

EXECUTION COPY

**AMENDMENT TO THE  
EFSF FRAMEWORK AGREEMENT**

between

**KINGDOM OF BELGIUM  
FEDERAL REPUBLIC OF GERMANY  
IRELAND  
KINGDOM OF SPAIN  
FRENCH REPUBLIC  
ITALIAN REPUBLIC  
REPUBLIC OF CYPRUS  
GRAND DUCHY OF LUXEMBOURG  
REPUBLIC OF MALTA  
KINGDOM OF THE NETHERLANDS  
REPUBLIC OF AUSTRIA  
PORTUGUESE REPUBLIC  
REPUBLIC OF SLOVENIA  
SLOVAK REPUBLIC  
REPUBLIC OF FINLAND  
HELLENIC REPUBLIC  
REPUBLIC OF ESTONIA**

**AND****EUROPEAN FINANCIAL STABILITY FACILITY**

**THIS AMENDMENT (the "Amendment") TO THE EFSF FRAMEWORK AGREEMENT**

is made by and between:

- (A) Kingdom of Belgium, Federal Republic of Germany, Ireland, Kingdom of Spain, French Republic, Italian Republic, Republic of Cyprus, Grand Duchy of Luxembourg, Republic of Malta, Kingdom of the Netherlands, Republic of Austria, Portuguese Republic, Republic of Slovenia, Slovak Republic, Republic of Finland, the Hellenic Republic and the Republic of Estonia (the "euro-area Member States" or "EFSF Shareholders"); and
- (B) European Financial Stability Facility ("EFSF"), a *société anonyme* incorporated in Luxembourg, with its registered office at 43, avenue John F. Kennedy, L-1855 Luxembourg (R.C.S. Luxembourg B153.414) (the euro-area Member States and EFSF referred to hereafter as the "Parties").

**PREAMBLE**

Whereas:

- (1) The euro-area Member States and EFSF have entered into a framework agreement to set out the terms and conditions upon which EFSF may make Loans to euro-area Member States, finance such Loans by issuing or entering into Funding Instruments backed by Guarantees issued by the Guarantors, the terms and conditions on which the Guarantors shall issue Guarantees in respect of the Funding Instruments issued by or entered into by EFSF, the arrangements entered into between them in the event that a Guarantor is required to pay under a Guarantee more than its required proportion of liabilities in respect of a Funding Instrument and certain other matters relating to EFSF (hereinafter referred to as the "**Framework Agreement**").
- (2) The euro-area Member States have by a unanimous decision on 11 March 2011 decided that EFSF may, on an exceptional basis, provide stability support to euro-area Member States by arranging for the purchase of bonds of such euro-area Member States on the primary market as financial assistance.
- (3) In accordance with Article 13(8) of the Framework Agreement, the Republic of Estonia shall become a party to the Framework Agreement with effect from the Effective Date of the Amendments (as defined in Article 3(1) of this Amendment) by adhering to the Framework Agreement and entering into this Amendment.
- (4) The euro-area Member States and EFSF have agreed that the Framework Agreement shall be amended on the terms set out in this Amendment and that such amendments shall take effect prospectively on the Effective Date of the Amendments (as defined in Article 3(1) of this Amendment).

Now, therefore, the Parties have agreed as follows:

1. **AMENDMENTS TO THE FRAMEWORK AGREEMENT**

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

- (1) The Republic of Estonia shall be listed in the list of euro-area Member States set out in paragraph (A) of the list of parties to the Framework Agreement.
- (2) Paragraph (2) of the preamble of the Framework Agreement shall be amended as follows:
  - (a) the words "or, as an exception, the facilities for the purchase of bonds in the primary market as financial assistance" shall be added after the words "in the form of loan facility agreements" and prior to the words "(**Loan Facility Agreements**) and loans";
  - (b) the words "or such exceptional purchases of bonds in the primary market" shall be added after the words "(**Loan Facility Agreements**) and loans" and prior to the words "(**Loans**) made thereunder"; and
  - (c) the words "If, as an exception, stability support to a euro-area Member State is provided by way of facilities for the purchase of bonds in the primary market as financial assistance, the nature and terms, including as to pricing, of such arrangements shall be in accordance with guidelines adopted by the board of directors of EFSF pursuant to Article 2(1)(b)." shall be added at the end of the preamble.
- (3) Paragraph (4) of the preamble of the Framework Agreement shall be amended by adding the words "or bond purchases in the primary market" after the words "EFSF shall finance the making of such loans" and prior to the words "by issuing or entering into bonds,".
- (4) Article 2(1) shall be amended by:
  - (a) adding "(a)" after "2(1)"; and
  - (b) adding a sub-paragraph (b) as follows "(b) As an exception, stability support to a euro-area Member State may be provided by way of facilities for the purchase of bonds in the primary market as financial assistance. The nature and terms, including as to pricing, of such arrangements shall be in accordance with guidelines adopted by the board of directors of EFSF."
- (5) Article 2(2) shall be amended by:
  - (a) adding the following sentences after the words "which shall provide remuneration for the Guarantors" and prior to the words "The Service Fee":

"Unless otherwise specified in the relevant Loan Facility Agreement, in respect of Loans disbursed after the Effective Date of the Amendments, the Margin shall be as indicated in Annex 4 (*EFSF Loan Facility Agreements: Pricing Model*). The EFSF shall review periodically the pricing structure applicable to its Loan Facility Agreements and any changes thereto shall be agreed by the Guarantors acting unanimously in accordance with Article 10(5)."

- (b) in the final the sentence, the words "retained in respect of Loans disbursed prior to the Effective Date of the Amendments" shall be added after the words "The Service Fee".
- (6) In Article 2(3):
- (a) after the words "the percentage set out next to each Guarantor's name in the third column (the "**Contribution Key**") in Annex 2", a footnote is added drafted as follows "In respect of Funding Instruments issued or entered into prior to the Effective Date of the Amendments the Contribution Key and Adjusted Contribution Key Percentage shall be determined by the terms of this Agreement (including Annex 2) prior to the amendments.";
  - (b) in item (b), "120%" shall be replaced by "up to 165% (the "**Over-Guarantee Percentage**") in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments";
  - (c) in item (b), a footnote shall be added after "(b)" drafted as follows "The percentage of 120% shall continue to apply to Funding Instruments issued or entered into prior to the Effective Date of the Amendments.";
  - (d) after the words "No Guarantor shall be required to issue Guarantees which would result in it", the words "having a Guarantee Exposure in excess of its aggregate guarantee commitment (its "**Guarantee Commitment**") set out alongside its name in Annex 1 or" shall be deleted and shall be replaced by the words "having a Guarantee Notional Exposure in excess of its guarantee commitment ("**Guaranteed Commitment**") set alongside its name in Annex 1. For the purposes of this Agreement, a Guarantor's "**Guarantee Notional Exposure**" is equal to the aggregate of: (i) the principal amount of Funding Instruments issued or entered into (including Funding Instruments issued or entered into pursuant to any Diversified Funding Strategy approved pursuant to Article 4(5), and other principal amounts guaranteed under Guarantees issued for other purposes pursuant to Article 2(3)) which benefit from Guarantees issued under this Agreement and which remain outstanding; and (ii) without double counting, the aggregate amounts paid by the Guarantors following demands made under Guarantees issued under

- this Agreement which paid amounts have not been reimbursed to the Guarantors.";
- (e) in the final paragraph, the words "Guarantor's Guarantee Exposure" shall be replaced by the words "Guarantor's Guarantee Notional Exposure"; and
  - (f) a new paragraph is added after the final paragraph, drafted as follows "It is acknowledged and agreed that the amendments to this Article 2(3) apply to Funding Instruments issued or entered into on or after the Effective Date of the Amendments. These amendments do not in any respect affect or reduce the liability of Guarantors (including any Guarantors which became Stepping-Out Guarantors) under Guarantees which guarantee Funding Instruments issued or entered into prior to the Effective Date of the Amendments in respect of which the Contribution Key and Adjusted Contribution Key Percentage and Guarantee Commitment of each Guarantor is that which applied on the date of issue of or entry into the relevant Funding Instrument."
- (7) In Article 2(5)(d), after the phrase "the liability of the Guarantor under such Guarantee", the following words are added "gives rise to a Guarantee Notional Exposure".
- (8) Article 2(7) shall be amended by adding the words "or incurring new liabilities as a Guarantor" after the words "to accept that the Guarantor in question does not participate in issuing a Guarantee".
- (9) Article 2(8) shall be amended by:
- (a) adding the words "In respect of Loans disbursed prior to the Effective Date of the Amendments," prior to the words "an up-front service fee (the "Service Fee") calculated as being",
  - (b) adding the words "(the "Prepaid Margin")" after the words "of the anticipated Margin that would accrue on each Loan to its scheduled maturity date" and before the words "shall be deducted from the cash amount to be remitted to the Borrower",
  - (c) replacing the words "net present value of the anticipated" with the word "Prepaid"; and
  - (d) adding the phrase "the amounts credited to the Cash Reserve under Article 2(9)" after the phrase "The "Cash Reserve" shall include these retained amounts".
- (10) A new Article 2(9) shall be added after Article 2(8) (the "New Article 2(9)"), and the previous Article 2(9) shall become the new Article 2(10) (the "New Article 2(10)"). The New Article 2(9) shall be drafted as follows:

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

- (a) subject to Article 2(9)(c), the Margin shall be payable on such Loan in arrear at the end of each interest period;
- (b) an amount calculated as being 50 basis points on the aggregate principal amount of each Loan shall be charged to the Borrower as an advance payment of a portion of the Margin on such Loan (the "**Advance Margin**") and shall be deducted from the cash amount to be remitted to the Borrower in respect of such Loan;
- (c) on the first interest payment date of a Loan the amount payable in respect of Margin shall be reduced by an amount equal to the Advance Margin and the interest cost related to the funding of the Advance Margin; and
- (d) the only deduction from the cash amount of the Loan shall be the amount of the Advance Margin and any fees and costs incurred in connection with the issue of Funding Instruments to finance such Loan and any adjustment for Funding Instruments being issued for an issue price less than par value ("**Issuance Costs**") and the Net Disbursement Amount shall be equal to the principal amount of the Loan less (i) the amount of Advance Margin and (ii) the Issuance Costs.

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

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

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

- (11) The New Article 2(10) shall be amended by adding after the words "anticipated Margin retained in respect of each Loan Facility Agreement" the words "and the amounts credited to the Cash Reserve under Article 2(9)".
- (12) In Article 4(1) the words "(including the Over-Guarantee Percentage applicable to such issue of Funding Instruments)" shall be added after the words "setting out the detailed financial terms of each issue".

- (13) In Article 5(1)(a):
- (a) "120%" shall be replaced with "an Over-Guarantee Percentage of up to 165% (as required to ensure the highest credit-worthiness for Funding Instruments issued or entered into by EFSF on the date of issue) in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments"; and
  - (b) after the words "and that the Guarantee issued by each Guarantor is for", a footnote is added drafted as follows "Please refer to Footnote 2."
- (14) Article 5(1)(b) shall be amended by:
- (c) adding the words "(retained in respect of Loans disbursed prior to the Effective Date of the Amendments)" after the words "the Cash Reserve" and prior to the words "shall act as a cash buffer", and
  - (b) replacing the words "Article 2(9)" by the words "Article 2(10)".
- (15) In Article 5(2)(a), "120%" shall be replaced with "the applicable Over-Guarantee Percentage in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments".
- (16) Article 5(2)(b) shall be amended by adding the words "(provided that EFSF may not use any amounts credited to the Cash Reserve prior to the Effective Date of the Amendments to cover shortfalls arising in respect of Loan Facility Agreements entered into after such date)" after the words "an amount from the Cash Reserve".
- (17) Article 5(3) shall be amended by adding "and/or the adoption of available credit enhancement mechanisms used by EFSF in relation to Loans disbursed prior to the Effective Date of the Amendments" in the final sentence.
- (18) A new Article 5(7) shall be added after Article 5(6) as follows:
- "In respect of Loans disbursed after the Effective Date of the Amendments:
- (a) the Borrowers shall cover Issuance Costs (as described in Article 2(9));
  - (b) EFSF shall cover costs and expenses incurred in relation to a Loan Facility Agreement out of the Cash Reserve. Provided that, EFSF may not use of the Cash Reserve established prior to the Effective Date of the Amendments to cover costs or expenses incurred in relation to Loan Facility Agreements entered into after such date unless the Cash Reserve is no longer required to serve as credit enhancement; and
  - (c) This Article 5(7) shall be without prejudice to any undertaking of the Borrower under the Loan Facility Agreement to cover costs and expenses of EFSF."

- (19) A new Article 5(8) shall be added after the new Article 5(7) as follows:
- "The euro-area Member States may, by a decision made pursuant to Article 10(6), agree that EFSF may use part of the sums credit to the Cash Reserve under Article 2(9) to cover the general non-loan specific operating expenses or exceptional costs of EFSF. Provided that, EFSF may not release any Prepaid Margin which has been credited to the Cash Reserve to constitute credit enhancement prior to the Effective Date of the Amendments to cover such operating or exceptional costs so long as such portion of the Cash Reserve is needed to constitute credit enhancement."
- (20) A new Article 5(9) shall be added "It is acknowledged and agreed that the provisions of Article 5(7) and 5(8) are without prejudice to the general budgetary procedures of EFSF."
- (21) Article 7(1) shall be amended by adding the words "as it applies to the relevant guaranteed obligation of EFSF. For the avoidance of doubt, in respect of the Republic of Estonia, it is only required to make or to receive contributions under this Article 7 in respect of Funding Instruments issued or entered into after the Effective Date of the Amendments." after the words "The "Required Proportion" is equal to the Adjusted Contribution Key Percentage applicable to the relevant Guarantee" and prior to the words "Any indemnity or contribution payment from one Guarantor to another".
- (22) Article 8(2) shall be amended by:
- (a) adding the words "or incur any new liabilities as Guarantor" after the words "the Stepping-Out Guarantor shall not be required to issue its Guarantee";
  - (b) adding the words "or any new liabilities to be incurred as Guarantor" after the words "and any further Guarantees to be issued under this Agreement";
  - (c) adding the words "and/or incurred" after the words "shall be issued" and prior to the words "by the remaining Guarantors";
  - (d) adding the words "or incurrence of any new liabilities as Guarantor" after the words "and the Adjusted Contribution Key Percentage for the issuance of further Guarantees";
  - (e) adding the words "Ireland became a Stepping-Out Guarantor with effect from 3 December 2010 and Portugal, with effect from 16 May 2011" after the words "Stepping-Out Guarantor with effect from the entry into force of this Agreement".
- (23) Article 10(5) shall be amended by adding the words " , any decisions to change the pricing structure applicable to Loan Facility Agreements, and any decisions to include in a Loan Facility Agreement the faculty of providing



financial assistance, as an exception, by way of the purchase of bonds in the primary market" in paragraph (a) and by adding a new paragraph "(j) any transfer of rights, obligations and/or liabilities of EFSF to ESM pursuant to Article 13(10)".

- (24) Article 11 shall be amended by replacing the words "Article 2(9)" by the words "Article 2(10)".
- (25) A new Article 13(10) shall be added as follows:
- "Following the constitution of the European Stability Mechanism (the "ESM"), EFSF may, with the approval of a decision of the euro-area Member States acting with unanimity and after obtaining any requisite consents from investors in Funding Instruments, transfer all and any of its rights, obligations and liabilities, including under Financial Instruments, Loan Facility Agreements and/or Loans, to ESM."
- (26) Annex 1 (*List of Guarantor euro-area Member States with their respective Guarantee Commitments*) shall be amended as from the Effective Date of the Amendments as set out in Annex 1 to this Amendment in respect of Financial Instruments issued as from the Effective Date of the Amendments.
- (27) Annex 2 (*Contribution Key*) shall be amended as from the Effective Date of the Amendments as set out in Annex 2 to this Amendment in respect of Financial Instruments issued as from the Effective Date of the Amendments.
- (28) A new Annex 4 (*EFSF Loan Facility Agreements: Pricing Model*) shall be added as set out in Annex 4 to this Amendment.
- (29) All other Articles and Annexes remain unchanged.

## 2. GOVERNING LAW AND JURISDICTION

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

## 3. ENTRY INTO FORCE AND TRANSITIONAL PROVISIONS

- (1) The Parties agree that the amendments to the Framework Agreement shall enter into force and become binding between EFSF and the Parties on the

date (the "Effective Date of the Amendments") all of the Parties have provided written confirmation to EFSF substantially in the form of Annex 3 that they have concluded all procedures necessary under their national laws to ensure that their obligations under this Amendment shall come into full force and effect (an "Amendment Confirmation").

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

#### 4. EXECUTION OF THE AMENDMENT

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

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

#### 5. ANNEXES

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

1. List of Guarantors with their respective Guarantee Commitments;
2. Contribution Key;
3. Template for Amendment Confirmation; and
4. EFSF Loan Facility Agreements: Pricing Model.

**For the euro-area Member States,**

**Kingdom of Belgium**

Represented by:

Name:

Title:

Date:

**Federal Republic of Germany**

Represented by:

Name:

Title:

Date:

**Ireland**

Represented by:

Name:

Title:

Date:

**Kingdom of Spain**

Represented by:

Name:

Title:

Date:

**French Republic**

Represented by:

Name:

Title:

Date:

**Italian Republic**

Represented by:

Name:

Title:

Date:

**Republic of Cyprus**

Represented by:

Name:

Title:

Date:

**Grand Duchy of Luxembourg**

Represented by:

Name:

Title:

Date:

**Republic of Malta**

Represented by:

Name:

Title:

Date:

**Kingdom of the Netherlands**

Represented by:

Name:

Title:

Date:

**Republic of Austria**

Represented by:

Name:

Title:

Date:

**Portuguese Republic**

Represented by:

Name:

Title:

Date:

**Republic of Slovenia**

Represented by:

Name:

Title:

Date:

**Slovak Republic**

Represented by:

Name:

Title:

Date:

**Republic of Finland**

Represented by:

Name:

Title:

Date:

Hellenic Republic

Represented by:

Name: *ΕΥΑΓΓΕΛΟΣ ΒΕΝΙΖΕΛΟΣ*

Title: *Minister of Finance  
Vice-President of the Government*

Date: *30.6.2011*

Republic of Estonia

Represented by:

Name:

Title:

Date:

For the EFSF

EUROPEAN FINANCIAL STABILITY FACILITY

Represented by:

Name:

Title:

Date:



ANNEX 1  
LIST OF GUARANTOR EURO-AREA MEMBER STATES WITH THEIR  
RESPECTIVE GUARANTEE COMMITMENTS AS FROM THE  
EFFECTIVE DATE OF THE AMENDMENTS

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

\* *The Hellenic Republic, Ireland and the Portuguese Republic have become Stepping-Out Guarantors. Portugal remains liable as Guarantor in respect of Notes issued prior to the time it became a Stepping-Out Guarantor. The Republic of Estonia is only a Guarantor in respect of Notes issued after the Effective Date of the Amendments.*

*This means that as of the Effective Date of the Amendments the aggregate of the active Guarantee Commitments for the Guarantors which are not Stepping-Out Guarantors is EUR 726,000.00 million.*

ANNEX 2  
CONTRIBUTION KEY IN RESPECT OF FUNDING INSTRUMENTS  
ISSUED OR ENTERED INTO AS FROM  
THE EFFECTIVE DATE OF THE AMENDMENTS

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

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

**ANNEX 3  
TEMPLATE FOR AMENDMENT CONFIRMATION**

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

By fax followed by registered mail:

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

Copy to:

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

**Re: European Financial Stability Facility ("EFSF") – Amendment Confirmation**

Dear Sirs,

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

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

Yours faithfully,

[Name of euro-area Member State]

[•]

[•]

**ANNEX 4**  
**EFSF LOAN FACILITY AGREEMENTS: PRICING MODEL**

With effect from the Effective Date of the Amendments, the pricing structure for EFSF Loan Facility Agreements shall be as follows:

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

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

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