



Republic of Austria

**General Terms and Conditions
of Floating Rate Government Bonds,
the original tranche of which has been issued from 1 January 2022 to the last
day of the month immediately following the entry into force of the agreement
amending the Treaty Establishing the European Stability Mechanism, signed
on 27 January and 8 February 2021
(the "Terms and Conditions")**

§ 1 Term

The period between Closing Date (including) and Maturity Date (excluding).

§ 2 Interest

2.1 Interest Payment Dates

The government bonds (the "**Government Bonds**") shall bear interest on their principal amount from the interest commencement date (the "**Interest Commencement Date**") (inclusive) to the first interest payment date (exclusive) and thereafter from each interest payment date (inclusive) to the next following interest payment date (exclusive). Interest on the Government Bonds shall be payable on each interest payment date.

If an interest payment date falls on a day which is not a Business Day (as defined below), it shall be postponed to the next day which is a Business Day (the "**Following Business Day Convention**").

"**Business Day**" means a day on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) are operational to effect payments.

2.2 Rate of Interest

The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined below) will, except as otherwise provided, be a rate per annum equal to the Reference Rate (as defined below) [plus or minus the Margin (as defined below)].

The Calculation Agent (the "**Calculation Agent**") will, subject to § 2.3, determine the relevant Reference Rate in accordance with this § 2.2 on each Interest Determination Date.

The "**Reference Rate**" for each Interest Period will be determined as follows:

2.2.1 Initially the Reference Rate for each Interest Period will be the Original Benchmark Rate on the relevant Interest Determination Date.

2.2.2 If the Original Benchmark Rate does not appear on the Screen Page as at such time on the relevant Interest Determination Date, but the Republic of Austria has not determined that any Benchmark Event has occurred, the Reference Rate on the relevant Interest Determination Date will be the Reference Bank Rate.

If the Reference Bank Rate cannot be determined in accordance with the definition of such term, but the Republic of Austria has not determined that any Benchmark Event has occurred, the Reference Rate shall be the Original Benchmark Rate on the Screen Page on the last day preceding the relevant Interest Determination Date on which such Original Benchmark Rate was displayed.

2.2.3 If the Republic of Austria determines that a Benchmark Event has occurred, the Reference Rate for each Interest Period commencing on or after the Effective Date (as defined in § 2.3.7) will be determined in accordance with § 2.3.

"**Original Benchmark Rate**" on any day means (subject to § 2.3) the *[insert applicable number of months]*-month Euro Interbank Offered Rate (expressed as a percentage rate per annum) appearing on the Screen Page as of 11:00 a.m. (Brussels time) on the Interest Determination Date. "**Reference Bank Rate**" means, except as provided below, the rate (expressed as a percentage rate per annum) at which deposits in the Specified Currency for a term corresponding to the term of the Reference Rate are offered by the Reference Banks at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date to major banks in the interbank market in the Euro-Zone. The Republic of Austria shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Reference Bank Rate for such Interest Period shall be the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations, as determined by the Calculation Agent.

If on the relevant Interest Determination Date only one or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Reference Bank Rate for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates communicated to the Calculation Agent, at the request of the Republic of Austria to the Calculation Agent, by major banks in the interbank market of the Euro-Zone as the rates at which deposits in the Specified Currency for a term corresponding to the term of the Reference Rate are offered to them, by leading banks in the interbank market of the Euro-Zone at approximately 11:00 a.m. (Brussels time) on the relevant Interest Determination Date for a term corresponding to the term of the Reference Rate.

Where:

"**Screen Page**" means REUTERS screen page EURIBOR01 or any successor page.

[In case of a Margin insert: "Margin" means [•] per cent. per annum.]

"Reference Banks" means the principal offices of four major banks in the inter-bank market in the Euro-Zone, in each case selected by the Republic of Austria.

"Euro-Zone" means the region comprised of those member states of the European Union that have adopted, or will have adopted from time to time, the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February 1992), the Amsterdam Treaty of 2 October 1997 and the Treaty of Lisbon of 13 December 2007, as further amended from time to time.

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from each Interest Payment Date (and including) to (but excluding) the following Interest Payment Date.

"Interest Determination Date" means the [first][second] TARGET Business Day prior to the commencement of the relevant Interest Period. **"TARGET Business Day"** means a day on which TARGET is open to effect payments.

2.3 *Benchmark Event.* If the Republic of Austria determines in its reasonable discretion that a Benchmark Event has occurred in relation to the Original Benchmark Rate, the Republic of Austria will notify the Calculation Agent, the Paying Agents and, in accordance with § 15, the Bondholders thereof, and the relevant Reference Rate will be determined as follows:

2.3.1 *Independent Advisor.* The Republic of Austria shall endeavour to appoint an Independent Advisor as soon as possible, who will determine a New Benchmark Rate, the Adjustment Spread and any Benchmark Amendments.

2.3.2 If prior to any relevant Interest Determination Date,

- (a) the Republic of Austria fails to appoint an Independent Advisor; or
- (b) the Independent Advisor appointed by it fails to determine a New Benchmark Rate,

the Reference Rate applicable to the immediately following Interest Period shall be the Original Benchmark Rate on the last preceding Interest Determination Date.

If this § 2.3.2 is to be applied on the Interest Determination Date prior to the commencement of the first Interest Period, the Reference Rate applicable to the first Interest Period shall be [the Original Benchmark Rate on the Screen Page on the last day preceding the Interest Determination Date on which Original Benchmark Rate was displayed] [[•] per cent. *per annum*].

If the fallback rate determined in accordance with this § 2.3.2 is to be applied, § 2.3 will be operated again to determine the Reference Rate applicable to the next following Interest Period.

2.3.3 *Successor Benchmark Rate or Alternative Benchmark Rate.* If the Independent Advisor determines in its reasonable discretion that:

- (a) there is a Successor Benchmark Rate, then such Successor Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate; or

- (b) there is no Successor Benchmark Rate but that there is an Alternative Benchmark Rate, then such Alternative Benchmark Rate shall subsequently be used in place of the Original Benchmark Rate,

and the Reference Rate in respect of the immediately following Interest Period and all following Interest Periods will be (x) the relevant New Benchmark Rate on the relevant Interest Determination Date, plus (y) the Adjustment Spread.

For the avoidance of doubt, any Reference Rate determined pursuant to this § 2.3.3 shall not apply to any Interest Period to which the Original Benchmark Rate, the Reference Bank Rate or a fallback rate determined in accordance with § 2.3.2 has been applied.

- 2.3.4 *Benchmark Amendments.* If any relevant New Benchmark Rate and the applicable Adjustment Spread are determined in accordance with this § 2.3, and if the Independent Advisor determines in its reasonable discretion that amendments to these Conditions are necessary to ensure the proper operation of such New Benchmark Rate and the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), then the Independent Advisor will determine the Benchmark Amendments in its reasonable discretion and the Republic of Austria will give notice thereof in accordance with § 2.3.5.

The Benchmark Amendments may include without limitation amendments to be made to:

- (a) the Reference Rate and/or (in replacement of § 2.3.2 and 2.3.3) the method for determining the fallback rate in relation to the Reference Rate, including the Reference Bank Rate; and/or
- (b) the definitions of the terms "Screen Page", "Business Day", "Interest Payment Date", "Interest Period", "Day Count Fraction" and/or "Interest Determination Date" (including the determination whether the Reference Rate will be determined on a forward looking or a backward-looking basis); and/or
- (c) the payment business day condition in § 10.

- 2.3.5 *Notices, etc.* The Republic of Austria will notify any New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any) to the Calculation Agent and the Paying Agents no later than five (5) days prior to the Interest Determination Date and, in accordance with § 15, to the Bondholders as soon as possible thereafter. Such notice shall be irrevocable and shall specify the Effective Date.

The New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments (if any), each as specified in such notice, will be binding on the Republic of Austria, the Calculation Agent, the Paying Agents and the Bondholders (and for the avoidance of doubt, no consent of the Bondholders shall be required). The Conditions shall be deemed to have been amended by the New Benchmark Rate, the Adjustment Spread and the Benchmark Amendments with effect from the Effective Date. For the avoidance of doubt, if the Effective Date falls in or prior to any Interest Period to which the Original Benchmark Rate, the Reference Bank Rate or a fallback rate determined in accordance with § 2.3.2 has been applied or (in the case of a fallback rate pursuant to § 2.3.2) will be applied, any Reference Rate determined pursuant

to § 2.3.3 shall not apply to any such Interest Period.

On or prior to the date of such notice, the Republic of Austria shall deliver to the Calculation Agent and Paying Agent a certificate signed by two authorized signatories of the Republic of Austria:

- (a)
 - (i) confirming that a Benchmark Event has occurred;
 - (ii) specifying the relevant New Benchmark Rate;
 - (iii) specifying the applicable Adjustment Spread and the Benchmark Amendments (if any); and
 - (iv) specifying the Effective Date; and
- (b) certifying that the Benchmark Amendments, if any, are necessary to ensure the proper operation of such relevant New Benchmark Rate and the applicable Adjustment Spread.

2.3.6 *Definitions.* As used in this § 2.3:

The "**Adjustment Spread**", which may be positive, negative or zero, will be expressed in basis points and means either (a) the spread or (b) the result of the operation of the formula or methodology for calculating the spread,

- (a) which in the case of a Successor Benchmark Rate, is formally recommended in relation to the replacement of the Original Benchmark Rate with the Successor Benchmark Rate by any Relevant Nominating Body; or
- (b) which (if no such recommendation has been made, or in the case of an Alternative Benchmark Rate) is applied to the New Benchmark Rate in international debt capital markets transactions to produce an industry-accepted replacement reference rate for the Original Benchmark Rate, provided that all determinations will be made by the Independent Advisor in its reasonable discretion.

"**Alternative Benchmark Rate**" means an alternative benchmark or screen rate which is customarily applied in international debt capital markets transactions for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency, provided that all determinations will be made by the Independent Advisor in its reasonable discretion.

"**Benchmark Amendments**" has the meaning given to it in § 2.3.4.

"**Benchmark Event**" means:

- (a) a public statement or publication of information by or on behalf of (i) the regulatory supervisor of the Original Benchmark Rate administrator or (ii) the Original Benchmark Rate administrator stating that said administrator has ceased or will cease to provide the Original Benchmark Rate permanently or indefinitely, unless there is a

successor administrator that will continue to provide the Original Benchmark Rate; or

- (b) a public statement by the regulatory supervisor of the Original Benchmark Rate administrator stating that, in its view, the Original Benchmark Rate is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Benchmark Rate administrator; or
- (c) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Benchmark Rate; or
- (d) the Original Benchmark Rate is permanently no longer published without any previous official announcement by the competent authority or the Original Benchmark Rate administrator.

"Successor Benchmark Rate" means a successor to or replacement of the Original Benchmark Rate which is formally recommended by any Relevant Nominating Body.

"New Benchmark Rate" means the Successor Benchmark Rate or, as the case may be, the Alternative Benchmark Rate.

"Relevant Nominating Body" means, in respect of the replacement of the Original Benchmark Rate:

- (a) the central bank for the currency to which the Original Benchmark Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Benchmark Rate; or
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the Original Benchmark Rate relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Benchmark Rate, (III) a group of the aforementioned central banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof.

"Effective Date" has the meaning specified in § 2.3.7.

"Independent Advisor" means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Republic of Austria.

2.3.7 The effective date for the application of this § 2.3 (the **"Effective Date"**) will be:

- (a) if the Benchmark Event has occurred as a result of clause (a) or (b) of the definition of the term "Benchmark Event", the date of the public statement by the regulatory supervisor of the Original Benchmark Rate administrator or the Original Benchmark Rate administrator; or

- (b) if the Benchmark Event has occurred as a result of clause (c) of the definition of the term "Benchmark Event", the date from which the Original Benchmark Rate may no longer be used; or
- (c) if the Benchmark Event has occurred as a result of clause (d) of the definition of the term "Benchmark Event", the date the Original Benchmark Rate is no longer published.

2.3.8 If a Benchmark Event occurs in relation to any New Benchmark Rate, § 2.3 shall apply mutatis mutandis to the replacement of such New Benchmark Rate by any new Successor Benchmark Rate or Alternative Benchmark Rate, as the case may be.

2.3.9 Notwithstanding § 2.3.2, if the Independent Advisor appointed by the Republic of Austria fails to determine a New Benchmark Rate prior to the date which is five (5) Business Days prior the relevant Interest Determination Date, the Republic of Austria may, upon not less than 15 days' notice given to the Calculation Agent, the Paying Agent and Bondholders in accordance with § 15, redeem the Notes in whole but not in part at any time up to (and including) the relevant subsequent Interest Payment Date at the Final Redemption Amount together with interest (if any) accrued to (but excluding) the date fixed for redemption.

2.4 Minimum/Maximum Rate of Interest

If any minimum or maximum Rate of Interest is specified, the Rate of Interest for such Interest Period shall be subject to such maximum or minimum, as the case may be.

2.5 Interest Amount

The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, calculate the amount of interest (the "**Interest Amount**") payable on the Government Bond in respect of the specified denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest and the Day Count Fraction (as defined below) to the specified denomination and rounding the resultant figure to the nearest unit of the specified currency, with 0.5 of such unit being rounded upwards.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Government Bond for any period of time (the "**Calculation Period**") the actual number of days in the Calculation Period divided by 360.

2.6 Notification of Rate of Interest and Interest Amount

The Calculation Agent will cause the Rate of Interest, each Interest Amount for each Interest Period, each Interest Period and the relevant interest payment date to be notified to the Republic of Austria and to the Bondholders (as defined below) in accordance with § 15 as soon as possible after their determination, but in no event later than the fourth TARGET Business Day (as defined in § 2.1) thereafter and, if required by the rules of any stock exchange on which the Government Bonds are from time to time listed, to such stock exchange as soon as possible after their determination, but in no event later than the first day of the relevant Interest Period. Each Interest Amount and interest payment date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the

Government Bonds are then listed and to the Bondholders (as defined below) in accordance with § 15.

2.7 Determinations Binding

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 2 by the Calculation Agent shall (in the absence of manifest error) be binding on the Republic of Austria, the Paying Agent and the Bondholders (as defined below).

§ 3 Redemption

The Government Bonds are redeemed on the Maturity Date at par.

§ 4 Termination

Neither the Republic of Austria nor the bearer (which means the co-owner of the physical global bond corresponding to its respective interests in the global bond or the holders of fractions or comparable rights in a digital global bond) of the Government Bonds (the "**Bondholders**") may terminate the Government Bonds.

§ 5 Form, Denomination and Transfer

The Government Bonds are issued in a denomination with nominal value of Euro 1,000 and are represented entirely by a global bond or several global bonds in bearer form. Global bonds may be physical global bonds within the meaning of section 24 paragraph b Austrian Securities Deposit Act (BGBl. Nr. 424/1969 as amended; the "**Securities Deposit Act**") or digital global bonds within the meaning of section 24 paragraph e Securities Deposit Act. There will be no claim for Government Bonds in definitive form. Transfer of title of the global bond and of parts thereof, are only legally valid if made through the Central Securities Depository safekeeping book entry system. The interests in the global bond of any participant of the Central Securities Depository safekeeping system (each a "**Participant**") will be evidenced in book entries by the Central Securities Depository. Each Participant is obliged to make entries in its books showing the interests held by its customers and by itself. Each customer of a Participant is obliged to make entries in its own books, which it keeps as a matter of law, or, in case of a private investment where the beneficial owner is not the customer itself, on the relevant purchase document, in order to indicate the beneficial owner.

Each physical and digital global bond will be lawfully signed by the Republic of Austria and the Court of Account of the Republic of Austria and will be deposited with OeKB CSD GmbH in its function as Central Securities Depository until all of the obligations of the Republic of Austria under the Government Bonds have been satisfied.

Each digital global note within the meaning of section 24 paragraph e Securities Deposit Act is created by setting up an electronic data record at OeKB CSD GmbH in its function as central securities depository on the basis of the information electronically communicated to OeKB CSD GmbH by the Republic of Austria.

§ 6 Trustee Investments

The Government Bonds are eligible for use as trustee investments.

§ 7 Limitation of Claims

Claims for the payment of interest shall expire after the lapse of three years after maturity and

claims for payment of principal shall expire after the lapse of 30 years after maturity.

§ 8 Status

The Government Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Republic of Austria and rank and will rank *pari passu*, without preference among themselves, with all other unsecured External Indebtedness (as defined below) of the Republic of Austria, from time to time outstanding. In the event of a modification of the Government Bonds according to § 12 or a similar event, the Republic of Austria shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying amounts due under the Government Bonds and vice versa.

"External Indebtedness" means any indebtedness, which is in the form of Government Bonds or any other bonds, which are listed on a stock exchange.

§ 9 Calculation Agent

9.1 Determinations Binding

The Republic of Austria reserves the right towards the Bondholders at any time to vary or terminate the appointment of the Calculation Agents according to § 2.2 and § 12.3 or the Paying Agent according to § 16 and to appoint another Paying Agent or another Calculation Agent. The Republic of Austria shall at all times maintain (i) a Paying Agent and (ii) Calculation Agents. Any variation, termination, appointment or change shall only take effect towards the Bondholders (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Bondholders in accordance with § 15.

9.2 Agents of the Republic of Austria

The Paying Agent and the Calculation Agents act solely as agents of the Republic of Austria and do not have any obligations towards or relationship of agency or trust to any holder.

§ 10 Payment

Payments of principal and interest shall be made exclusively to the Paying Agent.

If the maturity date for payment of any amount in respect of the Government Bonds is not a Business Day (as defined in § 2.1), the Bondholder shall not be entitled to payment until the next Business Day in the relevant place of business. The Bondholder shall not be entitled to further interest or other payment due to delay.

§ 11 Taxation

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatever nature, imposed or levied by or within the Republic of Austria or any province, municipality or other political subdivision or taxing authority therein or thereof, unless the deduction of such taxes or duties is required by law. In that event, the Republic of Austria will pay such additional amounts as may be necessary in order that the net amounts received by the Bondholders and the holders of the coupons (the **"Coupons"**) after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Government Bonds or, as the case may be, Coupons in the absence of such deduction. The Republic of Austria must not pay such

additional amounts in respect of any Government Bond or Coupons if:

1. Government Bonds or Coupons are presented for payment in the Republic of Austria; or
2. such deduction would not be required if the Bondholder or any person acting on his behalf had presented the requested form or a certificate of residence or any other certificate relevant for tax purposes or had made the requested declaration of non-residence or similar claim for exemption upon the presentation or making of which that Bondholder would have been able to avoid such deduction; or
3. a Bondholder, who is liable for such taxes or duties in respect of such Government Bonds or Coupons, has a connection with the Republic of Austria other than the mere holding of Government Bonds or Coupons; or
4. Government Bonds or Coupons are presented more than 30 days after the respective due date except to the extent that the Bondholder thereof would have been entitled to additional amounts on presenting the same for payment at the latest on the expiry of such period of 30 days; or
5. such deduction or withholding is made pursuant to (i) any European Union Directive or Regulation or (ii) any international or intergovernmental agreement, to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, any of the legal sources mentioned under (i) or (ii) above.

§ 12 Modification of the Terms and Conditions of Government Bonds (Collective Action Clause)

1. General Definitions

For the purpose of this § 12,

- (a) **"debt securities"** means the Government Bonds (*Bundesanleihen*) and any other bills, bonds, debentures, notes or other debt securities as well as *Bundesobligationen* issued by the Republic of Austria in one or more series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a debt security.
- (b) **"series"** means a tranche of debt securities, together with any further tranche or tranches of debt securities that in relation to each other and to the original tranche of debt securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series, and includes the Government Bonds and any further issuances of Government Bonds.
- (c) **"outstanding"** in relation to any Government Bond means a Government Bond that is outstanding for purposes of § 12 Section 2.6, and in relation to the debt securities of any other series means a debt security that is outstanding for purposes of § 12 Section 2.7.
- (d) **"MODIFICATION" IN RELATION TO THE GOVERNMENT BONDS MEANS ANY MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER (i) OF THE TERMS AND CONDITIONS OF THE GOVERNMENT BONDS OR (ii)**

ANY AGREEMENT GOVERNING THE ISSUANCE OR ADMINISTRATION OF THE GOVERNMENT BONDS, AND HAS THE SAME MEANING IN RELATION TO THE DEBT SECURITIES OF ANY OTHER SERIES SAVE THAT ANY OF THE FOREGOING REFERENCES TO THE GOVERNMENT BONDS OR ANY AGREEMENT GOVERNING THE ISSUANCE OR ADMINISTRATION OF THE GOVERNMENT BONDS SHALL BE READ AS REFERENCES TO SUCH OTHER DEBT SECURITIES OR ANY AGREEMENT GOVERNING THE ISSUANCE OR ADMINISTRATION OF SUCH OTHER DEBT SECURITIES.

- (e) **"cross-series modification"** means a modification involving (i) the Government Bonds or any agreement governing the issuance or administration of the Government Bonds, and (ii) the debt securities of one or more other series or any agreement governing the issuance or administration of such other debt securities.

- (f) **"reserved matter"** in relation to the Government Bonds means any modification of the Terms and Conditions of the Government Bonds or of any agreement governing the issuance or administration of the Government Bonds that would:
 - (i) change the date on which any amount is payable on the Government Bonds;
 - (ii) reduce any amount, including any overdue amount, payable on the Government Bonds;
 - (iii) change the method used to calculate any amount payable on the Government Bonds;
 - (iv) reduce the redemption price for the Government Bonds or change any date on which the Government Bonds may be redeemed;
 - (v) change the currency or place of payment of any amount payable on the Government Bonds;
 - (vi) impose any condition on or otherwise modify the Republic of Austria's obligation to make payments on the Government Bonds;
 - (vii) change the seniority or ranking of the Government Bonds;
 - (viii) change the principal amount of outstanding Government Bonds or, in the case of a cross-series modification, the principal amount of debt securities of any other series required to approve a proposed modification in relation to the Government Bonds, the principal amount of outstanding Government Bonds required for a quorum to be present, or the rules for determining whether a Government Bond is outstanding for these purposes; or
 - (ix) change the definition of a reserved matter,

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

governing the issuance or administration of such other debt securities.

- (g) **"Bondholder"** in relation to a Government Bond has the meaning given to such term in § 4 of the Terms and Conditions, and in relation to any other debt security means the person the Republic of Austria is entitled to treat as the legal holder of the debt security under the law governing that debt security.
- (h) **"record date"** in relation to any proposed modification means the date fixed by the Republic of Austria for determining the Bondholders of Government Bonds and, in the case of a cross-series modification, the Bondholders of debt securities of each other series that are entitled to vote on or sign a written resolution in relation to the proposed modification.

2. Modification of Government Bonds

2.1 *Reserved Matter Modification.* The Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the Government Bonds may be modified in relation to a reserved matter with the consent of the Republic of Austria and:

- (a) the affirmative vote of Bondholders of not less than 75 per cent. of the aggregate principal amount of the outstanding Government Bonds represented at a duly called meeting of Bondholders; or
- (b) a written resolution signed by or on behalf of Bondholders of not less than 66 2/3 per cent. of the aggregate principal amount of the Government Bonds then outstanding.

2.2 *Cross-Series Modification.* In the case of a cross-series modification, the Terms and Conditions of the Government Bonds and debt securities of any other series, and any agreement governing the issuance or administration of the Government Bonds or debt securities of such other series, may be modified in relation to a reserved matter with the consent of the Republic of Austria and:

- (a)
 - (i) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding debt securities represented at separate duly called meetings of the Bondholders of the debt securities of all the series (taken in the aggregate) that would be affected by the proposed modification; or
 - (ii) a written resolution signed by or on behalf of the Bondholders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding debt securities of all the series (taken in the aggregate) that would be affected by the proposed modification;

and

- (b)
 - (i) the affirmative vote of more than 66 2/3 per cent. of the aggregate principal amount of the outstanding debt securities represented at separate duly called meetings of the Bondholders of each series of debt

securities (taken individually) that would be affected by the proposed modification; or

- (ii) a written resolution signed by or on behalf of the Bondholders of more than 50 per cent. of the aggregate principal amount of the then outstanding debt securities of each series (taken individually) that would be affected by the proposed modification.

A separate meeting will be called and held, or a separate written resolution signed, in relation to the proposed modification of the Government Bonds and the proposed modification of each other affected series of debt securities.

2.3 *Proposed Cross-Series Modification.* A proposed cross-series modification may include one or more proposed alternative modifications of the Terms and Conditions of each affected series of debt securities or of any agreement governing the issuance or administration of any affected series of debt securities, provided that all such proposed alternative modifications are addressed to and may be accepted by any Bondholder of any debt security of any affected series.

2.4 *Partial Cross-Series Modification.* If a proposed cross-series modification is not approved in relation to a reserved matter in accordance with § 12 Section 2.2, but would have been so approved if the proposed modification had involved only the Government Bonds and one or more, but less than all, of the other series of debt securities affected by the proposed modification, that cross-series modification will be deemed to have been approved, notwithstanding § 12 Section 2.2, in relation to the Government Bonds and debt securities of each other series whose modification would have been approved in accordance with § 12 Section 2.2 if the proposed modification had involved only the Government Bonds and debt securities of such other series, provided that:

- (a) prior to the record date for the proposed cross-series modification, the Republic of Austria has publicly notified Bondholders of the Government Bonds and other affected debt securities of the conditions under which the proposed cross-series modification will be deemed to have been approved if it is approved in the manner described above in relation to the Government Bonds and some but not all of the other affected series of debt securities; and
- (b) those conditions are satisfied in connection with the proposed cross-series modification.

2.5 *Non-Reserved Matter Modification.* The Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the Government Bonds may be modified in relation to any matter other than a reserved matter with the consent of the Republic of Austria and:

- (a) the affirmative vote of Bondholders of more than 50 per cent. of the aggregate principal amount of the outstanding Government Bonds represented at a duly called meeting of Bondholders; or
- (b) a written resolution signed by or on behalf of Bondholders of more than 50 per cent. of the aggregate principal amount of the outstanding Government Bonds.

2.6 *Outstanding Government Bonds.* In determining whether Bondholders of the requisite principal amount of outstanding Government Bonds have voted in favour of a proposed modification or whether a quorum is present at any meeting of Bondholders called to

vote on a proposed modification, a Government Bond will be deemed to be not outstanding, and may not be voted for or against a proposed modification or counted in determining whether a quorum is present, if on the record date for the proposed modification:

- (a) the Government Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (b) the Government Bond is held by the Republic of Austria, by a department, ministry or agency of the Republic of Austria, or by a corporation, trust or other legal entity that is controlled by the Republic of Austria or a department, ministry or agency of the Republic of Austria and, in the case of a Government Bond held by any such above-mentioned corporation, trust or other legal entity, the Bondholder of the Government Bond does not have autonomy of decision, where:
 - (i) the Bondholder of a Government Bond for these purposes is the entity legally entitled to vote the Government Bond for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled Bondholder to vote the Government Bond for or against a proposed modification;
 - (ii) a corporation, trust or other legal entity is controlled by the Republic of Austria or by a department, ministry or agency of the Republic of Austria if the Republic of Austria or any department, ministry or agency of the Republic of Austria has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
 - (iii) the Bondholder of a Government Bond has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the Bondholder may have in relation to the Republic of Austria:
 - (A) the Bondholder may not, directly or indirectly, take instruction from the Republic of Austria on how to vote on a proposed modification; or
 - (B) the Bondholder, in determining how to vote on a proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the Bondholder's own interest; or
 - (C) the Bondholder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose holdings of Government Bonds (if that person then held any Government Bonds) would be deemed to be not outstanding under this § 12 Section 2.6.

2.7 *Outstanding Debt Securities.* In determining whether Bondholders of the requisite principal amount of outstanding debt securities of another series have voted in favor of a proposed cross-series modification or whether a quorum is present at any meeting

of the Bondholders of such debt securities called to vote on a proposed cross-series modification, an affected debt security will be deemed to be not outstanding, and may not be voted for or against a proposed cross-series modification or counted in determining whether a quorum is present, in accordance with the applicable terms and conditions of that debt security.

2.8 *Entities Having Autonomy of Decision.* For transparency purposes, the Republic of Austria will publish promptly following the Republic of Austria's formal announcement of any proposed modification of the Government Bonds, but in no event less than 10 days prior to the record date for the proposed modification, a list identifying each corporation, trust or other legal entity that for purposes of § 12 Section 2.6(b):

- (a) is then controlled by the Republic of Austria or by a department, ministry or agency of the Republic of Austria;
- (b) has in response to an enquiry from the Republic of Austria reported to the Republic of Austria that it is then the Bondholder of one or more Government Bonds; and
- (c) does not have autonomy of decision in respect of its bondholdings.

2.9 *Exchange and Conversion.* Any duly approved modification of the Terms and Conditions of the Government Bonds may be implemented by means of a mandatory exchange or conversion of the Government Bonds for new debt securities containing the modified terms and conditions if the proposed exchange or conversion is notified to Bondholders prior to the record date for the proposed modification. Any conversion or exchange undertaken to implement a duly approved modification will be binding on all Bondholders.

3. Calculation Agent

3.1 *Appointment and Responsibility.* The Republic of Austria will appoint a person (for the purpose of this § 12, the "**calculation agent**") to calculate whether a proposed modification has been approved by the requisite principal amount of outstanding Bonds and, in the case of a cross-series modification, by the requisite principal amount of outstanding debt securities of each affected series of debt securities. In the case of a cross-series modification, the same person will be appointed as the calculation agent for the proposed modification of the Government Bonds and each other affected series of debt securities.

3.2 *Certificate.* The Republic of Austria will provide to the calculation agent and publish prior to the date of any meeting called to vote on a proposed modification or the date fixed by the Republic of Austria for the signing of a written resolution in relation to a proposed modification, a certificate:

- (a) listing the total principal amount of Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series outstanding on the record date for purposes of § 12 Section 2.6;
- (b) specifying the total principal amount of Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series that are deemed under § 12 Section 2.6(b) to be not outstanding on the record date; and

- (c) identifying the Bondholders of the Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series, referred to in (b) above.

3.3 *Reliance.* The calculation agent may rely on any information contained in the certificate provided by the Republic of Austria, and that information will be conclusive and binding on the Republic of Austria and the Bondholders unless:

- (a) an affected Bondholder delivers a substantiated written objection to the Republic of Austria in relation to the certificate before the vote on a proposed modification or the signing of a written resolution in relation to a proposed modification; and
- (b) that written objection, if sustained, would affect the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

In the event a substantiated written objection is timely delivered, any information relied on by the calculation agent will nonetheless be conclusive and binding on the Republic of Austria and affected Bondholders if:

- (i) the objection is subsequently withdrawn;
- (ii) the Bondholder that delivered the objection does not commence legal action in respect of the objection before a court of competent jurisdiction within 15 days of the publication of the results of the vote taken or the written resolution signed in relation to the proposed modification; or
- (iii) a court of competent jurisdiction subsequently rules either that the objection is not substantiated or would not in any event have affected the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

3.4 *Publication.* The Republic of Austria will arrange for the publication of the results of the calculations made by the calculation agent in relation to a proposed modification promptly following the meeting called to consider that modification or, if applicable, the date fixed by the Republic of Austria for signing a written resolution in respect of that modification.

4. Bondholder Meetings; Written Resolutions

4.1 *General.* The provisions set out below, and any additional rules adopted and published by the Republic of Austria will, to the extent consistent with the provisions set out below, apply to any meeting of Bondholders called to vote on a proposed modification and to any written resolution adopted in connection with a proposed modification. Any action contemplated in this § 12 Section 4 to be taken by the Republic of Austria may instead be taken by an agent acting on behalf of the Republic of Austria.

4.2 *Convening Meetings.* A meeting of Bondholders may be convened by the Republic of Austria at any time.

4.3 *Notice of Meetings.* The notice convening a meeting of Bondholders will be published by the Republic of Austria at least 21 days prior to the date of the meeting or, in the case of an adjourned meeting, at least 14 days prior to the date of the adjourned meeting. The notice will:

- (a) state the time, date and venue of the meeting;
- (b) set out the agenda and quorum for, and the text of any resolutions proposed to be adopted at, the meeting;
- (c) specify the record date for the meeting, being not more than five business days¹ before the date of the meeting, and the documents required to be produced by a Bondholder in order to be entitled to participate in the meeting;
- (d) include the form of instrument to be used to appoint a proxy to act on a Bondholder's behalf;
- (e) set out any additional rules adopted by the Republic of Austria for the convening and holding of the meeting and, if applicable, the conditions under which a cross-series modification will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities; and
- (f) identify the person appointed as the calculation agent for any proposed modification to be voted on at the meeting.

4.4 *Chair.* The chair of any meeting of Bondholders will be appointed:

- (a) by the Republic of Austria; or
- (b) if the Republic of Austria fails to appoint a chair or the person nominated by the Republic of Austria is not present at the meeting, by Bondholders of more than 50 per cent. of the aggregate principal amount of the Government Bonds then outstanding represented at the meeting.

4.5 *Quorum.* No business will be transacted at any meeting in the absence of a quorum other than the choosing of a chair if one has not been appointed by the Republic of Austria. The quorum at any meeting at which Bondholders will vote on a proposed modification of:

- (a) a reserved matter will be one or more persons present and holding not less than 66 2/3 per cent. of the aggregate principal amount of the Government Bonds then outstanding; and
- (b) a matter other than a reserved matter will be one or more persons present and holding not less than 50 per cent. of the aggregate principal amount of the Government Bonds then outstanding.

4.6 *Adjourned Meetings.* If a quorum is not present within thirty minutes of the time appointed for a meeting, the meeting may be adjourned for a period of not more than 42 days and not less than 14 days as determined by the chair of the meeting. The quorum for any adjourned meeting will be one or more persons present and holding:

- (a) not less than 66 2/3 per cent. of the aggregate principal amount of the Government Bonds then outstanding in the case of a proposed reserved-matter modification; and

¹ Business day in relation to this Section means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) and banks are open for business in Vienna.

- (b) not less than 25 per cent. of the aggregate principal amount of the Government Bonds then outstanding in the case of a non-reserved matter modification.
- 4.7 *Written Resolutions.* A written resolution signed by or on behalf of Bondholders of the requisite majority of the Government Bonds will be valid for all purposes as if it was a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions. A written resolution may be set out in one or more document in like form each signed by or on behalf of one or more Bondholders.
- 4.8 *Entitlement to Vote.* Any person who is a Bondholder of an outstanding Government Bond on the record date for a proposed modification, and any person duly appointed as a proxy by a Bondholder of an outstanding Government Bond on the record date for a proposed modification, will be entitled to vote on the proposed modification at a meeting of Bondholders and to sign a written resolution with respect to the proposed modification.
- 4.9 *Voting.* Every proposed modification will be submitted to a vote of the Bondholders of outstanding Government Bonds represented at a duly called meeting or to a vote of the Bondholders of all outstanding Government Bonds by means of a written resolution without need for a meeting. A Bondholder may cast votes on each proposed modification equal in number to the principal amount of the Bondholder's outstanding Government Bonds.
- 4.10 *Proxies.* Each Bondholder of an outstanding Government Bond may, by an instrument in writing executed on behalf of the Bondholder and delivered to the Republic of Austria not less than 48 hours before the time fixed for a meeting of Bondholders or the signing of a written resolution, appoint any person (a "**proxy**") to act on the Bondholder's behalf in connection with any meeting of Bondholders at which the Bondholder is entitled to vote or the signing of any written resolution that the Bondholder is entitled to sign. Appointment of a proxy pursuant to any form other than the form enclosed with the notice of the meeting will not be valid for these purposes.
- 4.11 *Legal Effect and Revocation of a Proxy.* A proxy duly appointed in accordance with the above provisions will, subject to § 12 Section 2.6 and for so long as that appointment remains in force, be deemed to be (and the person who appointed that proxy will be deemed not to be) the Bondholder of the Government Bonds to which that appointment relates, and any vote cast by a proxy will be valid notwithstanding the prior revocation or amendment of the appointment of that proxy unless the Republic of Austria has received notice or has otherwise been informed of the revocation or amendment at least 48 hours before the time fixed for the commencement of the meeting at which the proxy intends to cast its vote or, if applicable, the signing of a written resolution.
- 4.12 *Binding Effect.* A resolution duly passed at a meeting of Bondholders convened and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of Bondholders, will be binding on all Bondholders, whether or not the Bondholder was present at the meeting, voted for or against the resolution or signed the written resolution.
- 4.13 *Publication.* The Republic of Austria will without undue delay publish all duly adopted resolutions and written resolutions.

5. Publication

Notices and Other Matters. The Republic of Austria will publish all notices and other matters required to be published pursuant to the above provisions:

- (a) on www.oebfa.at;
- (b) through Oesterreichische Kontrollbank Aktiengesellschaft; and
- (c) in such other places, including in the "*Amtsblatt zur Wiener Zeitung*", and in such other manner as may be required by applicable law or regulation.

6. Technical Amendments

Manifest Error, Technical Amendments. Notwithstanding anything to the contrary herein, the Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the Government Bonds may be modified by the Republic of Austria without the consent of Bondholders:

- (a) to correct a manifest error or cure an ambiguity; or
- (b) if the modification is of a formal or technical nature or for the benefit of Bondholders.

The Republic of Austria will publish the details of any modification of the Government Bonds made pursuant to this § 12 Section 6 within ten days of the modification becoming legally effective.

§ 13 Reopening of Issues

The issue volume of individual issues of Government Bonds may be increased by way of tap issues later on.

§ 14 Stock Exchange Listing and Tier 1 Collateral

The Government Bonds will be at least listed in the Official Market at the Vienna Stock Exchange at the earliest date possible. An application for inclusion in the list of assets eligible for use as Tier 1 collateral in the System of European Central Banks credit operations will be made promptly.

§ 15 Announcements

All announcements shall be legally effective upon publication in the "*Amtsblatt zur Wiener Zeitung*". The Bondholders will be deemed to have been notified of the content of any such notice.

The Republic of Austria may deliver the relevant notice to the Clearing System in lieu of publication in the "*Amtsblatt zur Wiener Zeitung*", for communication by the Clearing System to the Bondholders, provided that the rules of the stock exchange on which the Government Bonds are listed permit such form of notice. Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the day on which the said notice was given to the Clearing System.

§ 16 Principal Paying Agent

Oesterreichische Kontrollbank Aktiengesellschaft.

§ 17 Applicable Law, Jurisdiction

These Terms and Conditions shall be governed by and construed in accordance with Austrian law, excluding the conflict of law rules of private international law.

Exclusive place of jurisdiction shall be the respective court with subject-matter jurisdiction for Vienna, Inner City.



Republic of Austria

**General Terms and Conditions
of Fixed Rate Government Bonds,
the original tranche of which has been issued from 1 January 2022 to the last
day of the month immediately following the entry into force of the agreement
amending the Treaty Establishing the European Stability Mechanism, signed
on 27 January and 8 February 2021
(the "Terms and Conditions")**

§ 1 Term

The period between Closing Date (including) and Maturity Date (excluding).

§ 2 Interest Payment

Interest Actual/Actual (ICMA) is paid on the nominal value per annum, payable annually in arrears. The interest payment period of the government bonds (the "**Government Bonds**") begins on the first day (including) of the term of Government Bonds and ends on the day before the Maturity Date (including).

§ 3 Redemption

The Government Bonds are redeemed on the Maturity Date at par.

§ 4 Termination

Neither the Republic of Austria nor the bearer (which means the co-owner of the physical global bond corresponding to its respective interests in the global bond or the holders of fractions or comparable rights in a digital global bond) of the Government Bonds (the "**Bondholders**") may terminate the Government Bonds.

§ 5 Form, Denomination and Transfer

The Government Bonds are issued in a denomination with nominal value of Euro 1,000 and are represented entirely by a global bond or several global bonds in bearer form. Global bonds may be physical global bonds within the meaning of section 24 paragraph b Austrian Securities Deposit Act (BGBl. Nr. 424/1969 as amended; the "**Securities Deposit Act**") or digital global bonds within the meaning of section 24 paragraph e Securities Deposit Act. There will be no claim for Government Bonds in definitive form. Transfer of title of the global bond and of parts thereof, are only legally valid if made through the Central Securities Depository safekeeping book entry system. The interests in the global bond of any participant of the Central Securities

Depository safekeeping system (each a "**Participant**") will be evidenced in book entries by the Central Securities Depository. Each Participant is obliged to make entries in its books showing the interests held by its customers and by itself. Each customer of a Participant is obliged to make entries in its own books, which it keeps as a matter of law, or, in case of a private investment where the beneficial owner is not the customer itself, on the relevant purchase document, in order to indicate the beneficial owner.

Each physical and digital global bond will be lawfully signed by the Republic of Austria and the Court of Account of the Republic of Austria and will be deposited with OeKB CSD GmbH in its function as Central Securities Depository until all of the obligations of the Republic of Austria under the Government Bonds have been satisfied.

Each digital global note within the meaning of section 24 paragraph e Securities Deposit Act is created by setting up an electronic data record at OeKB CSD GmbH in its function as central securities depository on the basis of the information electronically communicated to OeKB CSD GmbH by the Republic of Austria.

§ 6 Trustee Investments

The Government Bonds are eligible for use as trustee investments.

§ 7 Limitation of Claims

Claims for the payment of interest shall expire after the lapse of three years after maturity and claims for payment of principal shall expire after the lapse of 30 years after maturity.

§ 8 Status

The Government Bonds constitute direct, unsecured, unconditional and unsubordinated obligations of the Republic of Austria and rank and will rank *pari passu*, without preference among themselves, with all other unsecured External Indebtedness (as defined below) of the Republic of Austria, from time to time outstanding. In the event of a modification of the Government Bonds according to § 12 or a similar event, the Republic of Austria shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and shall have no obligation to pay other External Indebtedness at the same time or as a condition of paying amounts due under the Government Bonds and vice versa.

"**External Indebtedness**" means any indebtedness, which is in the form of Government Bonds or any other bonds, which are listed on a stock exchange.

§ 9 Payment

Payments of principal and interest shall be made exclusively to the Paying Agent.

If the maturity date for payment of any amount in respect of the Government Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next Business Day in the relevant place of business. The Bondholder shall not be entitled to further interest or other payment due to delay.

For these purposes, "**Business Day**" means a day on which the Clearing System as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) are operational to effect payments.

§ 10 Taxation

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatever nature, imposed or levied by or within the Republic of Austria or any province, municipality or other political subdivision or taxing authority therein or thereof, unless the deduction of such taxes or duties is required by law. In that event, the Republic of Austria will pay such additional amounts as may be necessary in order that the net amounts received by the Bondholders and the holders of the coupons (the "**Coupons**") after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Government Bonds or, as the case may be, Coupons in the absence of such deduction. The Republic of Austria must not pay such additional amounts in respect of any Government Bond or Coupons if:

1. Government Bonds or Coupons are presented for payment in the Republic of Austria; or
2. such deduction would not be required if the Bondholder or any person acting on his behalf had presented the requested form or a certificate of residence or any other certificate relevant for tax purposes or had made the requested declaration of non-residence or similar claim for exemption upon the presentation or making of which that Bondholder would have been able to avoid such deduction; or
3. a Bondholder, who is liable for such taxes or duties in respect of such Government Bonds or Coupons, has a connection with the Republic of Austria other than the mere holding of Government Bonds or Coupons; or
4. Government Bonds or Coupons are presented more than 30 days after the respective due date except to the extent that the Bondholder thereof would have been entitled to additional amounts on presenting the same for payment at the latest on the expiry of such period of 30 days; or
5. such deduction or withholding is made pursuant to (i) any European Union Directive or Regulation or (ii) any international or intergovernmental agreement, to which the Republic of Austria or the European Union is a party, or (iii) any provision of law implementing, or complying with, any of the legal sources mentioned under (i) or (ii) above.

§ 11 Bond Stripping

The stripping of Government Bonds, specifically designated for this purpose by the Republic of Austria, into bond capital and bond interest coupons according to the conditions of the Strip Programme for Government Bonds, is possible.

§ 12 Modification of the Terms and Conditions of the Government Bonds (Collective Action Clause)

1. General Definitions

For the purpose of this § 12,

- (a) "**debt securities**" means the Government Bonds (*Bundesanleihen*) and any other bills, bonds, debentures, notes or other debt securities as well as *Bundesobligationen* issued by the Republic of Austria in one or more series with an original stated maturity of more than one year, and includes any such

obligation, irrespective of its original stated maturity, that formerly constituted a component part of a debt security.

- (b) "**series**" means a tranche of debt securities, together with any further tranche or tranches of debt securities that in relation to each other and to the original tranche of debt securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series, and includes the Government Bonds and any further issuances of Government Bonds.
- (c) "**outstanding**" in relation to any Government Bond means a Government Bond that is outstanding for purposes of § 12 Section 2.6, and in relation to the debt securities of any other series means a debt security that is outstanding for purposes of § 12 Section 2.7.
- (d) "**modification**" in relation to the Government Bonds means any modification, amendment, supplement or waiver of the Terms and Conditions of the Government Bonds or any agreement governing the issuance or administration of the Government Bonds, and has the same meaning in relation to the debt securities of any other series save that any of the foregoing references to the Government Bonds or any agreement governing the issuance or administration of the Government Bonds shall be read as references to such other debt securities or any agreement governing the issuance or administration of such other debt securities.
- (e) "**cross-series modification**" means a modification involving (i) the Government Bonds or any agreement governing the issuance or administration of the Government Bonds, and (ii) the debt securities of one or more other series or any agreement governing the issuance or administration of such other debt securities.
- (f) "**reserved matter**" in relation to the Government Bonds means any modification of the Terms and Conditions of the Government Bonds or of any agreement governing the issuance or administration of the Government Bonds that would:
 - (i) change the date on which any amount is payable on the Government Bonds;
 - (ii) reduce any amount, including any overdue amount, payable on the Government Bonds;
 - (iii) change the method used to calculate any amount payable on the Government Bonds;
 - (iv) reduce the redemption price for the Government Bonds or change any date on which the Government Bonds may be redeemed;
 - (v) change the currency or place of payment of any amount payable on the Government Bonds;
 - (vi) impose any condition on or otherwise modify the Republic of Austria's obligation to make payments on the Government Bonds;
 - (vii) change the seniority or ranking of the Government Bonds;

- (viii) change the principal amount of outstanding Government Bonds or, in the case of a cross-series modification, the principal amount of debt securities of any other series required to approve a proposed modification in relation to the Government Bonds, the principal amount of outstanding Government Bonds required for a quorum to be present, or the rules for determining whether a Government Bond is outstanding for these purposes; or
- (ix) change the definition of a reserved matter,

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

- (g) "**Bondholder**" in relation to a Government Bond has the meaning given to such term in § 4 of the Terms and Conditions, and in relation to any other debt security means the person the Republic of Austria is entitled to treat as the legal holder of the debt security under the law governing that debt security.
- (h) "**record date**" in relation to any proposed modification means the date fixed by the Republic of Austria for determining the Bondholders of Government Bonds and, in the case of a cross-series modification, the Bondholders of debt securities of each other series that are entitled to vote on or sign a written resolution in relation to the proposed modification.

2. Modification of Government Bonds

2.1 *Reserved Matter Modification.* The Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the Government Bonds may be modified in relation to a reserved matter with the consent of the Republic of Austria and:

- (a) the affirmative vote of Bondholders of not less than 75 per cent. of the aggregate principal amount of the outstanding Government Bonds represented at a duly called meeting of Bondholders; or
- (b) a written resolution signed by or on behalf of Bondholders of not less than 66 2/3 per cent. of the aggregate principal amount of the Government Bonds then outstanding.

2.2 *Cross-Series Modification.* In the case of a cross-series modification, the Terms and Conditions of the Government Bonds and debt securities of any other series, and any agreement governing the issuance or administration of the Government Bonds or debt securities of such other series, may be modified in relation to a reserved matter with the consent of the Republic of Austria and:

- (a)
 - (i) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding debt securities represented at separate duly called meetings of the Bondholders of the debt securities of all the series (taken in the aggregate) that would be affected by the proposed modification; or

- (ii) a written resolution signed by or on behalf of the Bondholders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding debt securities of all the series (taken in the aggregate) that would be affected by the proposed modification;

and

(b)

- (i) the affirmative vote of more than 66 2/3 per cent. of the aggregate principal amount of the outstanding debt securities represented at separate duly called meetings of the Bondholders of each series of debt securities (taken individually) that would be affected by the proposed modification; or
- (ii) a written resolution signed by or on behalf of the Bondholders of more than 50 per cent. of the aggregate principal amount of the then outstanding debt securities of each series (taken individually) that would be affected by the proposed modification.

A separate meeting will be called and held, or a separate written resolution signed, in relation to the proposed modification of the Government Bonds and the proposed modification of each other affected series of debt securities.

2.3 *Proposed Cross-Series Modification.* A proposed cross-series modification may include one or more proposed alternative modifications of the Terms and Conditions of each affected series of debt securities or of any agreement governing the issuance or administration of any affected series of debt securities, provided that all such proposed alternative modifications are addressed to and may be accepted by any Bondholder of any debt security of any affected series.

2.4 *Partial Cross-Series Modification.* If a proposed cross-series modification is not approved in relation to a reserved matter in accordance with § 12 Section 2.2, but would have been so approved if the proposed modification had involved only the Government Bonds and one or more, but less than all, of the other series of debt securities affected by the proposed modification, that cross-series modification will be deemed to have been approved, notwithstanding § 12 Section 2.2, in relation to the Government Bonds and debt securities of each other series whose modification would have been approved in accordance with § 12 Section 2.2 if the proposed modification had involved only the Government Bonds and debt securities of such other series, provided that:

- (a) prior to the record date for the proposed cross-series modification, the Republic of Austria has publicly notified Bondholders of the Government Bonds and other affected debt securities of the conditions under which the proposed cross-series modification will be deemed to have been approved if it is approved in the manner described above in relation to the Government Bonds and some but not all of the other affected series of debt securities; and
- (b) those conditions are satisfied in connection with the proposed cross-series modification.

2.5 *Non-Reserved Matter Modification.* The Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the

Government Bonds may be modified in relation to any matter other than a reserved matter with the consent of the Republic of Austria and:

- (a) the affirmative vote of Bondholders of more than 50 per cent. of the aggregate principal amount of the outstanding Government Bonds represented at a duly called meeting of Bondholders; or
- (b) a written resolution signed by or on behalf of Bondholders of more than 50 per cent. of the aggregate principal amount of the outstanding Government Bonds.

2.6 *Outstanding Government Bonds.* In determining whether Bondholders of the requisite principal amount of outstanding Government Bonds have voted in favour of a proposed modification or whether a quorum is present at any meeting of Bondholders called to vote on a proposed modification, a Government Bond will be deemed to be not outstanding, and may not be voted for or against a proposed modification or counted in determining whether a quorum is present, if on the record date for the proposed modification:

- (a) the Government Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (b) the Government Bond is held by the Republic of Austria, by a department, ministry or agency of the Republic of Austria, or by a corporation, trust or other legal entity that is controlled by the Republic of Austria or a department, ministry or agency of the Republic of Austria and, in the case of a Government Bond held by any such above-mentioned corporation, trust or other legal entity, the Bondholder of the Government Bond does not have autonomy of decision, where:
 - (i) the Bondholder of a Government Bond for these purposes is the entity legally entitled to vote the Government Bond for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled Bondholder to vote the Government Bond for or against a proposed modification;
 - (ii) a corporation, trust or other legal entity is controlled by the Republic of Austria or by a department, ministry or agency of the Republic of Austria if the Republic of Austria or any department, ministry or agency of the Republic of Austria has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
 - (iii) the Bondholder of a Government Bond has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the Bondholder may have in relation to the Republic of Austria:
 - (A) the Bondholder may not, directly or indirectly, take instruction from the Republic of Austria on how to vote on a proposed modification; or
 - (B) the Bondholder, in determining how to vote on a proposed

modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the Bondholder's own interest; or

- (C) the Bondholder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose holdings of Government Bonds (if that person then held any Government Bonds) would be deemed to be not outstanding under this § 12 Section 2.6.

2.7 *Outstanding Debt Securities.* In determining whether Bondholders of the requisite principal amount of outstanding debt securities of another series have voted in favor of a proposed cross-series modification or whether a quorum is present at any meeting of the Bondholders of such debt securities called to vote on a proposed cross-series modification, an affected debt security will be deemed to be not outstanding, and may not be voted for or against a proposed cross-series modification or counted in determining whether a quorum is present, in accordance with the applicable terms and conditions of that debt security.

2.8 *Entities Having Autonomy of Decision.* For transparency purposes, the Republic of Austria will publish promptly following the Republic of Austria's formal announcement of any proposed modification of the Government Bonds, but in no event less than 10 days prior to the record date for the proposed modification, a list identifying each corporation, trust or other legal entity that for purposes of § 12 Section 2.6(b):

- (a) is then controlled by the Republic of Austria or by a department, ministry or agency of the Republic of Austria;
- (b) has in response to an enquiry from the Republic of Austria reported to the Republic of Austria that it is then the Bondholder of one or more Government Bonds; and
- (c) does not have autonomy of decision in respect of its bondholdings.

2.9 *Exchange and Conversion.* Any duly approved modification of the Terms and Conditions of the Government Bonds may be implemented by means of a mandatory exchange or conversion of the Government Bonds for new debt securities containing the modified terms and conditions if the proposed exchange or conversion is notified to Bondholders prior to the record date for the proposed modification. Any conversion or exchange undertaken to implement a duly approved modification will be binding on all Bondholders.

3. Calculation Agent

3.1 *Appointment and Responsibility.* The Republic of Austria will appoint a person (for the purpose of this § 12, the "**calculation agent**") to calculate whether a proposed modification has been approved by the requisite principal amount of outstanding Bonds and, in the case of a cross-series modification, by the requisite principal amount of outstanding debt securities of each affected series of debt securities. In the case of a cross-series modification, the same person will be appointed as the calculation agent for the proposed modification of the Government Bonds and each other affected series of debt securities.

3.2 *Certificate.* The Republic of Austria will provide to the calculation agent and publish prior to the date of any meeting called to vote on a proposed modification or the date

fixed by the Republic of Austria for the signing of a written resolution in relation to a proposed modification, a certificate:

- (a) listing the total principal amount of Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series outstanding on the record date for purposes of § 12 Section 2.6;
- (b) specifying the total principal amount of Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series that are deemed under § 12 Section 2.6(b) to be not outstanding on the record date; and
- (c) identifying the Bondholders of the Government Bonds and, in the case of a cross-series modification, debt securities of each other affected series, referred to in (b) above.

3.3 *Reliance.* The calculation agent may rely on any information contained in the certificate provided by the Republic of Austria, and that information will be conclusive and binding on the Republic of Austria and the Bondholders unless:

- (a) an affected Bondholder delivers a substantiated written objection to the Republic of Austria in relation to the certificate before the vote on a proposed modification or the signing of a written resolution in relation to a proposed modification; and
- (b) that written objection, if sustained, would affect the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

In the event a substantiated written objection is timely delivered, any information relied on by the calculation agent will nonetheless be conclusive and binding on the Republic of Austria and affected Bondholders if:

- (i) the objection is subsequently withdrawn;
- (ii) the Bondholder that delivered the objection does not commence legal action in respect of the objection before a court of competent jurisdiction within 15 days of the publication of the results of the vote taken or the written resolution signed in relation to the proposed modification; or
- (iii) a court of competent jurisdiction subsequently rules either that the objection is not substantiated or would not in any event have affected the outcome of the vote taken or the written resolution signed in relation to the proposed modification.

3.4 *Publication.* The Republic of Austria will arrange for the publication of the results of the calculations made by the calculation agent in relation to a proposed modification promptly following the meeting called to consider that modification or, if applicable, the date fixed by the Republic of Austria for signing a written resolution in respect of that modification.

4. Bondholder Meetings; Written Resolutions

4.1 *General.* The provisions set out below, and any additional rules adopted and published by the Republic of Austria will, to the extent consistent with the provisions set out below, apply to any meeting of Bondholders called to vote on a proposed modification

and to any written resolution adopted in connection with a proposed modification. Any action contemplated in this § 12 Section 4 to be taken by the Republic of Austria may instead be taken by an agent acting on behalf of the Republic of Austria.

- 4.2 *Convening Meetings.* A meeting of Bondholders may be convened by the Republic of Austria at any time.
- 4.3 *Notice of Meetings.* The notice convening a meeting of Bondholders will be published by the Republic of Austria at least 21 days prior to the date of the meeting or, in the case of an adjourned meeting, at least 14 days prior to the date of the adjourned meeting. The notice will:
- (a) state the time, date and venue of the meeting;
 - (b) set out the agenda and quorum for, and the text of any resolutions proposed to be adopted at, the meeting;
 - (c) specify the record date for the meeting, being not more than five business days¹ before the date of the meeting, and the documents required to be produced by a Bondholder in order to be entitled to participate in the meeting;
 - (d) include the form of instrument to be used to appoint a proxy to act on a Bondholder's behalf;
 - (e) set out any additional rules adopted by the Republic of Austria for the convening and holding of the meeting and, if applicable, the conditions under which a cross-series modification will be deemed to have been satisfied if it is approved as to some but not all of the affected series of debt securities; and
 - (f) identify the person appointed as the calculation agent for any proposed modification to be voted on at the meeting.
- 4.4 *Chair.* The chair of any meeting of Bondholders will be appointed:
- (a) by the Republic of Austria; or
 - (b) if the Republic of Austria fails to appoint a chair or the person nominated by the Republic of Austria is not present at the meeting, by Bondholders of more than 50 per cent. of the aggregate principal amount of the Government Bonds then outstanding represented at the meeting.
- 4.5 *Quorum.* No business will be transacted at any meeting in the absence of a quorum other than the choosing of a chair if one has not been appointed by the Republic of Austria. The quorum at any meeting at which Bondholders will vote on a proposed modification of:
- (a) a reserved matter will be one or more persons present and holding not less than $\frac{66}{100}$ per cent. of the aggregate principal amount of the Government Bonds then outstanding; and

¹ Business day in relation to this Section means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) and banks are open for business in Vienna.

- (b) a matter other than a reserved matter will be one or more persons present and holding not less than 50 per cent. of the aggregate principal amount of the Government Bonds then outstanding.
- 4.6 *Adjourned Meetings.* If a quorum is not present within thirty minutes of the time appointed for a meeting, the meeting may be adjourned for a period of not more than 42 days and not less than 14 days as determined by the chair of the meeting. The quorum for any adjourned meeting will be one or more persons present and holding:
 - (a) not less than 66 2/3 per cent. of the aggregate principal amount of the Government Bonds then outstanding in the case of a proposed reserved-matter modification; and
 - (b) not less than 25 per cent. of the aggregate principal amount of the Government Bonds then outstanding in the case of a non-reserved matter modification.
- 4.7 *Written Resolutions.* A written resolution signed by or on behalf of Bondholders of the requisite majority of the Government Bonds will be valid for all purposes as if it was a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions. A written resolution may be set out in one or more document in like form each signed by or on behalf of one or more Bondholders.
- 4.8 *Entitlement to Vote.* Any person who is a Bondholder of an outstanding Government Bond on the record date for a proposed modification, and any person duly appointed as a proxy by a Bondholder of an outstanding Government Bond on the record date for a proposed modification, will be entitled to vote on the proposed modification at a meeting of Bondholders and to sign a written resolution with respect to the proposed modification.
- 4.9 *Voting.* Every proposed modification will be submitted to a vote of the Bondholders of outstanding Government Bonds represented at a duly called meeting or to a vote of the Bondholders of all outstanding Government Bonds by means of a written resolution without need for a meeting. A Bondholder may cast votes on each proposed modification equal in number to the principal amount of the Bondholder's outstanding Government Bonds.
- 4.10 *Proxies.* Each Bondholder of an outstanding Government Bond may, by an instrument in writing executed on behalf of the Bondholder and delivered to the Republic of Austria not less than 48 hours before the time fixed for a meeting of Bondholders or the signing of a written resolution, appoint any person (a "**proxy**") to act on the Bondholder's behalf in connection with any meeting of Bondholders at which the Bondholder is entitled to vote or the signing of any written resolution that the Bondholder is entitled to sign. Appointment of a proxy pursuant to any form other than the form enclosed with the notice of the meeting will not be valid for these purposes.
- 4.11 *Legal Effect and Revocation of a Proxy.* A proxy duly appointed in accordance with the above provisions will, subject to § 12 Section 2.6 and for so long as that appointment remains in force, be deemed to be (and the person who appointed that proxy will be deemed not to be) the Bondholder of the Government Bonds to which that appointment relates, and any vote cast by a proxy will be valid notwithstanding the prior revocation or amendment of the appointment of that proxy unless the Republic of Austria has received notice or has otherwise been informed of the revocation or amendment at least 48 hours before the time fixed for the commencement of the meeting at which the proxy intends to cast its vote or, if applicable, the signing of a written resolution.

- 4.12 *Binding Effect.* A resolution duly passed at a meeting of Bondholders convened and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of Bondholders, will be binding on all Bondholders, whether or not the Bondholder was present at the meeting, voted for or against the resolution or signed the written resolution.
- 4.13 *Publication.* The Republic of Austria will without undue delay publish all duly adopted resolutions and written resolutions.

5. Publication

Notices and Other Matters. The Republic of Austria will publish all notices and other matters required to be published pursuant to the above provisions:

- (a) on www.oebfa.at;
- (b) through Oesterreichische Kontrollbank Aktiengesellschaft; and
- (c) in such other places, including in the "*Amtsblatt zur Wiener Zeitung*", and in such other manner as may be required by applicable law or regulation.

6. Technical Amendments

Manifest Error, Technical Amendments. Notwithstanding anything to the contrary herein, the Terms and Conditions of the Government Bonds and any agreement governing the issuance or administration of the Government Bonds may be modified by the Republic of Austria without the consent of Bondholders:

- (a) to correct a manifest error or cure an ambiguity; or
- (b) if the modification is of a formal or technical nature or for the benefit of Bondholders.

The Republic of Austria will publish the details of any modification of the Government Bonds made pursuant to this § 12 Section 6 within ten days of the modification becoming legally effective.

§ 13 Reopening of Issues

The issue volume of individual issues of Government Bonds may be increased by way of tap issues later on.

§ 14 Stock Exchange Listing and Tier 1 Collateral

The Government Bonds will be at least listed in the Official Market at the Vienna Stock Exchange at the earliest date possible. An application for inclusion in the list of assets eligible for use as Tier 1 collateral in the System of European Central Banks credit operations will be made promptly.

§ 15 Announcements

All announcements shall be legally effective upon publication in the "*Amtsblatt zur Wiener Zeitung*". The Bondholders will be deemed to have been notified of the content of any such notice.

The Republic of Austria may deliver the relevant notice to the Clearing System in lieu of

publication in the "*Amtsblatt zur Wiener Zeitung*", for communication by the Clearing System to the Bondholders, provided that the rules of the stock exchange on which the Government Bonds are listed permit such form of notice. Any such notice shall be deemed to have been given to the Bondholders on the fifth day after the day on which the said notice was given to the Clearing System.

§ 16 Principal Paying Agent

Oesterreichische Kontrollbank Aktiengesellschaft.

§ 17 Applicable Law, Jurisdiction

These Terms and Conditions shall be governed by and construed in accordance with Austrian law, excluding the conflict of law rules of private international law.

Exclusive place of jurisdiction shall be the respective court with subject-matter jurisdiction for Vienna, Inner City.

General Terms and Conditions of the Strip Programme

CONDITIONS

EXECUTION

§ 1 Bond stripping

Bond stripping is the division of Government Bonds into the bond capital and the bond interest coupons ("**Strips**") by commercial investors. Bond stripping by private investors is not permitted.

§ 7 Handling

Strip programme transactions are handled by the relevant deposit bank according to the Guidelines of the OeKB CSD GmbH ("**Central Securities Depository**").

§ 2 ISIN - Code

The Government Bonds, the bond capital and the bond interest coupons are assigned separate international security identification numbers.

§ 8 Management

The Strips are administered by the Central Securities Depository, whose consent is required for every bond stripping.

§ 3 Strip conditions

The conditions of Government Bonds (trustee investment status, termination, and the like) also apply to Strips.

§ 9 Time limits

Bond stripping is possible from the beginning of the term until one week prior to the Maturity of the Strips.

§ 4 Global Bond

Government Bonds and Strips are represented collectively by a global bond or several global bonds.

§ 10 Reconstitution

On request Government Bonds are reconstructed from individual Strips within one global bond.

§ 5 Stock exchange listing and eligibility as collateral

The Strips will be listed at least in the Official Market at the Vienna Stock Exchange at the earliest date possible. An application for inclusion in the list of assets eligible for use as Tier 1 collateral in the System of European Central Banks credit operations will be made.

§ 11 Strip package

Bond stripping and reconstitution are handled in packages of bond nominals of Euro 5 million.

§ 6 Limitation of claims

The claims deriving from Strips expire after the lapse of 30 years after Maturity.

§ 12 Maximum volume

Bond stripping can only be carried out provided that the outstanding unstripped nominal amount of Bonds of an issue of Government Bonds is at least Euro 2 billion for the whole of its term.