



Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta  
National Treasury Management Agency

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## **IRELAND**

### **Floating Rate Treasury Bond 2038**

**ISIN Code:** IE00B7SH6702

**Settlement:**

The settlement date for Floating Rate Treasury Bond 2038 (the ‘bond’) will be 08 February 2013

The bond will be distributed across all relevant settlement systems from the account of Ireland, acting through the National Treasury Management Agency, in Euroclear and will be available in the over-night processing cycles for value 08 February 2013

**National Treasury Management Agency**

**08 February 2013**

**CONDITIONS ATTACHED TO THE FLOATING RATE TREASURY BOND 18 JUNE 2038**

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**Issuer:** Ireland acting through the National Treasury Management Agency. The principal and interest of the bond, which is issued under the National Treasury Management Agency Act, 1990 and other statutes, will be charged on the Central Fund.

**Currency:** euro

**Amount** €2,000,000,000 (*Two Billion Euro*) *This Floating Rate Treasury Bond 2038 was issued in connection with the Irish Bank Resolution Corporation Act 2013. The Issuer shall not issue any further amount of this series of bond.*

**Trustee Status:** The bond is an authorised investment under the Trustee (Authorised Investments) Act 1958 as amended by section 80 of the Central Bank Act 1997 of Ireland.

**Taxation:** *The material in this section is of a general nature only and is based on the provisions in force at issuance. Prospective investors in the bond should consult their tax advisers as to the applicable tax laws and specific tax consequences of acquiring, holding and disposing of the bond.*

Interest on the bond will be paid gross without deduction of income tax or any other deductions or withholdings.

In general, where the holder of the bond is an Irish resident taxpayer, the interest element payable on the bond is assessable to income tax, whereas any gains arising on disposal or redemption of the bond are exempt from capital gains tax. However, where the bondholder resident in Ireland is dealing in Government bonds as part of a trade, he/she is assessable to income tax or corporation tax, as the case may be, in respect of the interest element and also the gains arising on disposal or on redemption of the bond.

Section 43 of the Taxes Consolidation Act 1997 of Ireland provides that the bond and the interest payable thereon is exempt from all Irish taxation so long as it is shown that the bond is in the beneficial ownership of a person not resident in Ireland. However, where the bond is held by or for an Irish branch or agency of a foreign financial concern, interest and gains on such bond will be chargeable to Irish tax.

In Ireland, individual purchasers should note that, where the bond is comprised in a gift or inheritance, the gift or inheritance to that extent will be exempt from capital acquisitions tax provided that the conditions for exemption set out in section 81 of the Capital Acquisitions Tax Consolidation Act 2003 of Ireland are met.

In addition, the execution of instruments for the issue and the transfer of the bond will be free of Irish stamp duty provided the conditions for exemption set out in section 85(2) and section 113 of the Stamp Duties Consolidation Act 1999 of Ireland, are met.

**EU Directive on the Taxation of Savings Income:** Under the terms of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, Ireland is required to provide to the tax authorities of any other

Member State details of interest payments (as defined) made by paying agents within its jurisdiction to individuals resident in that other Member State. These provisions apply in respect of relevant interest payments to individuals who are beneficial owners of the bond.

**Interest Rate:** in respect of any Interest Period, the percentage rate per annum, expressed as a decimal, equal to Euribor in respect of that Interest Period plus Margin.

**Euribor:** means, in respect of any Interest Period, the interest rate (positive or negative) for deposits in euro for a period of the Designated Maturity which appears on the Reuters Screen EURIBOR01 as of 11:00 a.m., Brussels time, on the day that is two Business Days preceding the Reset Date for that Interest Period. If such interest rate does not appear on the Reuters Screen EURIBOR01, the interest rate will be determined using Reference Bank Determination.

**Designated Maturity:** means six months, subject to Interpolation.

**Interpolation:** In respect of any Interest Period of less than six months duration, EURIBOR for that Interest Period shall be determined through the use of straight-line interpolation by reference to two interest rates based on EURIBOR, one of which shall be determined as if the Designated Maturity were the period of time for which EURIBOR is available next shorter than the length of the Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which EURIBOR is available next longer than the length of the Interest Period.

**Reference Bank Determination:** means that the interest rate for an Interest Period will be determined on the basis of the interest rates (positive or negative) at which deposits in euro in a Representative Amount are offered by four major banks (each a "Reference Bank") in the euro area interbank market at approximately 11:00 am, Brussels time, on the day that is two Business Days preceding the Reset Date for that Interest Period, to prime banks in the euro area interbank market for a period of six months commencing on that Reset Date assuming an Actual/360 day count basis. The Issuer will request the principal euro area office of each Reference Bank to provide a quotation of its interest rate. If at least two quotations are provided, the Interest Rate for that Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Interest Rate will be the arithmetic mean of the interest rates quoted by major banks in the euro area, selected by the Issuer, at approximately 11:00 am, Brussels time, on the relevant Reset Date for loans in euro in a Representative Amount to leading European banks for a period of six months, commencing on that Reset Date.

**Representative Amount:** means, on any day, the lesser of (a) the largest euro deposit amount for which there is, on that day, a liquid euro area interbank market for deposits in euro for a period of six months and (b) the principal amount of the bond outstanding on that day.

**Interest Period:** each 6 monthly period from and including one Interest Payment Date to but excluding the next following Interest Payment Date, except that (a) the initial Interest Period will commence on, and include, 08 February 2013 and (b) the final Interest Period will end on, but exclude, 18 June 2038.

**Reset Date:** in respect of any Interest Period means the first day of that Interest Period.

**Interest Payment Date:** each 18 day of June and December of each year, commencing 18 June 2013 and ending 18 June 2038.

**Interest Amount:** the amount of interest payable on each Interest Payment Date will be the product of (A) the principal amount of the bond outstanding, based on the balance in the account (s) on the register maintained by the Central Bank of Ireland, as at close of business on the Business Day preceding that Interest Payment Date (B) the Interest Rate for that Interest Period and (C) Actual/360.

**Actual/360:** means, in respect of any Interest Period and the calculation of the Interest Amount, the actual number of days in the Interest Period in respect of which payment is being made divided by 360.

**Margin:** 250 basis points (2.50 percentage points)

**Maturity Date:** The principal amount of the bond outstanding will be paid at par on 18 June 2038.

**Business Day:** A day, not being a Saturday or Sunday, on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open

**Business Day Convention:** The Following Business Day Convention shall apply to all dates referred to in these Conditions.

**Following Business Day Convention:** means that an adjustment will be made if any date referred to in these Conditions would otherwise fall on a day that is not a Business Day, so that such date shall be the first following day that is a Business Day.

**Reuters Screen:** means, when used in connection with any designated page and EURIBOR, the display page so designated on the Reuters service or (i) any successor display page or other published source that has been designated officially by Reuters or (ii) if Reuters has not designated officially a successor display page or other published source (as the case may be), the successor display page or other published source, if any, designated by the relevant information vendor or provider (if different from the sponsor).

**Calculations and determinations:** Whenever the Issuer is required to act, make a determination or exercise judgment in any way (including, without limitation, the selection of banks for the purpose of making any calculation or determination), the Issuer will do so in good faith and in a commercially reasonable manner and, as regards the calculation of an interest rate or the selection of banks for that purpose, with a view to obtaining a representative rate that will reasonably reflect conditions prevailing at the time in the relevant market.

**Account:** It is a condition of the bond that registered holder(s) shall nominate an account in a credit institution linked to TARGET2, the payment system of the European System of Central Banks, into which all interest/redemption payments will

be made. Details of the account to which such payments are to be made must be provided to the Central Bank of Ireland (as Registrar) on the appropriate form, which is available from the Registrar, by the Registrar's close of business in Dublin on the day of registration of the holding. Holders must notify the Registrar of any change in account details through completion and lodgment of a further copy of the form.

**Settlement, Registration and Transfer:** The official settlement system for Irish Government Bonds is Euroclear. The register of holders of the bond issue will be kept at the Central Bank of Ireland. Ownership will be evidenced by entry of the name of the holder of the bond on the register. Transfer of ownership will be evidenced by book entry in any sums which are multiples of one cent.

**Right of Exchange:** The Central Bank of Ireland may, as initial holder of the bond as well as initial holder of bonds identified by international securities identification numbers [IE00B92QZW50](#), [IE00B92QZX67](#), [IE00B92QZY74](#), [IE00B92QZZ81](#), [IE00B96B0F40](#), [IE00B8BCNG75](#) and [IE00B96PQX65](#) (all such bonds including the bond, the "Exchange Bonds"), exchange the Exchange Bonds for fixed rate bonds issued by the Issuer, in such amounts, at such times and subject to such conditions as are to be agreed between the Issuer and the Central Bank of Ireland. Such agreement will be published by the Issuer on the Issuer's website, [www.ntma.ie](#).

**Euro Area Model Collective Action Clause/CAC:** The provisions of the Common Terms of Reference (as defined below) are incorporated in these Conditions and apply with respect to the bond (having regard to the other Conditions of the bond set out herein) and subject to the following:

1. references in the Common Terms of Reference to "Bond" or "Bonds" means the bond;
2. in relation to any meeting or written resolution proposed for the purposes of the Common Terms of Reference, the Issuer may publish additional rules (consistent with the Common Terms of Reference), specifying, *inter alia*, how holders may give their voting instructions to the Issuer or appoint proxies;
3. The Issuer will publish all notices and other matters required to be published pursuant to the Common Terms of Reference on its applicable website (at the date hereof, [www.ntma.ie](#)), through Euroclear, in the Issuer's official gazette (being on the date hereof, *Iris Oifigiúil*) and in such other places and in such other manner as may be required by applicable law or regulation (including as required by the Irish Stock Exchange);
4. "holder" for the purposes of the Common Terms of Reference, means:
  - (i) in relation to the bond, the several persons who are for the time being holders of the outstanding bond (being the several persons whose names are for the time being entered in the register of holders maintained by the Central Bank of Ireland) save that in relation to any of the outstanding bond in respect of which Euroclear (or its nominee) is the registered holder, each person who is for the time being shown in the records of Euroclear as the holder of a particular principal amount of the bond shall be deemed to be the holder of such principal amount of the bond for all purposes (other than with respect to the payment of principal or interest on the principal amount of the

bond, the rights to which shall be vested, as against the Issuer, solely in Euroclear (or its nominee) and for which purposes Euroclear (or its nominee) shall be deemed to be the holder of such principal amount of the bond); and

(ii) in relation to any other debt security, means the person the Issuer is entitled to treat as the legal holder of such debt security for the purpose of any meeting of such holders in accordance with the terms and conditions of such debt security or any agreement governing the issuance, constitution or administration of such debt security;

5. “business day” for the purposes of the Common Terms of Reference, means a Business Day as defined in these Conditions; and

6. the following provisions of the Common Terms of Reference shall not apply with respect to the bond:

- (a) any such provisions which would only apply if these Conditions were to include an event of default or other right of acceleration of payment;
- (b) any such provisions which would only apply if the bond were guaranteed or collateralised;
- (c) any such provisions which would only apply if the bond were issued in bearer form;
- (d) any such provisions which would only apply if the bond were to be governed by a law other than the laws of Ireland or if the Issuer has submitted to the jurisdiction of courts other than the courts of Ireland or has expressly waived its immunity; or
- (e) any such provisions which would only apply if these Conditions were to provide for a fiscal agent or trustee in respect of the bond.

“Common Terms of Reference” in these Conditions means the Common Terms of Reference (version dated 17/02/2012) relating to modification of bonds, appointment of a calculation agent, bondholder meetings, written resolutions, publication and technical amendments and including its supplemental provisions dated 17/2/2012 published by the Economic and Financial Committee of the European Union and appended hereto as Schedule 1.

**Stock Exchange Listing:** The bond will be listed on the Irish Stock Exchange.

**Governing Law:** Laws of Ireland

**Jurisdiction:** The Courts of Ireland.

## Schedule 1 – Common Terms of Reference

### 1. General Definitions

- (a) ‘debt securities’ means the Bonds and any other bills, bonds, debentures, notes or other debt securities issued by the Issuer 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) ‘zero-coupon obligation’ means a debt security that does not expressly provide for the accrual of interest, and includes the former component parts of a debt security that did expressly provide for the accrual of interest if that component part does not itself expressly provide for the accrual of interest.
- (c) ‘index-linked obligation’ means a debt security that provides for the payment of additional amounts linked to changes in a published index, but does not include a component part of an index-linked obligation that is no longer attached to that index-linked obligation.
- (d) ‘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.
- (e) ‘outstanding’ in relation to any Bond means a Bond that is outstanding for purposes of Section 2.7, and in relation to the debt securities of any other series means a debt security that is outstanding for purposes of Section 2.8.
- (f) ‘modification’ in relation to the Bonds means any modification, amendment, supplement or waiver of the terms and conditions of the Bonds or any agreement 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.
- (g) ‘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.

- (h) '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;<sup>1</sup>
  - (v) change the currency or place of payment of any amount payable on the Bonds;
  - (vi) impose any condition on or otherwise modify the Issuer's obligation to make payments on the Bonds;
  - (vii) except as permitted by any related guarantee, release any guarantee issued in relation to the Bonds or change the terms of that guarantee;<sup>2</sup>
  - (viii) except as permitted by any related security agreement, release any collateral that is pledged or charged as security for the payment of the Bonds or change the terms on which that collateral is pledged or charged;<sup>3</sup>
  - (ix) change any payment-related circumstance under which the Bonds may be declared due and payable prior to their stated maturity;<sup>4</sup>
  - (x) change the seniority or ranking of the Bonds;
  - (xi) change the law governing the Bonds;<sup>5</sup>
  - (xii) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the Issuer in relation to legal proceedings arising out of or in connection with the Bonds;<sup>6</sup>
  - (xiii) change the principal amount of outstanding Bonds or, in the case of a cross-series modification, the principal amount of

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<sup>1</sup> To be included if the Bonds are redeemable.

<sup>2</sup> To be included if the Bonds are guaranteed.

<sup>3</sup> To be included if the Bonds are collateralised.

<sup>4</sup> To be included if the Bonds are subject to acceleration.

<sup>5</sup> To be included if the Bonds are governed by a foreign law.

<sup>6</sup> To be included, as appropriate, if the Issuer has submitted to the jurisdiction of a foreign court or expressly waived its immunity.



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

(xiv) 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.

- (i) 'holder' in relation to a Bond means [the person in whose name the Bond is registered on the books and records of the Issuer]<sup>7</sup> / [the bearer of the Bond]<sup>8</sup> / [the person the Issuer is entitled to treat as the legal holder of the Bond]<sup>9</sup>, and in relation to any other debt security means the person the Issuer is entitled to treat as the legal holder of the debt security under the law governing that debt security.
- (j) 'record date' in relation to any proposed modification means the date fixed by the Issuer for determining the holders of Bonds and, in the case of a cross-series modification, the holders 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 Issuer and:

- (a) the affirmative vote of holders 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 holders 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

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<sup>7</sup> Include (subject to footnote 9) if the Bonds are registered bonds, regardless of whether held in global form by a common depository or custodian.

<sup>8</sup> Include (subject to footnote 9) if the Bonds are bearer securities, regardless of whether held in global form by a common depository or custodian.

<sup>9</sup> Include if under applicable law the person entitled to vote the Bond in relation to the Issuer is not the bearer of the Bond or the person in whose name the Bond is registered on the books and record of the Issuer.

securities of such other series, may be modified in relation to a reserved matter with the consent of the Issuer 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 holders of the debt securities of all the series (taken in the aggregate) that would be affected by the proposed modification; or

(a)(ii) a written resolution signed by or on behalf of the holders 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 holders of each series of debt securities (taken individually) that would be affected by the proposed modification; or

(b)(ii) a written resolution signed by or on behalf of the holders 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 holder 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 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 Section 2.2, in relation to the Bonds and debt securities of each other series whose modification would have been approved in accordance with 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 Issuer has publicly notified holders 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 Issuer and:

- (a) the affirmative vote of holders 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 holders of more than 50% of the aggregate principal amount of the outstanding Bonds.

2.6 Multiple Currencies, Index-Linked Obligations and Zero-Coupon Obligations. In determining whether a proposed modification has been approved by the requisite principal amount of Bonds and debt securities of one or more other series:

- (a) if the modification involves debt securities denominated in more than one currency, the principal amount of each affected debt security will be equal to the amount of euro that could have been obtained on the record date for the proposed modification with the principal amount of that debt security, using the applicable euro foreign exchange reference rate for the record date published by the European Central Bank;
- (b) if the modification involves an index-linked obligation, the principal amount of each such index-linked obligation will be equal to its adjusted nominal amount;
- (c) if the modification involves a zero-coupon obligation that did not formerly constitute a component part of an index-linked obligation, the principal amount of each such zero-coupon obligation will be equal to its nominal amount or, if its stated maturity date has not yet occurred, to the present value of its nominal amount;
- (d) if the modification involves a zero-coupon obligation that formerly constituted a component part of an index-linked obligation, the principal amount of each such zero-coupon obligation that formerly constituted the right to receive:
  - (i) a non-index-linked payment of principal or interest will be equal to its nominal amount or, if the stated maturity date of the non-index-linked payment has not yet occurred, to the present value of its nominal amount; and

- (ii) an index-linked payment of principal or interest will be equal to its adjusted nominal amount or, if the stated maturity date of the index-linked payment has not yet occurred, to the present value of its adjusted nominal amount; and
- (e) For purposes of this Section 2.6:
- (i) the adjusted nominal amount of any index-linked obligation and any component part of an index-linked obligation is the amount of the payment that would be due on the stated maturity date of that index-linked obligation or component part if its stated maturity date was the record date for the proposed modification, based on the value of the related index on the record date published by or on behalf of the Issuer or, if there is no such published value, on the interpolated value of the related index on the record date determined in accordance with the terms and conditions of the index-linked obligation, but in no event will the adjusted nominal amount of such index-linked obligation or component part be less than its nominal amount unless the terms and conditions of the index-linked obligation provide that the amount of the payment made on such index-linked obligation or component part may be less than its nominal amount; and
  - (ii) the present value of a zero-coupon obligation is determined by discounting the nominal amount (or, if applicable, the adjusted nominal amount) of that zero-coupon obligation from its stated maturity date to the record date at the specified discount rate using the applicable market day-count convention, where the specified discount rate is:
    - (x) if the zero-coupon obligation was not formerly a component part of a debt security that expressly provided for the accrual of interest, the yield to maturity of that zero-coupon obligation at issuance or, if more than one tranche of that zero-coupon obligation has been issued, the yield to maturity of that zero-coupon obligation at the arithmetic average of all the issue prices of all the zero-coupon obligations of that series of zero-coupon obligations weighted by their nominal amounts; and
    - (y) if the zero-coupon obligation was formerly a component part of a debt security that expressly provided for the accrual of interest:
      - (1) the coupon on that debt security if that debt security can be identified; or
      - (2) if such debt security cannot be identified, the arithmetic average of all the coupons on all of the Issuer's debt securities (weighted by their

principal amounts) referred to below that have the same stated maturity date as the zero-coupon obligation to be discounted, or, if there is no such debt security, the coupon interpolated for these purposes on a linear basis using all of the Issuer's debt securities (weighted by their principal amounts) referred to below that have the two closest maturity dates to the maturity date of the zero-coupon obligation to be discounted, where the debt securities to be used for this purpose are all of the Issuer's index-linked obligations if the zero-coupon obligation to be discounted was formerly a component part of an index-linked obligation and all of the Issuer's debt securities (index-linked obligations and zero-coupon obligations excepted) if the zero-coupon obligation to be discounted was not formerly a component part of an index-linked obligation, and in either case are denominated in the same currency as the zero-coupon obligation to be discounted.

2.7 Outstanding Bonds. In determining whether holders 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 has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligation to make all payments due in respect of the Bond in accordance with its terms;<sup>10</sup> or
- (c) the Bond is held by the Issuer, by a department, ministry or agency of the Issuer, or by a corporation, trust or other legal entity that is controlled by the Issuer or a department, ministry or agency of the Issuer and, in the case of a Bond held by any such above-mentioned corporation, trust or other legal entity, the holder of the Bond does not have autonomy of decision, where:
  - (i) the holder 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

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<sup>10</sup> The reference to the Bond having previously been called for redemption to be included if the Bond is redeemable.

instruction is by contract required, directly or indirectly, for the legally entitled holder to vote the Bond for or against a proposed modification;

- (ii) a corporation, trust or other legal entity is controlled by the Issuer or by a department, ministry or agency of the Issuer if the Issuer or any department, ministry or agency of the Issuer 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 holder of a Bond has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the holder may have in relation to the Issuer:
  - (x) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or
  - (y) the holder, 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 holder's own interest; or
  - (z) the holder 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 Section 2.7.

2.8 Outstanding Debt Securities. In determining whether holders 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 holders 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.

2.9 Entities Having Autonomy of Decision. For transparency purposes, the Issuer will publish promptly following the Issuer'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 Section 2.7(c):

- (a) is then controlled by the Issuer or by a department, ministry or agency of the Issuer;

- (b) has in response to an enquiry from the Issuer reported to the Issuer that it is then the holder of one or more Bonds; and
- (c) does not have autonomy of decision in respect of its Bondholdings.

2.10 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 Issuer 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 Issuer 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 Issuer 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 Section 2.7;
- (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 Section 2.7(c) to be not outstanding on the record date; and
- (c) identifying the holders of the Bonds and, in the case of a cross-series modification, debt securities of each other affected series, referred to in (b) above,

determined, if applicable, in accordance with the provisions of Section 2.6.

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

- (a) an affected Bondholder delivers a substantiated written objection to the Issuer 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 Issuer and affected Bondholders if:

- (x) the objection is subsequently withdrawn;
- (y) 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
- (z) 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 Issuer 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 Issuer 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 Issuer 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 Issuer may instead be taken by an agent acting on behalf of the Issuer.

4.2 Convening Meetings. A meeting of Bondholders:

- (a) may be convened by the Issuer at any time; and
- (b) will be convened by the Issuer if an event of default in relation to the Bonds has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10% of the aggregate principal amount of the Bonds then outstanding.<sup>11</sup>

4.3 Notice of Meetings. The notice convening a meeting of Bondholders will be published by the Issuer at least 21 days prior to the date of the meeting or, in

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<sup>11</sup> To be included if the Bonds contain events of default.



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<sup>12</sup> 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 Issuer 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 Issuer; or
- (b) if the Issuer fails to appoint a chair or the person nominated by the Issuer is not present at the meeting, by holders 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 Issuer. 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% 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

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<sup>12</sup> The term 'business day' will be defined elsewhere in the Bond documentation.

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 holders 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 holder of an outstanding Bond on the record date for a proposed modification, and any person duly appointed as a proxy by a holder 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 holders of outstanding Bonds represented at a duly called meeting or to a vote of the holders of all outstanding Bonds by means of a written resolution without need for a meeting. A holder may cast votes on each proposed modification equal in number to the principal amount of the holder's outstanding Bonds. For these purposes:

- (a) in the case of a cross-series modification involving debt securities denominated in more than one currency, the principal amount of each debt security will be determined in accordance with Section 2.6(a);
- (b) in the case of a cross-series modification involving an index-linked obligation, the principal amount of each such index-linked obligation will be determined in accordance with Section 2.6(b);
- (c) in the case of a cross-series modification involving a zero-coupon obligation that did not formerly constitute a component part of an index-linked obligation, the principal amount of each such zero-coupon obligation will be determined in accordance with Section 2.6(c); and
- (d) in the case of a cross-series modification involving a zero-coupon obligation that did formerly constitute a component part of an index-linked obligation, the principal amount of each such zero-coupon obligation will be determined in accordance with Section 2.6(d).

4.10 Proxies. Each holder of an outstanding Bond may, by an instrument in writing executed on behalf of the holder and delivered to the Issuer 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 holder's behalf in connection with any meeting of Bondholders at which the holder is entitled to vote or the signing of any written resolution that the holder 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 Section 2.7 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 holder 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 Issuer 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 holders 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 holder was present at the meeting, voted for or against the resolution or signed the written resolution.
- 4.13 Publication. The Issuer will without undue delay publish all duly adopted resolutions and written resolutions.

## **5. Publication**

- 5.1 Notices and Other Matters. The Issuer will publish all notices and other matters required to be published pursuant to the above provisions:
- (a) on [*insert* the Issuer's website for financial notices];
  - (b) through [*insert* clearing system];<sup>13</sup> and
  - (c) in such other places, including in [*insert* the Issuer's official gazette], and in such other manner as may be required by applicable law or regulation.

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To be included if the Bonds are cleared through a central depository system.

## SUPPLEMENTAL PROVISIONS

### 1. **Technical Amendments**

1.1 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 Issuer without the consent of Bondholders:

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

The Issuer will publish the details of any modification of the Bonds made pursuant to this Section [●] within ten days of the modification becoming legally effective.

### 2. **Acceleration and Rescission of Acceleration**<sup>1</sup>

2.1 Acceleration. If any event of default occurs and is continuing, the holders of not less than 25% of the aggregate principal amount of the outstanding Bonds may, by written notice given to the Issuer, declare the Bonds to be immediately due and payable. Upon any declaration of acceleration properly given in accordance with this Section, all amounts payable on the Bonds will become immediately due and payable on the date that written notice of acceleration is received by the Issuer, unless the event of default has been remedied or waived prior to the receipt of the notice by the Issuer.

2.2 Rescission of Acceleration. The holders of more than 50% of the aggregate principal amount of the outstanding Bonds may, on behalf of all Bondholders, rescind or annul any notice of acceleration given pursuant to Section 2.1 above.

### 3. **Limitation on Sole Holder Action**<sup>2</sup>

3.1 No Bondholder will be entitled to institute proceedings against the Issuer or take steps to enforce the rights of the Bondholders under the terms and conditions of the Bonds unless the [trustee/fiscal agent], having become bound in accordance with these terms and conditions, has failed to do so within a reasonable time and such failure is continuing.

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<sup>1</sup> To be included only if the Bonds provide for acceleration.

<sup>2</sup> To be included only if the Bonds provide for a fiscal agent or trustee.