

ΠΑΡΑΡΤΗΜΑ ΙΙΙ

FINANCIAL ASSISTANCE FACILITY AGREEMENT

between

EUROPEAN FINANCIAL STABILITY FACILITY

THE HELLENIC REPUBLIC

as Beneficiary Member State

and

THE BANK OF GREECE

- ECB Credit Enhancement Facility Agreement -

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This **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-185, Luxembourg (R.C.S. Luxembourg B153.414), represented by Mr. Klaus Regling, Chief Executive Officer and 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**"); and
- (C) **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 euro-area Member States. Pursuant to a statement dated 21 July 2011 by the Heads of State or Government of the euro area and EU institutions, EFSF may grant financial assistance 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 under a programme, precautionary facilities, facilities to finance the recapitalisation of financial institutions in a euro-area Member State (through loans to the government of such Member States including in non-programme countries), facilities for the purchase of bonds in the secondary markets on the basis of an ECB analysis recognizing the existence of exceptional financial market circumstances and risks to financial stability or facilities for the purchase of bonds in the primary market (each such utilisation of a Financial Assistance Facility Agreement which has been the subject of a Request for Funds and a related Confirmation Notice (as defined below) being a "**Financial Assistance**").
- (2) EFSF shall finance the making of such Financial Assistance by issuing or entering into bonds, notes, commercial paper, debt securities or other financing arrangements ("**Funding Instruments**") which are backed by irrevocable and unconditional guarantees (each a "**Guarantee**") of the euro-area Member States which shall act as guarantors in respect of such Funding Instruments as contemplated by the terms of this Agreement. The guarantors (the "**Guarantors**") of Funding Instruments issued or entered into by EFSF shall be comprised of each euro-area Member State (excluding any euro-area Member State which is or has become a Stepping-Out Guarantor (as defined below) prior to the issue of 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).

- (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 [●] Greece requested further financial assistance from the euro-area Member States. On [●], the Eurogroup and the ECOFIN Ministers unanimously decided to grant financial assistance in response to the Greek authorities' request and endorsed the measures announced. 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 [●] 2012 a Memorandum of Understanding (the "**PSI MoU**") was entered into between the European Commission, Greece and the Bank of Greece relating to a (i) 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 Eligible GGBs 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 PSI MoU, EFSF has entered or will enter into Financial Assistance Facility Agreements with Greece and the Bank of Greece, to provide the following Financial Assistance Facilities: (i) on [●] 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 [●] 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 [●] 2012, a financial assistance facility agreement of EUR [5,700,000,000] in order to facilitate the making of payments in relation to accrued interest under those 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 [●] 2012, a financial assistance facility agreement of up to EUR [●] in order to finance the recapitalisation of certain financial institutions in Greece (the "**Bank Recapitalisation Facility**")].

- (7) This Financial Assistance Facility Agreement is entered into solely for the provision of the ECB Credit Enhancement Facility (the "**ECB Credit Enhancement Facility Agreement**"). The ECB Credit Enhancement Facility will be used by Greece in the context of the Buy-Back Offer in accordance with the Buy-Back agent appointment letter issued by the ECB, acting as agent of Greece, signed on [●] 2012 and the Buy-Back offer description, issued by the ECB, acting as agent of Greece to the NCBs, dated [●] 2012 (the "**Buy-Back Documents**").
- (8) The availability of this Financial Assistance Facility Agreement is dependent upon compliance by Greece with the measures set out in the MoU and its application of the proceeds of this Financial Assistance Facility Agreement in accordance with the terms of this Agreement and the MoU.
- (9) The disbursement under this Financial Assistance Facility Agreement may be released subject to the signature of the PSI MoU and the entry into force of this Agreement, subject to the terms and conditions of this Agreement.
- (10) Appropriate measures related to the prevention of, and the fight against fraud, corruption and other irregularities affecting the Financial Assistance shall be provided for by the authorities of the Beneficiary Member State.

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

1. DEFINITIONS

In this Agreement (including its recitals) the following terms have the following meaning:

"**Acceptance Notice**" means EFSF's written notice to the Beneficiary Member State in the form of Annex 2 setting out the amount and the detailed provisional financial terms of the Financial Assistance that EFSF is willing to extend to the Beneficiary Member State under this Agreement.

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

"**Agreement**" means this Financial Assistance Facility Agreement.

"**Availability Period**" means the period commencing on the date of entering into force of this Agreement and ending on (and including) [●] [February] 2012.

"**Beneficiary Member State**" means Greece.

"**BIS**" means the Bank for International Settlements.

"**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 related to the Negative Carry resulting from EFSF's liquidity buffer and any commitment commissions arising under committed credit lines, as may be made available to EFSF according to guidelines the Board of Directors of EFSF may adopt and the Guarantors may approve. The payment of the annual allocation to this Facility of the Negative Carry shall be made either following the receipt of an invoice or through the application of an annual Commitment Fee of [●] basis points that shall be applied over the Financial Assistance Amount that has been disbursed and is outstanding. The allocation of the Negative Carry to this Facility and the level of the Commitment Fee applicable to EFSF Financial Assistance Facility Agreements may be changed from time to time by the board of directors of EFSF and approved by the Guarantors.

"**Confirmation Notice**" means EFSF's written notice to the Beneficiary Member State substantially in the form of Annex 3 setting out the financial terms of the Funding Instruments issued from time to time by EFSF to finance or to re-finance the amounts outstanding to Greece under this Facility and which are used in calculating the EFSF Cost of Funding.

"**Cost of Carry**" means the difference between (i) the interest accrued under the relevant Funding Instrument or treasury operation (a) in the case of any Interim Financing or Definitive Financing which re-finances the EFSF Debt Securities, during the period from which EFSF incurs liability to pay interest under such Interim Financing or Definitive Financing until the date on which the EFSF Debt Securities mature, (b) in the case of any Interim Financing that may continue following the entry into a Definitive Financing, during the period from the date the Definitive Financing refinances the respective Interim Financing, for as long as EFSF continues to incur liability for interest under the relevant Funding Instrument or treasury operations under the Interim Financing, (c) in the case of any Definitive Financing that may be re-financed by another Definitive Financing or Interim Financing through a Pre-Funding Operation, during the period from the date EFSF commences to incur liability for interest or treasury operations under the new Definitive Financing or Interim Financing until the new Definitive Financing or Interim Financing is disbursed to the Beneficiary Member State and (ii) any return actually received by EFSF, if EFSF at its sole discretion invested the amount pre-funded or the residual amount under an Interim Financing or the amount pre-funded or the residual amount under a refinancing of an earlier Definitive Financing. In relation to (b) above, if and when in the future a liquidity buffer is made available to EFSF for the interim period at the time of rollover of any Interim Financing or Definitive Financing, the cost of carry should be passed to such liquidity buffer and allocated according to the guidelines the Board of Directors of EFSF may adopt and the Guarantors may approve, for such liquidity buffer.

"**Covered Period**" means the period commencing on the date on which one or more of each of Standard & Poor's, Moody's and Fitch Ratings announces a default, selective default or restrictive default rating with respect to Greece or any Eligible GGBs resulting from the Voluntary Liability Management Transaction and ending

sixty (60) calendar days after the date upon which none of the rating agencies maintains a default selective default or restrictive default with respect to Greece or any Eligible GGBs by reason of the Voluntary Liability Management Transaction (but not by reason of any other circumstance or event).

"**Decision(s)**" means [the decision of [the Eurogroup] dated [●]] [and [the decision taken under Article 136 of TFEU dated [●]] on granting financial assistance to Greece.

"**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.

"**Definitive Financing**" means any long term financing by way of issuing or entering into Funding Instruments which finances definitively the Financial Assistance Amount and/or which re-finances an Interim Financing or another Definitive Financing.

"**Disbursement Date**" means, in relation to this Financial Assistance under this Agreement, the date of transfer of the Financial Assistance Amount to the account of the Beneficiary Member State or the Bank of Greece, acting as agent for the Beneficiary Member State, with the BIS or another Financial Institution. The 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's country and (iii) a day which falls during the Availability Period.

"**Disincentive Payment**" means 200 basis points per annum applied to the most recent Financial Assistance Amount to have been disbursed at the time when the Eurogroup or EWG communicates to the Beneficiary Member State, 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 Memorandum of Understanding which results in or would (as may be determined in writing by EFSF) have resulted in the non-disbursement of a subsequent financial assistance or tranche thereof which was scheduled to be made under this Agreement or any subsequent financial assistance facility agreement between EFSF and the Beneficiary Member State. The period of time in relation to which the Disincentive Payment is applied will run from the date of the last disbursement part of the Financial Assistance Amount to the date of the communication to the Beneficiary Member State by the Eurogroup or 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 the financial assistance. The Disincentive Payment will be refunded in full, together with any accrued interest earned by the investment of such amount when disbursement(s) to the Beneficiary Member State recommence(s).

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

"**ECB Notice**" means a notice in the following terms: "Following information received from the Hellenic Republic saying that the Hellenic Republic intends to publish the details of a debt exchange offer and in anticipation of a likely downgrade to default of one or several bonds issued or guaranteed by the Hellenic Republic or a

downgrade to selective or restrictive default of the Hellenic Republic, the European Central Bank requests the EFSF to issue the EFSF Notes".

"EFSF Cost of Funding" means, in relation to any Financial Assistance, the effective (after hedging) average cost of funding incurred by EFSF in funding such Financial Assistance as determined by EFSF. The EFSF Cost of Funding shall be calculated by EFSF by adding (i) the (after hedging) average cost of funding of the relevant Financial Assistance under the Funding Instruments issued to finance 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 bonds), cost of funding shall be calculated with reference to the nominal value of the 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 and (iv) any Guarantee Commission Fee accrued during the relevant period. 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 the Funding Instrument and under this Agreement and the proceeds of any temporary re-investment of interest receipts by EFSF when such interest periods differ. During the period of any Interim 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 Interim Financing(s) which finance the relevant Financial Assistance, adjusted as may be necessary to cover the fourteen (14) Business Days period between the Interest Payment Dates and the Principal Payment Dates under this Facility and interest and principal payment dates under the Funding Instruments. During the period of any Definitive Financing which finances a particular Financial Assistance, EFSF Cost of Funding shall be calculated by reference to the cost of funds incurred by EFSF under the Definitive Financing which finance the relevant Financial Assistance and any potential residual cost (including any continuing interest to maturity) incurred by EFSF under the Interim Financing(s) EFSF entered into to finance the relevant Financial Assistance and any residual cost (including any continuing interest to maturity) incurred by EFSF under the Definitive Financing(s) EFSF entered into to refinance the any earlier Definitive Financing(s).

"EFSF Debt Securities" means Funding Instruments issued by EFSF in the form of short term notes with maturity of no more than twelve (12) months issued under the EFSF Debt Issuance Programme on or around the date of this Agreement and which pay interest at a rate comparable to the market rate which would be payable by EFSF for instruments with the same maturity as such EFSF Debt Securities.

"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.

"EFSF Notes" means the EFSF Debt Securities.

"**Eligible GGBs**" means marketable debt instruments issued or guaranteed by Greece, accepted as collateral by NCBs for Eurosystem monetary policy operations with eligible counterparties.

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

"**Event of Default**" means an event defined in Clause 8(1).

"**Facility**" means the financial assistance facility contemplated under this Financial Assistance Facility Agreement.

"**Financial Assistance Amount**" means the aggregate principal amount of any Financial Assistance under this Agreement as determined under Clause 2(1).

"**Financial Institution**" means the ECB, BIS or such other international organization, central bank, commercial bank or financial institution as is approved by EFSF and with which EFSF, Greece or the Bank of Greece opens an account or accounts for the purpose of this Agreement.

"**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 this Financial Assistance Facility Agreement.

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

"**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.

"**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.

"**Guarantee Commission Fee**" means ten (10) basis points *per annum*. The level of the Guarantee Commission Fee applicable to EFSF Financial Assistance Facilities

may be changed from time to time by the board of directors of EFSF and approved by the Guarantors.

"IMF" means the International Monetary Fund.

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

"Interest Payment Date" means, in relation to this Financial Assistance, each scheduled date for payment of interest or of fees due to EFSF, as specified in the Confirmation Notice related to such Financial Assistance.

"Interest Period" means, in relation to any Financial Assistance under this Agreement, the First Interest Period and each consecutive twelve (12) month period thereafter as set out in the relevant Confirmation Notice, commencing on (and including) the Disbursement Date (or the date of the preceding Interest Payment Date for such Financial Assistance (in the case of later Interest Periods)) and ending on (but excluding) each Interest Payment Date.

"Interest Rate" means the rate which will accrue on the Financial Assistance Amount 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.

"Interim Financing" means an interim financing entered into by EFSF to fund a Financial Assistance in accordance with Clause 3(6)(e) by way of issuing or entering into Funding Instruments on an interim basis such as short term debt instruments, treasury lines, including any roll over, renewal or re-financing of such financings on an interim basis, which financings may be re-financed by one or more Definitive Financings. For the avoidance of doubt, the term "Interim Financing" shall also include a re-financing of a Definitive Financing of the whole or part of the Financial Assistance by way of such financings on an interim basis pending a re-financing of the whole or part of such Financial Assistance by way of Definitive Financings.

"Issuance Costs" means any costs, fees or expenses incurred in relation to EFSF issuing or entering into Funding Instruments to finance a Financial Assistance and which are due and payable on or about the date of issue 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.

"Loss of Interest" means the difference (if it is a positive amount) between the Interest Rate on a Financial Assistance Amount 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 between the date of the early repayment and the date on which the relevant Financial Assistance was scheduled to be repaid.

"Margin" means zero. For the avoidance of doubt, no reimbursement or reduction in the Margin or the EFSF Cost of Funding shall apply resulting from any payments of advance Margin.

"**Market Disruption Event**" means, at the time of a Pre-Funding Operation, any Interim Financing or Definitive Financing 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) 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.

"**Negative Carry**" means the negative Cost of Carry incurred by EFSF in relation to funding the relevant Financial Assistance.

"**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.

"**Pre-Funding Operation**" means a financing operation to take place prior to the maturity of Funding Instruments for the purpose of (re)financing an Interim Financing or a Definitive Financing with another Interim Financing or Definitive Financing, as the case may be, in which case the Pre-Funding Operation will start at least ten (10) Business Days prior to the maturity of the Funding Instruments to be rolled-over.

"**Pre-Issuance Operation**" means any issuance of EFSF Debt Securities which is made after the date of signature of this Agreement and following a Request for Funds but which may occur prior to the time when the conditions precedent to the Financial Assistance are satisfied and prior to delivery of an Acceptance Notice.

"**Principal Payment Date**" means with respect to the first scheduled payment of principal, the date in the year 2023, indicated in the Confirmation Notice, and with respect to the subsequent scheduled payments of principal, each annual anniversary of such date until the Term of this Agreement as set out in the relevant Confirmation Notice.

"**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 funds under this Facility in the form of Annex 1.

"**Service Fee**" represents the source of general revenues and resources to cover operational costs of EFSF, comprising (i) the upfront service fee in an aggregate of: (a) 2 basis points calculated on the Financial Assistance Amount and (b) 48 basis points calculated on the Financial Assistance Amount outstanding following any repayment under Clause 6(2) and (ii) the annual service fee of 0.5 basis points per annum, which will accrue on the Financial Assistance Amount 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 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 this or other Financial Assistance Facility Agreement, other than the PSI LM Facility 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 EFSF Financial Assistance 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.

"**Term**" means the final maturity date of any Financial Assistance made under this Agreement, which may not be later than 31 December 2037.

2. THE FINANCIAL ASSISTANCE FACILITY

- (1) EFSF makes available to the Beneficiary Member State a financial assistance facility, subject to the terms and conditions of the MoU and this Agreement which will permit EFSF to make available to the Beneficiary Member State Financial Assistance with aggregate Financial Assistance Amounts up to EUR 35,000,000,000 ("**Aggregate Financial Assistance Amount**").
- (2) The purpose of the facility is to permit Greece to finance the acquisition of EFSF Debt Securities needed for the purpose of the Buy-Back Offer.
- (3)
 - (a) The Facility shall be available to be disbursed in one (1) disbursement only of up to EUR 35,000,000,000 in the period commencing on the date of this Agreement and ending on (and including) the last day of the Availability Period.
 - (b) Any amounts not disbursed under the Facility on the last day of the Availability Period shall be immediately cancelled.
- (4) 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 other financial assistance provided by EFSF to the Beneficiary Member State or to other beneficiary member states which are euro-area Member States and any other financial assistance which EFSF has committed to provide to the Beneficiary Member State or such other beneficiary member states would cause EFSF to exceed its capacity at such time to raise funds which are fully guaranteed by the Guarantees which are issued under the Framework Agreement.
- (5) The Beneficiary Member State shall apply all amounts provided to it under this Financial Assistance Facility Agreement in conformity with its obligations under the

MoU and this Agreement to purchase EFSF Debt Securities from the Financial Institution for the purposes of the Buy-Back Offer.

- (6) Financial Assistance will be denominated solely in euro, which shall be the currency of account and payment.

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

- (1) Subject to the terms and conditions of this Agreement and of the MoU, the Beneficiary Member State may, after consultation with EFSF, request the disbursement of Financial Assistance granted under this Financial Assistance Facility Agreement to be made by delivery to EFSF of a duly completed 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 notice indicating that it is not able to enter into or issue Funding Instruments which permit EFSF to raise finance on the terms indicated in the relevant Request for Funds, in which case the Beneficiary Member State shall cease to be bound by such Request for Funds in respect of Financial Assistance which would otherwise have been made available after the service of such notice on the Beneficiary Member State.
- (2) A Request for Funds is irrevocable and will not be regarded as having been duly completed unless it at least specifies:
- (a) the aggregate of the Financial Assistance Amounts to be made available under the relevant Request for Funds; and
- (b) the latest proposed Disbursement Date(s) by which all of the Financial Assistance requested in the Request for Funds shall have been disbursed.
- (3) Following a Request for Funds, EFSF's obligation to make the Financial Assistance available to the Beneficiary Member State shall be subject to:
- (a) EFSF having received:
- (i) a legal opinion 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 5 and such opinion remains correct and accurate as at the Disbursement Date. Such legal opinion 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 legal opinion and the Disbursement Date, any event occurs that would render incorrect any statement made in the legal opinion;
- (ii) 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 6 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;
and
- (iii) legal opinions from Cleary Gottlieb Steen & Hamilton and/or their correspondent law firms regarding compliance by Greece with applicable terms and conditions in its bonds or loans.
- (b) EFSF having received from the Minister of Finance of the Beneficiary Member State an official document indicating the persons authorised to sign the Request for Funds (and thus validly commit the Beneficiary Member State) and containing the specimen signatures of these persons;
 - (c) the signature of the PSI MoU and compliance by the Beneficiary Member State with the terms of the MoU;
 - (d) the ECB has sent written notice to the Financial Institution and EFSF in the form of the ECB Notice;
 - (e) EWG (in its absolute discretion) having approved the disbursement under this Agreement and EFSF being satisfied that the conditions to drawdown under this Agreement are satisfied;
 - (f) EFSF having received, on or before the Disbursement Date from the Financial Institution, the net proceeds of the Funding Instruments in an amount sufficient to finance the Financial Assistance Amount;
 - (g) 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 fulfill its payment obligations under this Agreement, *i.e.* to service the Financial Assistance and to repay it; and
 - (h) no event or circumstance having occurred or which, upon entry into this Agreement or following a disbursement of this Financial Assistance Facility Agreement, would occur which would entitle EFSF to declare an Event of Default under Clause 8 which event or circumstance has not been cured to the satisfaction of EFSF.
- (4) If the conditions in Clause 3(3) are satisfied (except for the condition referred to Paragraph (f) of Clause 3(3) which must be satisfied on the relevant Disbursement Date), EFSF, provided that the EWG accepts EFSF's proposal for the detailed terms of the Financial Assistance, shall send the Beneficiary Member State an Acceptance Notice setting out the provisional terms on which EFSF is willing to provide the relevant Financial Assistance 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 EFSF being able to obtain the funds requested from the Financial Institution and the non-occurrence of a Market Disruption Event or an Event of Default. In the event that EFSF, subject to compliance with the then applicable EFSF Funding Guidelines, can only raise funds for the relevant Financial Assistance 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.

- (5) The Beneficiary Member State hereby expressly authorises EFSF to enter into one or more Pre-Issuance Operations of EFSF Debt Securities following a Request for Funds but prior to satisfaction of the conditions to disbursement in Clause 3(3) and on delivery of an Acceptance Notice under Clause 3(4). EFSF shall promptly inform the Beneficiary Member State in writing of the financial terms of such Pre-Issuance Operations. The Beneficiary Member State shall bear all costs incurred by EFSF in relation to the Pre-Issuance Operations (including any financing costs, margin, negative carry, losses, costs, hedging costs or other fees or expenses) regardless of whether the Financial Assistance requested in the relevant Request for Funds is in fact disbursed. The fact that EFSF is prepared to carry out and enter into any Pre-Issuance Operation will not in any manner affect its or the Guarantors' decisions regarding disbursement of the Financial Assistance or on whether any conditions precedent to the disbursement are satisfied.
- (6)
- (a) If no acknowledgement is received within one Business Day of delivery of the Acceptance Notice such notice is cancelled and shall be of no further effect and the Beneficiary Member State shall be required to submit a new Request of Funds for the relevant Financial Assistance. After serving the Acceptance Notice and receiving the Beneficiary Member State's acknowledgement of the terms set out therein, EFSF shall, at its discretion, launch the issue of EFSF Debt Securities to permit the funding of the relevant Financial Assistance to be provided in respect of the Request for Funds.
- (b) 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 re-finance the EFSF Debt Securities or 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 Financial Assistance.
- (c) EFSF shall consult with the Beneficiary Member State no later than five (5) calendar weeks prior to the scheduled maturity of a portion of a Funding Instrument which is scheduled to be renewed or rolled-over with a view to determining whether EFSF can obtain funding to re-finance such portion of the Funding Instrument or whether a Market Disruption Event has occurred.
- (d) If EFSF certifies in writing to the Beneficiary Member State that a Market Disruption Event has occurred then EFSF shall not be under any obligation to make further disbursements of Financial Assistance to the Beneficiary Member State or to renew or roll-over the related Financial Assistance until such time as EFSF confirms in writing to the Beneficiary Member State that

the events or circumstances which gave rise to such Market Disruption Event have ended.

- (e) The Beneficiary Member State hereby expressly authorises EFSF to enter into Interim Financing(s) in the event that EFSF concludes that, due to prevailing market conditions at the time of launching an issue of or seeking to enter into Funding Instruments to fund Financial Assistance which is the subject of a Request for Funds or to re-finance such Funding Instruments at their maturity, it will only be possible for it to fund such Financial Assistance partly or entirely by way of one or more Interim Financing(s). The financial terms applicable to Funding Instruments issued under such Interim Financings shall be set out in a Confirmation Notice to be sent to the Beneficiary Member State on the date each such Interim Financing is issued or entered into. The Interim Financing shall, where possible, be re-financed by one or more Definitive Financing and on such date(s) the financial terms applicable to Funding Instruments issued under the relevant Definitive Financing shall be confirmed in a Confirmation Notice to be sent to the Beneficiary Member State. The Beneficiary Member State shall bear all costs incurred by EFSF in relation to the Interim Financing(s) and any Definitive Financing (including in all cases any financing costs, margin, negative carry, losses, costs, hedging costs or other fees and expenses).
- (7) After serving the Acceptance Notice and receiving the Beneficiary Member State's written acknowledgement of the terms set out therein, subject to Clause 3(6) (above), EFSF shall fix a definitive pricing for each Financial Assistance in the light of the terms upon which the Funding Instruments issued or entered into to finance or to re-finance such Financial Assistance are priced and, EFSF shall, issue to the Beneficiary Member State a Confirmation Notice setting out the financial terms of the Funding Instruments financing the relevant Financial Assistance on the Disbursement Date and promptly, within one (1) Business Day of the issue of any Funding Instruments which finance or re-finance the Financial Assistance. The Beneficiary Member State shall be deemed to have accepted in advance the terms of the Financial Assistance set out in the Confirmation Notice. 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.
- (8) On the Disbursement Date EFSF shall make the Financial Assistance available to the Beneficiary Member State as follows. EFSF will instruct the Financial Institution no later than 11.00 a.m. on the Disbursement Date to transfer the Financial Assistance Amount to the euro account of the Beneficiary Member State maintained at the Financial Institution the details of which shall be advised in writing by Greece or the Bank of Greece to EFSF (with a copy addressed to the Beneficiary Member State) at least two (2) Business Days prior to the Disbursement Date. The Issuance Costs shall be paid by EFSF out of the sums retained, where possible, for this purpose, or invoiced separately; any additional costs incurred may be recovered under Clause 5(5)
- (9) For the avoidance of doubt, the Financial Assistance Amount to be advanced to the Beneficiary Member State as set out in the Acceptance Notice shall not be reduced pursuant to any deduction as contemplated in (i) the definition of Service Fee, (ii) Clause 3(8), in relation to Issuance Costs, or (iii) Clause 5(6) in relation to Negative Carry.

- (10) 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.
- (11) The Beneficiary Member State's right to request Financial Assistance under this Agreement expires at the end of the Availability Period, following which any undisbursed amount of the Financial Assistance Facility Agreement shall be considered as immediately cancelled as set out in Clause 2(3)(b).

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

(1) Representations

The Beneficiary Member State represents and warrants to EFSF on the date of this Agreement and on each Disbursement Date that:

- (a) any Financial Assistance shall constitute an unsecured, 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) the execution, delivery and performance of the Agreement and the MoU (and the transactions contemplated therein including the Buy-Back Offer) do not and will not: (i) violate any applicable law, regulation or ruling of any competent authority or any agreement 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); and (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;
- (c) 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 this Agreement or the MoU (or the transactions contemplated therein including the Buy-Back Offer) or which, if adversely determined, are reasonably likely to have a material adverse effect on its ability to perform its obligations under this Agreement or the transactions contemplated herein or in the MoU have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened against it;
- (d) the legal opinion and the certificate of compliance of the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State provided in accordance with Clause 3(3)(a) are accurate and correct; and
- (e) the law of Greece 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 such Financial Assistance or to be able to enforce the Beneficiary Member State's obligations in relation to such Financial

Assistance against the Beneficiary Member State, or if applicable, that an exemption to such requirement exists for EFSF under the law of Greece.

(2) Undertakings

The Beneficiary Member State undertakes, in relation to General Government Debt, until such time as all principal under this Agreement has been fully reimbursed and all interest and additional amounts, if any, due under this Agreement have been fully paid:

- (a) with the exception of those encumbrances enumerated in Sub-paragraphs (1) to (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 EFSF.

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 securitization 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 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 the Financial Assistance Amount of the Financial Assistance consistently with the Decision(s) 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 relevant Request of Funds to acquire EFSF Debt Securities from the Financial Institution which have an aggregate notional principal which (subject to adjustment for rounding) is equal to the Aggregate Financial Assistance Amount and to utilise the EFSF Debt Securities only for the purpose of the Buy-Back Offer and not to sell, transfer, grant security over or otherwise deal with these securities other than pursuant to the Buy-Back Offer or in accordance with the terms of this Agreement;
- (c) not to change or seek to change the Buy-Back Documents without the prior consent of EFSF;
- (d) to utilise the EFSF Debt Securities received under the Bond Interest Facility only in accordance with this Agreement and the MoU and not to sell, transfer, grant security over or otherwise deal with these securities other than in accordance with this Agreement and the MoU
- (e) to obtain and maintain in full force and effect all authorisations necessary for it to comply with its obligations under this Agreement;

- (f) to comply in all respects with applicable laws which might affect its ability to perform this Agreement;
- (g) to pay any fees costs and expenses in particular breakage or termination costs, or costs of carry incurred in respect of any Funding Instrument or hedging contract which EFSF may have undertaken under this Agreement following an Acceptance Notice regardless of whether the disbursement of the relevant Financial Assistance takes place;
- (h) the Beneficiary Member State shall not without the prior written consent of EFSF, 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, 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 Agreement. 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 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
- (i) more generally, to indemnify and hold harmless EFSF on first demand from and against any 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, the MoU or the transactions contemplated therein being incorrect, inaccurate or misleading; (ii) any breach of the representations, warranties and/or undertakings in this Agreement; and/or (iii) any action, claim, demand, proceeding, investigation, arbitration or judgment brought against EFSF (whether under securities laws, tender offer rules or otherwise) in connection with EFSF entering into and the performance of this Agreement or the transactions contemplated herein or in the MoU including the Buy-Back Offer.

5. INTEREST, COSTS AND EXPENSES

- (1) In respect of the Financial Assistance, interest shall accrue on the Financial Assistance Amount at a rate equal to the Interest Rate during each Interest Period.
- (2) On each Interest Payment Date the Beneficiary Member State shall pay in cleared funds to the account designated by EFSF in writing (or to such other person or 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 on such Interest Payment Date.
- (3) Without prejudice to the terms of Clause 8, if the Beneficiary Member State fails to pay any sum payable under this Agreement 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 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. So long as the failure to pay continues, such rate shall be refixed in accordance with the provisions of this Clause 5(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) EFSF shall provide, where reasonably requested by the Beneficiary Member State, a detailed description of all costs borne by the Beneficiary Member State, in particular, fees and other expenses, including the proportion borne by the Beneficiary Member State.
- (5) The Negative Carry, Loss of Interest, Issuance Costs and all other commissions, fees and costs incurred by EFSF in respect of the EFSF Debt Securities, Pre-Funding Operations, Interim Financings or Definitive 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 by EFSF for this purpose.
- (6) EFSF shall be entitled to, where possible, deduct the Negative Carry together with all other commissions, fees and costs related to such Pre-Funding Operations when calculating the amount to be made available in relation to a Financial Assistance Amount
- (7) The Beneficiary Member State undertakes to pay to EFSF all additional interest and all costs and expenses, including legal fees, incurred and payable by EFSF as a result of a breach of any obligation under this Agreement by the Beneficiary Member State.
- (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).
- (9) The Beneficiary Member State shall bear 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 or any related document, any amendment, supplement or waiver in respect of this Agreement or 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 Fee is applicable. The Disincentive Payment will be refunded in full by EFSF, together with any accrued interest earned by the investment of such Disincentive Payment when disbursement(s) of financial assistance by EFSF to the Beneficiary Member State recommence(s).

6. REPAYMENT, EARLY REPAYMENT, MANDATORY REPAYMENT AND CANCELLATION

(1)

- (a) The Beneficiary Member State shall repay in equal payments of principal the principal amount of the Financial Assistance Amount then outstanding on each Principal Payment Date until the Term.
- (b) The Beneficiary Member State shall transfer the amount of principal due to EFSF to the account designated by EFSF in writing to the Beneficiary Member State (or by payment to such other person or account as the parties may agree from time to time for the purpose of this Agreement).
- (c) Any amount repaid or transferred to the account referred to in Clauses 6(1)(b) and 7(3) cannot be re-borrowed.

(2)

- (a) On the earlier of the date when:
- (i) the Covered Period ends;
- (ii) ECB confirms in writing to the Beneficiary Member State and EFSF that the EFSF Debt Securities are no longer necessary for the purpose of settlement of the Buy-Back Offer, and
- (iii) ten (10) months after the signature of this Agreement

the Beneficiary Member State shall repay all or a portion of the Financial Assistance Amount in a principal amount corresponding to the aggregate principal amount outstanding of the EFSF Debt Securities which were purchased by the Beneficiary Member State for the purposes of the Buy-Back Offer but which were not used for the purpose of effecting settlement under such Buy-Back Offer by ECB (on behalf of the Beneficiary Member State). The Beneficiary Member State shall repay such portion of the Financial Assistance Amount together with the interest and any other amounts accrued and outstanding in relation to such portion of the Financial Assistance Amount.

- (b) The Beneficiary Member State shall, upon the demand by EFSF, discharge its obligations to repay principal and to pay interest under Clause 6(2)(a) by delivering EFSF Debt Securities to EFSF in an aggregate principal amount which together with the interest accrued thereon is equal to the amount due and payable under Clause 6(2)(a) and delivery of such EFSF Securities shall discharge *pro tanto* the amount due to EFSF in respect of principal and interest under this Agreement and the portion of the Financial Assistance Amount thus discharged shall be cancelled. Such obligation to repay principal and to pay interest under Clause 6(2)(a) will be discharged in an amount equal to the aggregate principal amount of any EFSF Debt Securities so delivered plus any accrued interest in relation to any EFSF Debt Securities so delivered with any balance in relation to the principal and interest to be repaid or paid being paid by the Beneficiary Member State.
- (c) For the avoidance of doubt, to the extent the Beneficiary Member State does not discharge its obligations according to Clause 6(2)(b), the obligations of the Beneficiary Member State to repay principal and to pay interest shall continue in full for the term of the Financial Assistance, unless discharged earlier in accordance with this Agreement.
- (3) If financing granted to the Beneficiary Member State under the IMF Arrangement or under any of the facilities provided by the Financial Support Providers, the IMF or the European Union (or any body or institution thereof) or the New Greek Bonds is repaid in advance in whole or in part on a voluntary or mandatory basis, a proportional amount of the Financial Assistance Amount of the Financial Assistance provided under this Agreement 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 relevant facility or the New Greek Bonds represents to the aggregate principal amount outstanding in respect of such facilities and/or the New Greek Bonds immediately prior to such repayment in advance. The Beneficiary Member State shall reimburse all costs, expenses, fees, hedging costs 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. For the avoidance of doubt, a purchase of New Greek Bonds by the Beneficiary Member State shall be subject to the limitations provided in the PSI LM Facility Agreement.
- (4) The Beneficiary Member State shall reimburse all costs, expenses, fees, hedging costs 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.
- (5) EFSF may also cancel the whole or any part of the undisbursed amount of the Aggregate Financial Assistance Amount if the Member State cancels the IMF Arrangement or any other Financial Support Provider cancels its support facility or the Beneficiary Member State cancels the issue of New Greek Bonds, in whole or in part. In this case the cancellation of this Facility shall be proportionate to (a) in the case of cancellation by the IMF, the proportion which the sum cancelled represents to the aggregate notional amount of such IMF Arrangement as set out in Preamble (5) 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 Financial Assistance Facility Agreement each of the facilities provided by the

Financial Support Providers, and the intended volume for the issue of New Greek Bonds.

- (6) If EFSF certifies in writing to the Beneficiary that a Market Disruption Event has occurred and that it cannot re-finance the Funding Instruments which finance the Financial Assistance made available under this Facility 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 the amount that is subject to the roll-over. If the result of the evaluation is that the Beneficiary Member State has sufficient cash resources available, then unless otherwise notified by EFSF, a corresponding amount of the Financial Assistance shall become due and payable at the date of maturity of such Funding Instruments. Such repayment shall constitute a scheduled repayment and not a voluntary or mandatory pre-payment.

7. PAYMENTS

- (1) All payments to be made by the Beneficiary Member State 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, as well as the Agreement itself, 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.
- (3) All payments of interest or principal by the Beneficiary Member State shall be made via SWIFT message [●] in TARGET2 on the relevant due date before 11:00 a.m. Frankfurt time to the TARGET2 participant SWIFT-BIC: [●], in favour of the account of EFSF designated by EFSF for this purpose.
- (4) The ECB shall advise the Beneficiary Member State, the Bank of Greece at least thirty (30) calendar days prior to each Interest Payment Date and Principal Payment Date of the amount of principal and interest due and payable on such date and of the details (Interest Rate, Interest Period) on which the interest calculation is based.
- (5) The Beneficiary Member State shall send to EFSF and to the ECB a copy of its payment instructions sent to the Bank of Greece at least two (2) Business Days prior to each Interest Payment Date and Principal Payment Date. All other payments due by the Beneficiary Member State to EFSF under this Agreement including Issue Costs, Loss of Interest, Negative Carry or other fees, costs, expenses or commissions due to EFSF shall be paid via SWIFT message in TARGET 2 before 11:00 a.m. Frankfurt time on the relevant due date to the account of EFSF designated for the purpose of this Agreement.
- (6) If the Beneficiary Member State shall pay an amount in relation to any Financial Assistance which is less than the total amount due and payable under this Agreement,

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, expenses and indemnities;
- (b) *second* against any interest for late payments as determined under Clause 5(3);
- (c) *third* against interest; and
- (d) *fourth* against principal,

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

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

8. EVENTS OF DEFAULT

- (1) EFSF may, by written notice to the Beneficiary Member State, cancel the Facility and/or declare the aggregate principal amount of all Financial Assistance Amounts made and outstanding hereunder to be immediately due and payable, together with accrued interest, if:
 - (a) the Beneficiary Member State or the Bank of Greece shall fail to pay any amount of principal or interest in relation to any Financial Assistance or any other amounts due under this Agreement on its due date, whether in whole or in part, in the manner and currency as agreed in this Agreement; or
 - (b) the Beneficiary Member State or the Bank of Greece shall default in the performance of any obligation under this Agreement (including the obligation set out in Clause 2(5) of this Agreement to apply any Financial Assistance in accordance with the terms of the MoU but excluding any other obligations under the MoU) other than the obligations referred to in Clause 8(1)(a) of this Agreement, 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 or the Bank of Greece's obligations under this Agreement are declared by a court of competent jurisdiction not to be binding on or enforceable against the Beneficiary Member State 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 or the MoU, the Beneficiary Member State 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 under this Agreement (including in relation to the legal opinion provided and/or the certificate of compliance provided under Clause 3(3)(a) of this Agreement) 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 to fulfill its obligations under this Agreement or the rights of EFSF under this Agreement; or
- (e) any previous 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 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 the PSI LM Facility Agreement 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 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 and is subject to a declaration of default; or
- (j) any loan agreement or agreement for the provision of financial assistance between the Beneficiary Member State and any institution or body of the European Union, the IMF or any other Financial Support Provider, regardless of amount, is 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.

- (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. In addition, the Beneficiary Member State shall pay default interest, as provided in Clause 5(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.

9. INFORMATION UNDERTAKINGS

- (1) With effect from the Request for Funds, the Beneficiary Member State shall supply to EFSF:
 - (a) all documents dispatched by the Beneficiary Member State to holders of New Greek Bonds or to 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 fulfillment 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) a declaration that the Beneficiary Member State does no longer intend to accept any more Financial Assistance under this Agreement, as soon as that is the case; and
 - (f) written notice if there is any exchange of EFSF Debt Securities under the Buy-Back Offer (with details of the number of EFSF Debt Securities which are the object of such exchange) and to inform EFSF of any changes in the rating of Greece which would affect the duration of the Covered Period and to notify EFSF when the Covered Period has ended.
- (2) The Beneficiary Member State undertakes to inform EFSF promptly if any event occurs that would render incorrect any statement made in the Beneficiary Member State's legal opinion or any of the other legal opinions referred to in Clause 3(3)(a) above.

10. UNDERTAKINGS RELATING TO INSPECTIONS, FRAUD PREVENTION AND AUDITS

- (1) The Beneficiary Member State shall permit EFSF to have the right to send its (or their) own agents or duly authorised representatives to carry out any technical or financial controls or audits that it (or they) consider necessary in relation to the management of this Financial Assistance Facility Agreement and any Financial Assistance provided hereunder.
- (2) The Beneficiary Member State directly and/or 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 10(1) 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 and any Financial Assistance provided hereunder. All such cases as well as measures related thereto taken by national competent authorities shall be reported to EFSF and the Commission without delay.

11. NOTICES

- (1) All notices in relation to this Agreement shall be validly given if in writing and sent to the addressees listed in Annex 6. 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 letter.
- (3) All documents, information and materials to be furnished under this Agreement shall be in the English language.
- (4) Each Party to this Agreement will notify to the other Parties the list and specimen signatures of the persons authorised to act on its behalf under this Agreement, promptly upon its signature of this Agreement. Likewise, each Party will update such list and notify the other Party hereto upon the same being amended from time to time.

12. MISCELLANEOUS

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

- (2) The Preamble and the Annexes to this Agreement do and shall hereafter form an integral part of this Agreement.
- (3) The Parties to this Agreement acknowledge and accept the existence and terms of the MoU as the same may be amended, supplemented or up-dated from time to time.
- (4) 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.
- (5) The Beneficiary Member State shall not have any right to assign or transfer any of its rights or obligations under this Agreement without the prior written consent of EFSF.
- (6) EFSF shall have the right (without any requirement of Beneficiary Member State's consent) 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. The Parties agree that the rights and obligations of EFSF may be freely transferred to ESM and/or to any other entity owned directly or indirectly by the euro area Member States.

13. GOVERNING LAW AND JURISDICTION

- (1) This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and shall be construed in accordance with English law.
- (2) The Parties undertake to submit any dispute which may arise relating to the legality, validity, interpretation or performance of this Agreement to the exclusive jurisdiction of the courts of the Grand Duchy of Luxemburg.
- (3) Clause 13(2) is for the benefit of EFSF only. As a result, nothing in Clause 13(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 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, 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.

14. ENTRY INTO FORCE

- (1) Following its signature by all Parties, this Agreement shall enter into force on the date on which EFSF has received (i) a duly signed certificate of compliance (Annex 5 to this Agreement), (ii) the official notification in the form of the Legal Opinion (Annex 4 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 to all obligations under this Agreement

have been fulfilled, (iii) the signature of the Buy-Back Documents, (iv) the signature of the notes subscription agreement between EFSF and the BIS and the signature of the sale and purchase agreement between the BIS and Greece and (v) the receipt of the legal opinions referred to in Clause 3(3)(a).

15. EXECUTION OF THE AGREEMENT

This Agreement shall be executed by each Party in four originals in the English language, each of which shall constitute an original instrument.

16. ANNEXES

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

1. Form of Request for Funds
2. Form of Acceptance Notice
3. Form of Confirmation Notice
4. Form of Legal Opinion
5. Form of Certificate of Compliance
6. List of Contacts

Executed in Athens on

and in Luxembourg on

.

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by

[*name, title*]

[*name, title*]

The Beneficiary Member State

HELLENIC REPUBLIC

Represented by

[*name, title*]

BANK OF GREECE

Represented by

[*name, title*]

**ANNEX 1
FORM OF REQUEST FOR FUNDS**

[on letterhead of the Beneficiary Member State]

By fax followed by registered mail:

European Financial Stability Facility
43, avenue John F. Kennedy
L-1855 Luxembourg
Attention: Chief Financial Officer
Tel: +352 260 962 26
Fax: + 352 260 962 62
SWIFT address: EFSFLULL

Copies to:

European Commission
[Insert address]
Fax: [•]

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

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

Subject: EUR [•] Financial Assistance Facility Agreement – the "ECB Credit Enhancement Facility Agreement" Request for Funds

Dear Sirs,

We refer to the Financial Assistance Facility Agreement made between the European Financial Stability Facility ("EFSF"), The Hellenic Republic as Beneficiary Member State and the Bank of Greece signed on [•] 2012 (the "**Agreement**"). Terms defined in the Agreement shall have the same meaning herein.

1. We hereby irrevocably request that Financial Assistance under the Financial Assistance Facility Agreement be disbursed under and in accordance with the Agreement upon the following terms:
 - (a) The Financial Assistance is to be made in relation to the ECB Credit Enhancement Facility;

- (b) The Financial Assistance Amount of the Financial Assistance to be provided in respect of this Request for Funds is EUR 35,000,000,000; and
- (c) The latest of the Disbursement Date(s) of all Financial Assistance to be provided under this request for Funds shall be on or prior to : [_____].
2. We acknowledge and agree that the disbursement of any Financial Assistance provided 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 the corresponding funds are available to it from a counterparty in the international capital or loan markets 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 and the non-occurrence of a Market Disruption Event;
- (c) EFSF issuing or entering at its discretion into Funding Instruments to obtain the proceeds requested in this Request for Funds and to finance or re-finance the Financial Assistance by way of Pre-Funding Operations, Interim Financings and/or Definitive Financings. We irrevocably undertake to pay any fees, costs or expenses in particular any breakage costs and costs of carry resulting from any Funding Instruments issued or entered into by EFSF as it deems appropriate (including in relation to Interim Financings and/or Pre-Funding Operations) regardless of whether the disbursement of the relevant Financial Assistance is in fact provided; and
- (d) The conditions precedent under the Agreement being satisfied.
3. We confirm that:
- (a) The list of authorised signatories sent on behalf of the Beneficiary Member State by the Minister of Finance on [___] is and remains valid and applicable.
- (b) No event has occurred that would render incorrect any statement made in the legal opinion issued by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State dated [___].
- (c) No event has occurred that would render incorrect any statement made in the certificate of compliance issued by the Legal Advisor to the State at the Ministry of Finance of the Beneficiary Member State dated [___].
- (d) No event or circumstance has occurred which would permit EFSF to declare that an Event of Default has occurred.

Yours faithfully,

HELLENIC REPUBLIC

Represented by: The Minister of Finance

**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 [•] Financial Assistance Facility Agreement – the "ECB Credit Enhancement Facility Agreement"
Acceptance Notice in relation to the Request for Funds dated [•]**

Dear Sirs,

We refer to: (i) the Financial Assistance Facility Agreement between the European Financial Stability Facility ("EFSF"), The Hellenic Republic as Beneficiary Member State and the Bank of Greece signed on *[date]* (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.

We hereby confirm the following provisional financial terms applicable to the Financial Assistance requested by Greece in the above Request for Funds:

- (a) the Financial Assistance is to be provided under the ECB Credit Enhancement Facility
- (b) the principal amounts of Financial Assistance to be provided under this Facility is EUR [•];
- (b) The Disbursement Date(s) of the Financial Assistance to be provided under this Request for Funds shall be *[date]*;

EFSF intends to launch or enter into one or several Funding Instruments in order to fund the above Request for Funds by issuing EFSF Debt Securities and to re-finance these at maturity by way of Pre-Funding Operations, Interim Financings and/or Definitive Financings as the case may be.

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 to effect Pre-Issuance Operations, Pre-Funding Operations, Interim Financings and/or Definitive Financings. The authorisation to enter into Funding Instruments and the acceptance by the Beneficiary Member State of the Pre-Issuance Operations, Pre-Funding Operations, Interim Financings and/or Definitive Financings entered into to finance the Financial Assistance are irrevocable until the final maturity of the latest Funding Instrument which finances this Financial Assistance.

This Acceptance Notice is subject to EFSF being able to enter into or to issue Funding Instruments as indicated in this Acceptance Notice and the non-occurrence of a Market Disruption Event. If EFSF 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 Request for Funds 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 Request for Funds.

The disbursement of the Financial Assistance is subject to the conditions precedent under the Agreement being satisfied.

Yours faithfully,

EUROPEAN FINANCIAL STABILITY FACILITY

The terms of this Acceptance Notice are hereby acknowledged:

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 [•] Financial Assistance Facility Agreement – the "ECB Credit Enhancement Facility Agreement"
Confirmation of Financial Terms of Funding Instruments**

Dear Sirs,

We refer to: (i) the Financial Assistance Facility Agreement between the European Financial Stability Facility ("**EFSF**"), The Hellenic Republic (hereinafter referred to as "**Greece**") as Beneficiary Member State and the Bank of Greece signed on [*date*] (the "**Agreement**"); and (ii) the Request for Funds notified to EFSF by Greece on [*date*]. Terms defined in the Agreement shall have the same meaning herein.

We hereby confirm that in order to finance amounts outstanding under the above Facility, on [*date*] EFSF issued Funding Instruments with the following financial terms:

- (a) The Financial Assistance Amount is EUR [•]

- (b) Principal Amount:
- (c) Final Maturity: DD.MM.YYYY
- (d) Interest Rate for the First Interest Period:
- (e) Interest Rate for subsequent Interest Periods¹:
- (f) First Interest Payment Date:
- (g) Subsequent Interest Payment Date: DD.MM.YYYY
- (h) First Principal Payment Date:
- (i) Subsequent Principal Payment Date: DD.MM.YYYY²

We confirm that the financial terms of these Funding Instruments shall be used in calculating the EFSF Cost of Funding under the Facility.

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

¹ To be communicated by EFSF to the Beneficiary Member State in line with the terms of the Financial Assistance Facility Agreement.

² Until the last Interest Payment Date of DD.MM.YYYY

**ANNEX 4
FORM OF LEGAL OPINION**

(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 [•] Financial Assistance Facility Agreement between European Financial Stability Facility, the Hellenic Republic (as Beneficiary Member State) and the Bank of Greece signed on [•] 2012, the "ECB Credit Enhancement Facility Agreement"

Dear Sirs,

In my capacity as Legal Advisor to the State at the Ministry of Finance, I refer to the above referenced Financial Assistance Facility Agreement and its Annexes 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**") and the Bank of Greece on [•]. I also refer to the Memorandum of Understanding signed on [insert date] between the European Commission, the Hellenic Republic 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 Agreements on behalf of the Beneficiary Member State.

I have examined originals or copies of the execution versions of the Agreements 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 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 Agreements 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 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 the Hellenic Republic, the Beneficiary Member State is by the execution of the Agreement by [*name, title*] validly and irrevocably committed to fulfill all of its obligations under it. In particular, the provisions of the Agreements relating to the provision of Financial Assistance are fully valid.
2. The Beneficiary Member State's execution, delivery and performance of the Agreement and the MoU (and the transactions contemplated therein): (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; (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; (iii) do not constitute a default or termination event (howsoever described) under any of the matters listed in sub-paragraph (ii); and (iv) will not 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.
3. The representations and warranties given by the Beneficiary Member State in the Agreement are true and accurate
4. Nothing in this Agreements 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 laws 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 they 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 Agreements and with any payment or transfer of principal, interest, commissions and other sums due under the Agreements.

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 Agreements.
9. The signature of the Agreements by [name], 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 13(3) in connection with the Agreements 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 Agreements.
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 Agreements are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

Legal Advisor to the State at the Ministry of Finance

**ANNEX 5
FORM OF CERTIFICATE OF COMPLIANCE**

(to be issued on official letterhead of [●] 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 [●] Financial Assistance Facility Agreement between European Financial Stability Facility, the Hellenic Republic (as Beneficiary Member State) and the Bank of Greece signed on [●] 2012 – the "ECB Credit Enhancement Facility Agreement"

Dear Sirs,

1. In my capacity as [●] at the Ministry of Finance, I refer to the above referenced Financial Assistance Facility Agreement and its Annexes 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**") and the Bank of Greece on [●]. I also refer to the Memorandum of Understanding signed on [*insert date*] between the European Commission, the Hellenic Republic and the Bank of Greece (hereinafter referred to as the "**MoU**").
2. I warrant that I am fully competent to issue this certificate of compliance in connection with the Agreement on behalf of the Beneficiary Member State.
3. Terms defined in the Agreement have the same meaning when used in this certificate of compliance unless given a different meaning in this certificate.

4. I hereby confirm that,
- (a) the list of documents annexed to the letter dated [●] provided to the legal counsel referred to in Clause 3(3)(a)(iii) of the Agreement for the purposes of providing the legal opinions referred to therein is a complete list of all financing agreements binding on the Hellenic Republic which are relevant to the Buy-Back Offer; and
 - (b) the representation and warranty set out in Clause 4(1)(b) of the Agreement is true and accurate and the Hellenic Republic is giving that representation and warranty in the light of legal advice obtained and following a comprehensive due diligence review of the agreements, treaties and laws which are binding on it.

Signed:

[●] at the Ministry of Finance

**ANNEX 6
LIST OF CONTACTS****For EFSF:**

European Financial Stability Facility
43, avenue John F. Kennedy
L-1855 Luxembourg
Attention: Chief Financial Officer
Tel: +352 260 962 26
Fax: + 352 260 962 62
SWIFT address: EFSFLULL

With copies to:

European Commission
Directorate General Economic and Financial Affairs –
Unit L-4 "Borrowing, lending, accounting and back office"
L-2920 Luxembourg
Attention: Head of Unit
Tel.: (+352) 4301 36372
Fax: (+352) 4301 36599
SWIFT address: EUCOLULL

European Central Bank
Kaiserstrasse 29
D-60311 Frankfurt am Main
Attention: Head of Financial Operations Services Division
Tel.: + 49 69 1344 7333
Fax: + 49 69 1344 6171
SWIFT BIC: ECBFDEFFBAC

For the Beneficiary Member State:

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

With copies to: the Bank of Greece:

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