

K oznámeniu č. 328/2011 Z. z.

**AMENDMENT TO THE
EFSF FRAMEWORK AGREEMENT****between****KINGDOM OF BELGIUM, FEDERAL REPUBLIC OF GERMANY, REPUBLIC OF ESTONIA,
IRELAND, HELLENIC REPUBLIC, KINGDOM OF SPAIN, FRENCH REPUBLIC,
ITALIAN REPUBLIC, REPUBLIC OF CYPRUS, GRAND DUCHY OF LUXEMBOURG,
REPUBLIC OF MALTA, KINGDOM OF THE NETHERLANDS, REPUBLIC OF AUSTRIA,
PORTUGUESE REPUBLIC, REPUBLIC OF SLOVENIA, SLOVAK REPUBLIC,
REPUBLIC OF FINLAND
AND EUROPEAN FINANCIAL STABILITY FACILITY****THIS AMENDMENT (the “Amendment”) TO THE
EFSF FRAMEWORK AGREEMENT**

is made by and between:

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

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

PREAMBLE

Whereas:

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

(2) The euro-area Member States have by a unanimous

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

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

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

within a limited period of time. This is intended to result in an effective capacity for EFSF to provide Financial Assistance of EUR 440,000 million.

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

Now, therefore, the Parties have agreed as follows:

1. AMENDMENTS TO THE FRAMEWORK AGREEMENT

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

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

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

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

- (a) the words "euro-area" shall be added after the words "beyond such";
- (b) the words "with the aim of safeguarding the financial stability of the euro-area as a whole and of its Member States" shall be added at the end of the first sentence;
- (c) the words "on 8 May 2010 or on such other terms as may be agreed" are added after "the Hellenic Republic".

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

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

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

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

- "(a) EFSF Cost of Funding; plus
- (b) the Margin.

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

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

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

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

They also stated:

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

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

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

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

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

- (a) the words “enter into Financial Assistance Facility Agreements” shall be added after the words “the terms and conditions upon which EFSF may”;
- (b) in line three the word “Loans” is replaced by the words “Financial Assistance available”;
- (c) after the words “finance such”, the word “Loans” is deleted and replaced by “Financial Assistance”.

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

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

- (a) adding “(a)” after “2(1)”;
- (b) in sub-paragraph (a), the words “stability support loan” falling after the words “made by a euro-area Member State to the other euro-area Member States for a” and prior to the words “(i) the Commission” shall be deleted and replaced by “Financial Assistance Facility Agreement; (including by way of loans, precautionary facilities, facilities to finance the re-capitalisation of a Member State’s financial

institutions and any arrangement to purchase bonds in the primary or secondary markets)”;

- (c) in sub-paragraph (a) the reference to “Article 136” shall be replaced by a reference to “Article 136(1)”.
- (d) in sub-paragraph (a), each occurrence of the words “Loan Facility Agreement” shall be replaced by the words “Financial Assistance Facility Agreement”, and each occurrence of the word “Borrower” shall be replaced by the term “Beneficiary Member State”;
- (e) in sub-paragraph (a), the words “(each adapted to the particular form of financial assistance being provided to the relevant euro-area Member State)” shall be added after the words “shall be substantially in the form of a template Financial Assistance Facility Agreement” and prior to the words “which shall be approved by the euro-area Member States for the purpose of this Agreement and the financial parameters of such”;
- (f) in sub-paragraph (a) the word “available” shall be added after the phrase “The terms of Article 3(2) set out the basis upon which decisions shall be made in relation to Financial Assistance to be made”;
- (g) in sub-paragraph (a), the words “subject to any other procedures which may be adopted pursuant to guidelines adopted by the board of directors of EFSF pursuant to Articles 2(1)(b) or 2(1)(c)” shall be added after the words “The terms of Article 3(2) set out the basis upon which decisions shall be made in relation to Financial Assistance to be made under an existing Financial Assistance Facility Agreement” and prior to the full stop;
- (h) adding a sub-paragraph (b) as follows: “(b) Financial Assistance to a euro-area Member State may consist of facilities for the purchase of bonds in the secondary market to avoid contagion, on the basis of an ECB analysis recognising the existence of exceptional financial market circumstances and risks to financial stability or by way of facilities for the purchase of bonds in the primary market. The nature and terms, including as to pricing, conditions to and procedures for disbursement or utilisation, administration, documentation and monitoring of compliance with policy conditionality of such arrangements shall be in accordance with guidelines adopted by the board of directors of EFSF acting with unanimity. Bonds purchased by EFSF in the primary or secondary markets can either be held to maturity or sold in accordance with the applicable guidelines”;
- (i) adding a sub-paragraph (c) as follows: “To improve the effectiveness of EFSF and address contagion, Financial Assistance Facility Agreements to a euro-area Member State may consist of precautionary facilities or facilities to finance the re-capitalisation of financial institutions in a euro-area Member State by way of a loan to the government of such Member State (whether or not it is a programme country). If a Financial Assistance Facility Agreement covers such Financial Assistance, the nature and terms of such agreement, including as to pricing, conditions to and procedures for disbursement or utilisation, compliance with policy conditionality, administration, documentation and monitoring of

compliance with policy conditionality shall be in accordance with guidelines to be adopted by the board of directors of EFSF acting with unanimity.”

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

- (a) the words “Loan Facility Agreement” falling after the words “In respect of each” and prior to the words “and the Loans to be made thereunder, the euro-area Member States agree that EFSF” shall be deleted and replaced by “Financial Assistance Facility Agreement”;
- (b) the words “Loans to Borrowers” shall be deleted and replaced by the words “Financial Assistance to Beneficiary Member States”;
- (c) the word “Loans” which appears after the words “substantially the same financial profile as the related and after the phrase “the amounts it recovers in respect of” and the word “Loan” after the phrase “the interest rate which will apply to each” shall all be replaced by the term “Financial Assistance”;
- (d) the third sentence shall be deleted and replaced by the following sentence:
“The pricing which will apply to each Loan is intended to cover the cost of funding and operations incurred by EFSF and shall include a margin (the “**Margin**”).”;
- (e) the following sentences shall be added as fourth and fifth sentences prior to the words “The Service Fee”:
“This shall provide remuneration for the Guarantors and shall be specified in the relevant Financial Assistance Facility Agreement. The EFSF shall review periodically the pricing structure applicable to its Financial Assistance Facility Agreements and any changes thereto shall be agreed by the Guarantors acting unanimously in accordance with Article 10(5).”
- (f) in the final sentence, the words “retained in respect of Financial Assistance disbursed prior to the Effective Date of the Amendments” shall be added after the words “The Service Fee”;
- (g) in the final sentence, the word “Borrower” shall be replaced by “Borrower Member State”.

(11) In Article 2(3):

- (a) after the words “the percentage set out next to each Guarantor’s name in the third column (the “**Contribution Key**”) in Annex 2”, a footnote is added drafted as follows “In respect of Funding Instruments issued or entered into prior to the Effective Date of the Amendments the Contribution Key and Adjusted Contribution Key Percentage shall be determined by the terms of this Agreement (including Annex 2) prior to the amendments.”;
- (b) in item (b), “120 %” shall be replaced by “up to 165% (the “**Over-Guarantee Percentage**”) in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments”;
- (c) in item (b), a footnote shall be added after “(b)” drafted as follows “The percentage of 120% shall continue to apply to Funding Instruments issued or entered into prior to the Effective Date of the Amendments.”;
- (d) after the words “No Guarantor shall be required to

issue Guarantees which would result in it”, the words “having a Guarantee Exposure in excess of its aggregate guarantee commitment (its “**Guarantee Commitment**”) set out alongside its name in Annex 1 or” shall be deleted and shall be replaced by the words “having a Guarantee Notional Exposure in excess of its guarantee commitment (“**Guaranteed Commitment**”) set alongside its name in Annex 1. For the purposes of this Agreement, a Guarantor’s “**Guarantee Notional Exposure**” is equal to the aggregate of: (i) the principal amount of Funding Instruments issued or entered into (including Funding Instruments issued or entered into pursuant to any Diversified Funding Strategy approved pursuant to Article 4(5), and other principal amounts guaranteed under Guarantees issued for other purposes pursuant to Article 2(3)) which benefit from Guarantees issued under this Agreement and which remain outstanding; and (ii) without double counting, the aggregate amounts paid by the Guarantors following demands made under Guarantees issued under this Agreement which paid amounts have not been reimbursed to the Guarantors.”;

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

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

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

(14) In Article 2(5)(d), after the phrase “the liability of the Guarantor under such Guarantee”, the following words are added “gives rise to a Guarantee Notional Exposure”.

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

- (a) the words “stability support” falling after the words “If a euro-area Member State encounters financial difficulties such that it makes a demand for a” and prior to the words “loan from EFSF,” shall be deleted and replaced by the following: “Financial Assistance Facility Agreement”;
- (b) the words “or incurring new liabilities as a Guarantor” shall be added after the words “to accept that the

Guarantor in question does not participate in issuing a Guarantee”; and

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

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

- (a) adding the words “In respect of Financial Assistance disbursed prior to the Effective Date of the Amendments,” prior to the words “an up-front service fee (the “**Service Fee**”) calculated as being”;
- (b) each occurrence of the word “Borrower” shall be replaced by “Borrower Member State” and each occurrence of the word “Loan” shall be replaced by the term “Financial Assistance”;
- (c) adding the words “(the “**Prepaid Margin**”)” after the words “of the anticipated Margin that would accrue on each Loan to its scheduled maturity date” and before the words “shall be deducted from the cash amount to be remitted to the Borrower”;
- (d) replacing the words “net present value of the anticipated” with the word “Prepaid”; and
- (e) adding the phrase “the amounts credited to the Cash Reserve under Article 2(9)” after the phrase “The “**Cash Reserve**” shall include these retained amounts”.

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

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

- (a) subject to Article 2(9)(c), the Margin shall be payable on such Financial Assistance in arrear at the end of each interest period;
- (b) an amount calculated as being 50 basis points on the aggregate principal amount of each Financial Assistance shall be charged to the Borrower as an advance payment of a portion of the Margin on such Financial Assistance (the “**Advance Margin**”) and shall be deducted from the cash amount to be remitted to the Beneficiary Member State in respect of such Financial Assistance;
- (c) on the first (and/or subsequent) interest payment date(s) of a Financial Assistance the amount payable in respect of Margin shall be reduced by an amount equal to the Advance Margin and the interest cost related to the funding of the Advance Margin; and
- (d) the only deduction from the cash amount of the Financial Assistance shall be the amount of the Advance Margin and any fees and costs incurred in connection with the issue of Funding Instruments to finance such Financial Assistance and any

adjustment for Funding Instruments being issued for an issue price less than par value (“**Issuance Costs**”) and the Net Disbursement Amount shall be equal to the principal amount of the Financial Assistance less (i) the amount of Advance Margin and (ii) the Issuance Costs.

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

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

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

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

- (a) replacing each occurrence of the words “Loan Facility Agreement” by the following words “Financial Assistance Facility Agreement” and each reference to the term “Loans” by “Financial Assistance”;
- (b) adding the phrase “then, unless otherwise agreed” prior to the phrase “these amounts shall be paid to the Guarantors as consideration for the issuance of their Guarantees”; and
- (c) adding after the words “anticipated Margin retained in respect of each Loan Facility Agreement” the words “and the amounts credited to the Cash Reserve under Article 2(9) and the”.

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

(20) In Article 2(12), the words “Loan Facility Agreement” falling after the words “(i) the Guarantees, (ii) the” and prior to the words “, (iii) the documentation for the Funding Instruments” shall be deleted and replaced by the following: “Financial Assistance Facility Agreements (adapted as appropriate pursuant to guidelines adopted by the board of directors of EFSF under Articles 2(1)(b) or 2(1)(c))”;

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

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

- (a) the words “Loan Facility Agreement” falling after the words “Before each disbursement of a Loan under a” and prior to the words “the Commission will, in liaison with the ECB,” shall be deleted and replaced by the following: “Financial Assistance Facility Agreement, unless otherwise agreed or unless otherwise specified in guidelines adopted by the board of directors of EFSF pursuant to Articles

- 2(1)(b) or 2(1)(c) and applicable to the relevant category of Financial Assistance Facility Agreement”;
- (b) in the third sentence, the words “Loan Facility Agreement” falling after the words “The first Loan to be made available to a Borrower under a” shall be replaced by the following words “Financial Assistance Facility Agreement”;
- (c) each occurrence of the word “Borrower” shall be replaced by “Beneficiary Member State” and the word “Loan” replaced by “Financial Assistance”;
- (d) in the third sentence, the word “is” falling after the words “Loan Facility Agreement” and prior to the words “released following the initial signature” shall be replaced by the words “shall be”;
- (e) in the third sentence, the words “or utilised” shall be added after the word “released”; and
- (f) a last sentence shall be added as follows: “The board of directors of EFSF shall adopt guidelines under Article 2(1)(b) and 2(1)(c) regarding the conditions to and procedures for the disbursement and on-going monitoring of compliance with policy conditionality of Financial Assistance in the form of precautionary facilities, facilities for the re-capitalisation of financial institutions in a Member State and facilities for the purchase of bonds in the primary or secondary markets.”.

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

- (a) the first word “Following” shall be deleted;
- (b) the words “Unless otherwise specified in the relevant Financial Assistance Facility Agreement (in accordance with guidelines adopted by the board of directors of EFSF under Articles 2(1)(b) or 2(1)(c) and applicable to the relevant category of Financial Assistance Facility Agreement),” shall be added in the first sentence prior to the words “following a request for”;
- (c) the words “funds (a **Request for Funds**)” shall be replaced by “financial assistance (a **Request for Financial Assistance**)”;
- (d) the words “and requesting a Loan thereunder” shall be deleted; and
- (e) each occurrence of the words “Loan Facility Agreement” shall be replaced by the following words “Financial Assistance Facility Agreement” each occurrence of the word “Loan” shall be replaced by “Financial Assistance” and the word “Borrower” by the term “Beneficiary Member State”.

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

- (a) the words “Loan Facility Agreement” shall be replaced by the following words “Financial Assistance Facility Agreement”; and
- (b) the word “Loan” falling prior to the full stop shall be replaced by the words “Financial Assistance”.

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

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

relevant Loan available to the Beneficiary Member State”: and

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

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

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

(28) In Article 4(3) the term “ESFS” shall be replaced by “EFSF”.

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

(30) In Article 5(1)(a):

- (a) “120%” shall be replaced with “an Over-Guarantee Percentage of up to 165% (as required to ensure the highest credit-worthiness for Funding Instruments issued or entered into by EFSF on the date of issue) in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments”; and
- (b) after the words “and that the Guarantee issued by each Guarantor is for”, a footnote is added drafted as follows “Please refer to Footnote 2.”

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

- (a) adding the words “(retained in respect of Financial Assistance disbursed prior to the Effective Date of the Amendments)” after the words “the Cash Reserve” and prior to the words “shall act as a cash buffer”;
- (b) the word “Loans” be replaced by “Financial Assistance” and the word “Borrowers” by “Beneficiary Member States”; and
- (c) replacing the words “Article 2(9)” by the words “Article 2(10)”.

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

(33) In Article 5(2)(a), “120%” shall be replaced with “the applicable Over-Guarantee Percentage in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments”.

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

(35) Article 5(3) shall be amended by adding the

phrase “and/or the adoption of available credit enhancement mechanisms used by EFSF in relation to Financial Assistance disbursed prior to the Effective Date of the Amendments” in the final sentence.

(36) A new Article 5(7) shall be added after Article 5(6) as follows:

“In respect of Financial Assistance disbursed after the Effective Date of the Amendments:

- (a) the Borrowers shall cover Issuance Costs (as described in Article 2(9);
- (b) EFSF shall cover costs and expenses incurred in relation to a Financial Assistance Facility Agreement out of the Cash Reserve. Provided that, EFSF may not use of the Cash Reserve established prior to the Effective Date of the Amendments to cover costs or expenses incurred in relation to Financial Assistance Facility Agreements entered into after such date unless the Cash Reserve is no longer required to serve as credit enhancement; and
- (c) This Article 5(7) shall be without prejudice to any undertaking of the Borrower under the Financial Assistance Facility Agreement to cover costs and expenses of EFSF.”

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

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

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

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

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

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

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

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

(44) Article 7(1) shall be amended by adding the words “as it applies to the relevant guaranteed obligation of EFSF. For the avoidance of doubt, in

respect of the Republic of Estonia, it is only required to make or to receive contributions under this Article 7 in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments.” after the words “The “**Required Proportion**” is equal to the Adjusted Contribution Key Percentage applicable to the relevant Guarantee” and prior to the words “Any indemnity or contribution payment from one Guarantor to another”.

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

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

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

- (a) adding the words “or incur any new liabilities as Guarantor” after the words “the Stepping-Out Guarantor shall not be required to issue its Guarantee”;
- (b) adding the words “or any new liabilities to be incurred as Guarantor” after the words “and any further Guarantees to be issued under this Agreement”;
- (c) adding the words “and/or incurred” after the words “shall be issued” and prior to the words “by the remaining Guarantors”;
- (d) adding the words “or incurrance of any new liabilities as Guarantor” after the words “and the Adjusted Contribution Key Percentage for the issuance of further Guarantees”; and
- (e) adding the words “Ireland became a Stepping-Out Guarantor with effect from 3 December 2010 and Portugal, with effect from 16 May 2011” after the words “Stepping-Out Guarantor with effect from the entry into force of this Agreement”.

(48) In Article 9:

- (a) the Title of Article 9 shall be amended by replacing the words “Loan Facility Agreement” by the words “Financial Assistance Facility Agreement”; and
- (b) each occurrence of the words “Loan Facility Agreement” shall be replaced by the following words “Financial Assistance Facility Agreement”, each occurrence of the word “Loan” by “Financial Assistance” and each occurrence of the word “Borrower” by “Beneficiary Member State”.

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

- (a) replacing each occurrence of the words “Loan Facility Agreement” by the following words “Financial Assistance Facility Agreement” and each occurrence of the word “Loan” by “Financial Assistance”;
- (b) in sub-paragraph (a), adding the words “, any decisions to change the pricing structure applicable to Financial Assistance Facility Agreements, and any decisions to include in a Financial Assistance Facility Agreement the faculty of providing Financial Assistance by way of the purchase of bonds in the

- primary markets or the purchase of bonds in the secondary markets based on an ECB analysis recognising the existence of exceptional financial market circumstance and risk to financial stability”;
- (c) in sub-paragraph (b), deleting the words “on the basis of a report of the Commission” and by adding the words “For secondary market purchases, the Financial Assistance Facility Agreement for the purchase of bonds in the secondary market adopted on the basis of Article 10(5)(a) may provide for alternative procedures for the technical implementation of individual bond purchases under such Financial Assistance Facility Agreement, in line with guidelines referred to in Article 2(1)(b)” after the words “are satisfied”;
- (d) adding a new sub-paragraph as follows: “(j) any transfer of rights, obligations and/or liabilities of EFSF to ESM pursuant to Article 13(10)”;
- (e) adding a new sub-paragraph as follows: “(k) the adoption and the amendment of any Guideline referred to in Article 2(1)(b) or 2(1)(c).”

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

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

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

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

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

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

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

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

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

“Following the constitution of the European Stability Mechanism (the “**ESM**”), EFSF may, with the approval of a decision of the euro-area Member States acting

with unanimity and after obtaining any requisite consents from investors in Funding Instruments, transfer all and any of its rights, obligations and liabilities, including under Financial Instruments, Financial Assistance Facility Agreements and/or Financial Assistance, to ESM.”

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

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

(61) All other Articles and Annexes remain unchanged.

2. GOVERNING LAW AND JURISDICTION

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

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

3. ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS

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

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

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

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

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

4. EXECUTION OF THE AMENDMENT

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

EFSF shall promptly after the signature of this Amendment supply conformed copies of the Amendment to each of the Parties, together with consolidated versions of the Framework Agreement including the amendments effected under this Amendment.

5. ANNEXES

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

1. List of Guarantors with their respective Guarantee Commitments;
2. Contribution Key; and
3. Template for Amendment Confirmation.

For the euro-area Member States

Kingdom of Belgium

Represented by:

Name:

Title:

Date:

Federal Republic of Germany

Represented by:

Name:

Title:

Date:

Republic of Estonia

Represented by:

Name:

Title:

Date:

Ireland

Represented by:

Name:

Title:

Date:

Hellenic Republic

Represented by:

Name:

Title:

Date:

Kingdom of Spain

Represented by:

Name:

Title:

Date:

French Republic

Represented by:

Name:

Title:

Date:

Kingdom of the Netherlands

Represented by:

Name:

Title:

Date:

Italian Republic

Represented by:

Name:

Title:

Date:

Republic of Austria

Represented by:

Name:

Title:

Date:

Republic of Cyprus

Represented by:

Name:

Title:

Date:

Portuguese Republic

Represented by:

Name:

Title:

Date:

Grand Duchy of Luxembourg

Represented by:

Name:

Title:

Date:

Republic of Slovenia

Represented by:

Name:

Title:

Date:

Republic of Malta

Represented by:

Name:

Title:

Date:

Slovak Republic

Represented by:

Name:

Title:

Date:

Republic of Finland

Represented by:

Name:

Title:

Date:

For the EFSF

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by:

Name:

Title:

Date:

ANNEX 1

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

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

* The Hellenic Republic, Ireland and the Portuguese Republic have become Stepping-Out Guarantors. Portugal remains liable as Guarantor in respect of Notes issued prior to the time it became a Stepping-Out Guarantor. The Republic of Estonia is only a Guarantor in respect of Notes issued after the Effective Date of the Amendments.
This means that as of the Effective Date of the Amendments the aggregate of the active Guarantee Commitments for the Guarantors which are not Stepping-Out Guarantors is EUR 726,000.00 millions.

ANNEX 2

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

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

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

ANNEX 3

TEMPLATE FOR AMENDMENT CONFIRMATION

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

By fax followed by registered mail:

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

Copy to:

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

Re: European Financial Stability Facility (“EFSF”) – Amendment Confirmation

Dear Sirs,

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

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

Yours faithfully,

[Name of euro-area Member State]

[•]

[•]