

GENERAL TERMS AND CONDITIONS FOR AUSTRIAN GOVERNMENT BONDS THE ORIGINAL TRANCHE OF WHICH HAS BEEN ISSUED SINCE 1 JANUARY 2013

§ 1 Term

Closing Date (including) until Maturity Date (excluding).

§ 2 Interest Payment

Interest (act./act.) is paid on the nominal value per annum, payable annually in arrears. The interest payment period of the bonds (the "**Bonds**") begins on the first day of the term of the Bond and ends on the day before the redemption date. The interest payment is effected exclusively by payment to the Central Securities Depository (see below) for the banks holding securities accounts for this purpose.

§ 3 Redemption

The Bonds are redeemed on the redemption date at par. The payment is effected exclusively by payment to the Central Securities Depository (see below) for the banks holding securities accounts for this purpose.

§ 4 Termination

Neither the Republic of Austria nor the bearer (which means the co-owner of the global bond corresponding to its respective interests in the global bond) of the Bonds (the "**Bondholders**") may terminate the Bonds.

§ 5 Denomination and Form

(not applicable for government bonds of which original tranches were issued before 1 January 1999)

The Bonds are issued in nominal values of Euro 1,000 and are represented entirely by a global certificate in bearer form. No claim for receiving individual Bonds is foreseen. The global certificate is properly signed by the Österreichische Bundesfinanzierungsagentur and is deposited with Oesterreichische Kontrollbank Aktiengesellschaft in its function as Central Securities Depository.

§ 6 Trustee Investments

The Bonds are eligible for use as trustee investments.

§ 7 Limitation of Claims

Claims for the payment of principal and interest expire after 3 years (in the case of interest) and after 30 years (in the case of the principal) from the relevant date in relation to payment thereof.

§ 8 Status

The Bonds will constitute unsecured, unconditional and unsubordinated obligations of the Republic of Austria and will rank *pari passu* with all other indebtedness resulting from financial debts of the Republic of Austria.

§ 9 Negative Pledge

The Republic of Austria will undertake for the benefit of the Bondholders for such period until

the principal and all other payments under the Terms and Conditions of the Bonds have been made by the Paying Agent:

- (a) that it will ensure that the Bonds will continue to rank *pari passu* with all other obligations resulting from loan indebtedness of the Republic of Austria; and
- (b) that it will not provide security for any other obligations resulting from loan indebtedness without simultaneously securing the Bondholders equally.

§ 10 Taxation

(not applicable for government bonds of which original tranches were issued before 1 January 1999)

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatsoever 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 holders of the Bonds and of the Coupons after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the 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 Bond or Coupon if:

- (a) Bonds or Coupons are presented for payment in the Republic of Austria; or
- (b) such deduction would not be required if the Bondholder or any person acting on his behalf had presented the requested form or certificate 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
- (c) by or on behalf of a Bondholder who is liable to such taxes or duties in respect of such Bond or Coupon by reason of his having some connection with the Republic of Austria other than the mere holding of the Bond or Coupon; or
- (d) Bonds or Coupons are presented more than 30 days after the Relevant Date except to the extent that the Bondholder thereof would have been entitled to additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (e) such deduction is made pursuant to (i) any European Union Directive or Regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to the taxation of interest income and 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 partial debentures of Bonds, specifically designated for this purpose by the Republic of Austria, into capital and interest coupons according to the conditions of the strip programme for government bonds, is possible.

§ 12 MODIFICATION OF THE GENERAL TERMS AND CONDITIONS FOR AUSTRIAN GOVERNMENT BONDS (COLLECTIVE ACTION CLAUSE)

1. General Definitions

For the purpose of this § 12

- (a) "**debt securities**" means the 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 Bonds and any further issuances of Bonds.
- (c) "**outstanding**" in relation to any Bond means a 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 BONDS MEANS ANY MODIFICATION, AMENDMENT, SUPPLEMENT OR WAIVER OF THE TERMS AND CONDITIONS OF THE BONDS OR ANY AGREEMENTS GOVERNING THE ISSUANCE OR ADMINISTRATION OF THE 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 BONDS OR ANY AGREEMENT GOVERNING THE ISSUANCE OR ADMINISTRATION OF THE 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 Bonds or any agreement governing the issuance or administration of the 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 Bonds means any modification of the terms and conditions of the Bonds or of any agreement governing the issuance or administration of the Bonds that would:
 - (i) change the date on which any amount is payable on the Bonds;
 - (ii) reduce any amount, including any overdue amount, payable on the Bonds;
 - (iii) change the method used to calculate any amount payable on the Bonds;
 - (iv) reduce the redemption price for the Bonds or change any date on which the Bonds may be redeemed;

- (v) change the currency or place of payment of any amount payable on the Bonds;
- (vi) impose any condition on or otherwise modify the Republic of Austria's obligation to make payments on the Bonds;
- (vii) change the seniority or ranking of the Bonds;
- (viii) change the principal amount of outstanding 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 Bonds, the principal amount of outstanding Bonds required for a quorum to be present, or the rules for determining whether a 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 Bonds or any agreement governing the issuance or administration of the 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) **"holder"** in relation to a Bond means the Bondholder as defined in § 4 above, 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 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 Bonds**

2.1 **Reserved Matter Modification.** The terms and conditions of the Bonds and any agreement governing the issuance or administration of the 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% of the aggregate principal amount of the outstanding 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% of the aggregate principal amount of the Bonds then outstanding.

2.2 **Cross-Series Modification.** In the case of a cross-series modification, the terms and conditions of the Bonds and debt securities of any other series, and any agreement governing the issuance or administration of the 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% 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% 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% 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% 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 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 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 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 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 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 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 Bonds and any agreement governing the issuance or administration of the 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% of the aggregate principal amount of the outstanding 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% of the aggregate principal amount of the outstanding Bonds.
- 2.6 Outstanding Bonds. In determining whether Bondholders of the requisite principal amount of outstanding 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 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 Bond has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
 - (b) the 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 Bond held by any such above-mentioned corporation, trust or other legal entity, the Bondholder of the Bond does not have autonomy of decision, where:
 - (i) the Bondholder of a Bond for these purposes is the entity legally entitled to vote the 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 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 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 Bonds (if that person then held any 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 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 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 Bonds may be implemented by means of a mandatory exchange or conversion of the 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 (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 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 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 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 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 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 days 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% of the aggregate principal amount of the 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 $66 \frac{2}{3}\%$ of the aggregate principal amount of the 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% of the aggregate principal amount of the 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% of the aggregate principal amount of the Bonds then outstanding in the case of a proposed reserved-matter modification; and
 - (b) not less than 25% of the aggregate principal amount of the 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 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 Bond on the record date for a proposed modification, and any person duly appointed as a proxy by a Bondholder of an outstanding 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 Bonds represented at a duly called meeting or to a vote of the Bondholders of all outstanding 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 Bonds.
- 4.10 Proxies. Each Bondholder of an outstanding 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 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 AG; and
- (c) in such other places, including in "*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 Bonds and any agreement governing the issuance or administration of the 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 Bonds made pursuant to this § 12 Section 6 within ten days of the modification becoming legally effective.

§ 13 Reopening of Issues

Single Bonds may be reopened later on.

§ 14 Stock Exchange Listing and Eligibility as Collateral

The Bonds 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 ESCB credit operations will be made.

§ 15 Announcements

All announcements will be valid if published in the "*Amtsblatt zur Wiener Zeitung*". The Bondholders will be deemed to have been notified of the content of any such notice.

§ 16 Principal Paying Agent

Oesterreichische Kontrollbank Aktiengesellschaft.

§ 17 Applicable Law

Austrian Law.