSF being satisfied at all times that it has obtained funds in the international capital or loan markets or from the Liquidity Buffer on terms and conditions that are acceptable to it and which are consistent with the terms set out in this Request for Funds and in the Acceptance Notice;
- (c) the non-occurrence of a Market Disruption Event or an Event of Default; and
- (d) the conditions precedent to the Loan Facility being satisfied.
4. We irrevocably undertake to pay any fees, costs or expenses including in particular any Issuance Costs, breakage or termination costs and Cost of Carry incurred in respect of any Funding Instruments or hedging contract which EFSF may have undertaken (including in relation to amounts raised to fund the Liquidity Buffer, Financings and/or Pre-Funding Operations) regardless of whether the provision of the relevant Financial Assistance or any disbursement under the Loan Facility takes place.
5. We confirm that:
- (a) The list of authorised signatories sent on behalf of the Beneficiary Member State by the Minister of Finance on [____] remains valid and applicable.
- (b) No event has occurred that would render incorrect any statement made in the legal opinions dated [____] issued by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State and counsel to HFSF.
- (c) No event or circumstance has occurred which would permit EFSF to declare that an Event of Default has occurred.
- (d) [The proceeds of the Instalment will be used [to finance the recapitalisation of a financial institution.] [[An amount of EUR [●] of the]/[The] proceeds of the Instalment will be used for debt service or another purpose which requires payment to a segregated account and accordingly such [amount]/[proceeds] should be transferred to the account designated for such purpose.]

Yours faithfully,

HELLENIC REPUBLIC, represented by: The Minister of Finance

⁸ Any requested tranching to be set out in this paragraph.

Annex 2
FORM OF ACCEPTANCE NOTICE

EUROPEAN FINANCIAL STABILITY FACILITY

By fax followed by registered mail:

[Insert Beneficiary Member State's contact details]

Copies to:

European Commission

[Insert address]

Fax: [●]

European Central Bank

[Insert address]

Fax: [●]

Bank of Greece

[Insert address]

Fax: [●]

**Subject: EUR [●] Loan Facility (the "Loan Facility")
Acceptance Notice for the Instalment of EUR [●]**

Dear Sirs,

We refer to: (i) the Loan Facility forming part of the Master Financial Assistance Facility Agreement between the European Financial Stability Facility ("EFSF") as EFSF, the Hellenic Republic as Beneficiary Member State, the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on [date] as amended and supplemented by the Facility Specific Terms in respect of the EUR [●] Loan Facility signed on [●] (together, the "Agreement"); and (ii) the Request for Funds notified to EFSF by the Beneficiary Member State on [date]. Terms defined in the Agreement shall have the same meaning herein.

1. We hereby confirm the provisional financial terms applicable to the Instalment requested by the Beneficiary Member State in the above Request for Funds:
 - (a) The principal amount of Financial Assistance to be provided under the Instalment is up to EUR [____]; and
 - (b) The latest of the Disbursement Date(s) of all Financial Assistance to be made under this Instalment shall be on or prior to [_____].
2. [We acknowledge that the proceeds of the Instalment will be used to finance the recapitalisation of a financial institution.][[We acknowledge that an amount of EUR [●] of the]/[The] proceeds of the Instalment will be used for debt service or another

purpose which requires payment to a segregated account and accordingly such [amount]/[proceeds] should be transferred to the account designated for such purpose.]

3. By signing the acknowledgement of this Acceptance Notice, the Beneficiary Member State expressly acknowledges and agrees that EFSF may, at its discretion, enter into any Funding Instrument that it considers appropriate in accordance with the Diversified Funding Strategy. This authorisation to enter into Funding Instruments and the acceptance by the Beneficiary Member State of EFSF's right, at its discretion, to enter into any Funding Instrument that it considers appropriate in accordance with the Diversified Funding Strategy is irrevocable until the final maturity of the latest Tranche under this Instalment.
4. This Acceptance Notice is subject to EFSF having obtained funds in the international capital or loan markets or from the Liquidity Buffer on terms and conditions that are acceptable to it and which are consistent with the terms indicated in this Acceptance Notice and the non-occurrence of a Market Disruption Event or an Event of Default. If EFSF cannot obtain these terms or is subject to a Market Disruption Event then EFSF shall not be under any obligation to deliver the funds by way of provision of Financial Assistance in relation to the Instalment and shall notify the Beneficiary Member State of such circumstances in writing and as from the date of receipt of such notice the Beneficiary Member State is no longer bound by the Request for Funds for the provision of any further Financial Assistance in respect of such Instalment.

Yours faithfully,

EUROPEAN FINANCIAL STABILITY FACILITY

The terms of this Acceptance Notice are hereby acknowledged:

THE HELLENIC REPUBLIC

Represented by: The Minister of Finance

Annex 3
FORM OF CONFIRMATION NOTICE
EUROPEAN FINANCIAL STABILITY FACILITY

By fax followed by registered mail:

Ministry of Finance
[Street address]
[City]
[Country]

Attn: Mr/Ms [●]

Copies to:

European Commission
[Insert address]
Fax: [●]

European Central Bank
[Insert address]
Fax: [●]

Bank of Greece
[Insert address]
Fax: [●]

**Subject: EUR [●] Loan Facility (the "Loan Facility")
Disbursement of the Financial Assistance of EUR [●] under the Instalment
of EUR [●]**

Dear Sirs,

We refer to: (i) the Master Financial Assistance Facility Agreement between the European Financial Stability Facility ("**EFSF**") as EFSF, the Hellenic Republic as Beneficiary Member State, the Hellenic Financial Stability Fund as guarantor and the Bank of Greece signed on [date] as amended and supplemented by the Facility Specific Terms in respect of the EUR [●] Loan Facility signed on [●] (together, the "**Agreement**"); and (ii) the Request for Funds notified to EFSF by the Beneficiary Member State on [date]. Terms defined in the Agreement shall have the same meaning herein.

1. We hereby confirm the definitive financial terms applicable to the Financial Assistance requested by the Beneficiary Member State in the Request for Funds for the above Instalment:
 - (a) The Financial Assistance Amount shall be EUR [_____].
 - (b) The [principal amount of the Tranche/Financial Assistance Amount] is equal to EUR [_____].

- (c) The Net Disbursement Amount of the Financial Assistance to be EUR [____].
 - (d) The Disbursement Date in relation to the [Tranche/Financial Assistance Amount] shall be: [____].
 - (e) The up-front portion of the Service Fee is EUR [____] which is to be deducted up-front.
2. We hereby confirm the definitive financial terms applicable to [the portion no. [●]of] the Tranche:
- (a) The Interest Rate on such portion shall be the EFSF Cost of Funding (which shall include 0.5 basis points per annum in respect of the annual Service Fee from the first (1st) anniversary of the Disbursement Date of such Financial Assistance.
 - (b) The Term of the Financial Assistance shall be [●] years.
 - (c) [The totality of the principal shall be repaid on [●] in one payment]/[The scheduled interest and principal repayments in relation to the Financial Assistance shall be as set out in the following amortisation table]:

Payment Date	Principal Repayment ⁹	Interest	Total	Outstanding Financial Assistance Amount

- (d) Negative Carry as at the date of this Confirmation Notice is equal to EUR [●];¹⁰ and
 - (e) Other costs, commissions, fees and expenses incurred are equal to EUR [●].¹¹
3. The disbursement of the Financial Assistance is subject to the conditions precedent under the Agreement being satisfied.

Please note that EFSF and/or the European Central Bank may deem it necessary to contact directly the Bank of Greece on the further modalities in relation to the disbursement transfer.

Yours faithfully,

EUROPEAN FINANCIAL STABILITY FACILITY

⁹ Principal repayment in bullet loans will only apply to the last portion of a Tranche, unless a Market Disruption Event occurs and Clause 7(7) applies.

¹⁰ In the event of a Pre-Funding Operation.

¹¹ In the event that Financial Assistance is provided in the form of cash.