

EXECUTION VERSION

THE REPUBLIC OF ESTONIA
EURO MEDIUM TERM NOTE PROGRAMME

DEED OF COVENANT

THIS DEED OF COVENANT is made on 19 October 2023

BY

- (1) **THE REPUBLIC OF ESTONIA ACTING THROUGH THE MINISTRY OF FINANCE** (the "**Issuer**")

IN FAVOUR OF

- (2) **THE ACCOUNTHOLDERS** (as defined below); and
- (3) **THE PERSONS** for the time being and from time to time registered as holders of the Notes referred to below (the "**Noteholders**" and, together with the Accountholders (as defined below), the "**Beneficiaries**").

WHEREAS

- (A) The Issuer has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"), in connection with which it has entered into a dealer agreement dated 19 October 2023 (as amended and restated from time to time, the "**Dealer Agreement**") and an issue and paying agency agreement dated 19 October 2023 (as amended and restated from time to time, the "**Agency Agreement**").
- (B) The Issuer has made applications to the Irish Stock Exchange plc, trading as Euronext Dublin for Notes issued under the Programme to be admitted to listing on the official list of Euronext Dublin and for the Notes issued under the Programme to be admitted to trading on the regulated market of Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended). Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) In connection with the Programme, the Issuer has prepared an offering circular dated 19 October 2023 (as such may be supplemented, updated or replaced from time to time, the "**Offering Circular**").
- (D) Notes issued under the Programme will be issued pursuant to the Offering Circular describing the Programme and the relevant Pricing Supplement in respect of the particular Tranche of Notes.
- (E) Notes issued under the Programme will be issued in registered form and may be in the form of one or more global note certificates ("**Global Note Certificates**").
- (F) The Issuer wishes to constitute the Notes by deed poll and to make arrangements for the protection of the interests of Accountholders in certain circumstances.

NOW THIS DEED OF COVENANT WITNESSES as follows:

1. INTERPRETATION

1.1 Definitions

All terms and expressions which have defined meanings in the Conditions or the Agency Agreement shall have the same meanings in this Deed of Covenant except where the context requires otherwise or unless otherwise stated. In addition, in this Deed of Covenant the following expressions have the following meanings:

"Accountholder" means any accountholder or participant with a Clearing System which at the Determination Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Note Certificate, except for either Clearing System in its capacity as an accountholder of the other Clearing System;

"Clearing System" means each of Euroclear Bank SA/NV, Clearstream Banking S.A. and any other clearing system specified in the relevant Pricing Supplement;

"Conditions" means the terms and conditions set out in the Offering Circular except that, in relation to any particular Tranche of Notes, it means the Conditions (as defined in the Offering Circular) as supplemented, amended and/or replaced by the relevant Pricing Supplement, and any reference to a numbered Condition shall be construed accordingly;

"Determination Date" means, in relation to any Global Note Certificate, the date on which such Global Note Certificate becomes void in accordance with its terms;

"Direct Rights" means the rights referred to in Clause 3 (*Direct Rights - Creation*);

"Entry" means, in relation to a Global Note Certificate, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note Certificate;

"Holder" means a person in whose name a Note is registered in the Register or, in the case of joint holders, the first named thereof; and

"Principal Amount" means, in respect of any Entry, the aggregate principal amount of the Notes to which such Entry relates.

1.2 Clauses

Any reference in this Deed of Covenant to a Clause is, unless otherwise stated, to a clause hereof.

1.3 Other agreements

All references in this Deed of Covenant to an agreement, instrument or other document (including the Offering Circular, the Dealer Agreement and the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed

of Covenant to the Offering Circular shall be construed as a reference to the Offering Circular as supplemented and/or amended by the relevant Pricing Supplement.

1.4 **Legislation**

Any reference in this Deed of Covenant to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Covenant.

1.6 **Benefit of Deed of Covenant**

Any Notes issued under the Programme on or after the date of this Deed of Covenant (other than any Notes issued so as to be consolidated and form a single Series with the Notes of any Series issued up to and including the date of this Deed of Covenant) shall have the benefit of this Deed of Covenant but shall not have the benefit of any subsequent deed of covenant relating to the Programme (unless expressly so provided in any such subsequent deed).

2. **THE NOTES**

The Issuer hereby constitutes the Notes and covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in each Note Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3. **DIRECT RIGHTS**

Creation

If any Global Note Certificate representing all or part of a Tranche of Notes becomes void in accordance with its terms, each Accountholder shall have against the Issuer all rights ("**Direct Rights**") which such Accountholder would have had in respect of the Notes if, immediately before the Determination Date in relation to that Global Note Certificate, it had been the Holder of an Individual Note Certificate of that Tranche, duly executed, authenticated and issued, in an aggregate principal amount equal to the Principal Amount of such Accountholder's Entries relating to the Global Note Certificate and a duly completed, executed and authenticated Individual Note Certificate had been issued to such Accountholder in respect of such holding, including (without limitation) the right to receive all payments due at any time in respect of the Notes represented by such Individual Note Certificate as if such Individual Note Certificate had (where required by the Conditions) been duly presented and (where required by the Conditions) surrendered on the due date in accordance with the Conditions. Anything which might prevent the issuance of Definitive Notes or an Individual Note Certificates in an aggregate principal amount equal to the Principal

Amount of any Entry of any Accountholder shall be disregarded for the purposes of this Clause 3, but without prejudice to its effectiveness for any other purpose.

3.1 No Further Action

No further action shall be required on the part of the Issuer or any other person:

3.1.1 *Direct Rights*: for the Accountholders to enjoy the Direct Rights; or

3.1.2 *Benefit of the Conditions*: for each Accountholder to have the benefit of the Conditions as if they had been incorporated *mutatis mutandis* into this Deed of Covenant,

provided, however, that nothing herein shall entitle any Accountholder to receive any payment in which has already been made in accordance with the terms of a Global Note Certificate.

4. EVIDENCE

4.1 Records

The records of the Clearing Systems shall be conclusive as to the identity of the Accountholders and the respective amounts of Notes credited to their securities accounts and a statement issued by a Clearing System setting out:

4.1.1 the name of the Accountholder in respect of which it is issued; and

4.1.2 the Principal Amount of any Entry credited to the securities account of such Accountholder with such Clearing System on any date,

shall be conclusive evidence for all purposes of this Deed of Covenant.

4.2 Determination Date

If a Clearing System determines the Determination Date, such determination shall be binding on the Issuer and all Accountholders with such Clearing System.

5. DEPOSIT OF DEED OF COVENANT

This Deed of Covenant shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until the date on which all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under this Deed of Covenant) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed of Covenant.

6. STAMP DUTIES

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Deed of Covenant, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost,

loss or expense (including, without limitation, legal fees and any applicable value added tax) which it may incur or which may be made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. BENEFIT OF DEED OF COVENANT

7.1 Deed Poll

This Deed of Covenant shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 Benefit

This Deed of Covenant shall enure to the benefit of each Beneficiary and its (and any subsequent successors and assigns), each of which shall be entitled severally to enforce this Deed of Covenant against the Issuer.

7.3 Assignment

The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations under this Deed of Covenant. Each Beneficiary shall be entitled to assign all or any rights and benefits hereunder.

8. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. NOTICES

9.1 Address for Notices

All notices and other communications to the Issuer hereunder shall be made in writing (by letter or email) and shall be sent to the Issuer at:

Ministry of Finance of Estonia
1, Suur-Ameerika Street
10122 Tallinn
Estonia

Email: treasury@fin.ee

Attention: State Treasury

or to such other address or email or for the attention of such other person or department as the Issuer has notified to the Noteholders in the manner prescribed for the giving of notices in connection with the Notes.

9.2 Effectiveness

Every notice or other communication sent in accordance with Clause 9.1 (*Address for Notices*) shall be effective upon receipt by the Issuer provided, however, that any such notice or other communication which would otherwise take effect after 4.00pm on any particular day shall not take effect until 10.00am on the immediately succeeding business day in the place of the Issuer.

10. GOVERNING LAW AND ARBITRATION

10.1 Governing law

This Deed of Covenant (including a dispute relating to its existence, validity or termination) and any non-contractual obligation or other matter arising out of or in connection with this Deed of Covenant shall be governed, and construed in accordance with, by English law. The governing law of this Clause 10 (*Governing Law and Arbitration*) shall also be the substantive law of England.

10.2 Arbitration

Any dispute, claim difference or controversy arising out of or in connection with this Deed of Covenant (including any dispute relating to its existence, validity or termination, or any non-contractual obligation or other matter arising out of or in connection with it) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Clause 10.2 (*Arbitration*). For these purposes:

- 10.2.1 any Request for Arbitration (as defined in the Rules) may be served by delivery to the process agent in accordance with Clause 10.3 (*Service of process*);
- 10.2.2 the seat, or legal place of arbitration, shall be London, England where all hearings and meetings shall be held, unless the parties agree otherwise;
- 10.2.3 there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The claimant(s) and the respondent(s) shall nominate an arbitrator respectively. If one party fails to appoint an arbitrator within 30 days of receiving notice of the appointment of an arbitrator by the other party, then that arbitrator shall be appointed by the LCIA. The third arbitrator, who shall be the chairman of the tribunal, shall be nominated by the two party-nominated arbitrators. If he is not chosen and appointed within fifteen (15) days of the last of their appointments, he shall be appointed by the LCIA;
- 10.2.4 the language of the arbitration shall be English;
- 10.2.5 any award of the tribunal shall be binding from the day it is made, and the parties to this Deed of Covenant hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court;

- 10.2.6 it is agreed that the arbitrators shall have no authority to award exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under the relevant applicable law, the parties hereby waive their right, if any, to recover such damages;
- 10.2.7 this arbitration Clause 10.2 including its validity and scope, shall be governed by English law;
- 10.2.8 nothing in this Clause 10.2 shall be construed as preventing any party to this Deed of Covenant from seeking conservatory or similar interim relief in any court of competent jurisdiction; and
- 10.2.9 the parties agree that the arbitration and any facts, documents, awards or other information related to the arbitration or the dispute, controversy or claim to which it relates shall be kept strictly confidential and shall not be disclosed to any third party without the express written consent of the other party, unless such disclosure is required to comply with any legal or regulatory requirement.

10.3 Service of process

For the purposes of any court proceedings commenced in support of, or in relation to, arbitral proceedings brought under this Clause 10 (*Governing Law and Arbitration*), the Issuer agrees that service of process may be effected on it by delivering or posting that process to the Embassy of the Republic of Estonia in London at 44 Queen's Gate Terrace, South Kensington, London SW7 5PJ and agrees that, if for any reason service of process by such means is not possible, it will appoint a third party agent for service of process in England. Nothing in this paragraph shall affect the right of any party to serve process in any other manner permitted by law.

10.4 Waiver of immunity and consent to enforcement

- 10.4.1 To the extent that the Issuer may in any jurisdiction claim for itself or its revenues, assets or properties ("**Sovereign Assets**") immunities from suit, execution, attachment (whether in aid of execution, before award or otherwise) in all cases related to the Notes, and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the Issuer hereby irrevocably agrees for the benefit of the Noteholders not to claim and confirms that any such immunity is or has been irrevocably waived to the fullest extent permitted by the laws of such jurisdiction. For the avoidance of doubt, the Issuer submits to the jurisdiction of any arbitral body constituted in accordance with Clause 10.2 (*Arbitration*), the courts at the legal seat of arbitration in the matters related to the arbitral proceedings and court proceedings in any jurisdiction relating to the enforcement of an arbitral award.
- 10.4.2 To the extent that the Issuer or any of its Sovereign Assets may be entitled in any jurisdiction to any immunity from set-off or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer hereby irrevocably agrees not to claim and confirms that any such immunity is or has been irrevocably waived to the fullest extent

permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with the Notes.

10.4.3 The Issuer further irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any Sovereign Assets whatsoever of any order, award or judgment, made or given in connection with any Dispute.

10.4.4 The waiver of immunity by the Issuer herein shall not constitute a waiver of immunity in relation to:

- (i) present or future "premises of the mission" as defined in the Vienna Convention on Diplomatic Relations signed in 1961;
- (ii) "consular premises" as defined in the Vienna Convention on Consular Relations signed in 1963;
- (iii) any other property or assets used solely or mainly for official non-commercial state purposes in the Republic of Estonia or elsewhere;
- (iv) military property or military assets of the Republic of Estonia related thereto; or
- (v) any non-transferable national assets and national assets with priority importance as defined in or in accordance with applicable Estonian laws. It is acknowledged that there is no specific law in Estonia governing the waiving of immunity by the Issuer. Further, in accordance with the Code of Enforcement Procedure, assets or things in restricted commerce which the Republic of Estonia or local government need for the performance of public duties or the enforcement of which would be contrary to public interest, shall not be subject to enforcement.

10.5 Consolidation of disputes

10.5.1 In this sub-clause:

"Consolidation Order" means an order by a Tribunal that a Primary Dispute and a Linked Dispute be consolidated and heard as one dispute in the same arbitral proceedings.

"Linked Agreement" means the Notes, Global Note Certificate, Deed of Covenant, Agency Agreement, Dealer Agreement, Subscription Agreement and any other agreement entered into in connection with the issue of the Notes.

"Linked Dispute" means any Dispute and/or any dispute, claim, difference or controversy arising out of or in connection with any Linked Agreement (including any dispute relating to its existence, validity or termination or any non-contractual obligation or other matter arising out of or in connection with it), in which a Request for Arbitration is served after a Request for Arbitration has been served in respect of a Primary Dispute.

"Primary Dispute" means any Dispute and/or any dispute, claim, difference or controversy arising out of or in connection with any Linked Agreement (including any dispute relating to its existence, validity or termination or any non-contractual obligation or other matter arising out of or in connection with it) in which a Request for Arbitration has been served before a Request for Arbitration is served in relation to a Linked Dispute.

"Tribunal" means any arbitral tribunal appointed under this Deed of Covenant or any Linked Agreement.

10.5.2 If any Linked Dispute raises issues of fact and/or law which are substantially the same as or similar to issues raised in any Primary Dispute then, notwithstanding that a Tribunal may already have been agreed or appointed in respect of the Linked Dispute, any party (the **"Notifying Party"**) to both the Primary Dispute and the Linked Dispute (the **"Notified Disputes"**) may apply, by service of a written notice (a **"Consolidation Notice"**) in accordance with this Clause, to the Tribunal appointed in relation to the Primary Dispute for a Consolidation Order.

10.5.3 The Notifying Party must serve the Consolidation Notice on all parties to the Notified Disputes, and on any arbitrators already appointed or agreed in connection with any Notified Dispute.

10.5.4 The Tribunal appointed in relation to the Primary Dispute may make a Consolidation Order on hearing an application brought under sub-clause 10.5.2 above if it considers it just, equitable and procedurally efficient to do so and that no party to either the Primary Dispute or the Linked Dispute would be materially prejudiced as a result of such consolidation. In determining whether to make a Consolidation Order, the Tribunal must take account of:

- (a) the likelihood and consequences of inconsistent decisions if consolidation is not ordered;
- (b) any fault on the part of the party seeking consolidation to make a timely application; and
- (c) the likely consequences of consolidation in terms of cost and time.

10.5.5 If the Tribunal appointed in respect of the Primary Dispute makes a Consolidation Order:

- (a) it will immediately, to the exclusion of the other Tribunal appointed in a Linked Dispute, have jurisdiction to resolve finally the Notified Disputes;
- (b) it must order that notice of the Consolidation Order and its effect be given immediately to any arbitrators already appointed in relation to the Linked Dispute and to all parties to the Notified Disputes;
- (c) any appointment of an arbitrator in relation to the Linked Dispute before the date of the Consolidation Order will terminate immediately and that

arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done, or order made, by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
 - (ii) his entitlement to be paid his proper fees and disbursements; and
 - (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision;
- (d) it may also give any other directions it considers appropriate to:
- (i) give effect to the Consolidation Order and make provisions for any costs which may result from it (including costs in any arbitration terminated as a result of the Consolidation Order); and
 - (ii) ensure the proper organisation of the arbitration proceedings and the proper formulation and resolution of the issues between the parties;
- (e) If a Tribunal appointed in respect of the Primary Dispute arising under a Linked Agreement makes a Consolidation Order which confers on that Tribunal jurisdiction to resolve a Linked Dispute arising under this Deed of Covenant, that Consolidation Order and the award of that Tribunal will bind the parties to the Linked Dispute arising under this Deed of Covenant.
- (f) For the avoidance of doubt, where a Tribunal is appointed under this Deed of Covenant or any Linked Agreement, the whole of its award (including any part relating to a Linked Dispute) is deemed for the purposes of the New York Convention on the Recognition and Enforcement of Arbitral Awards 1958 to be contemplated by this Deed of Covenant and that Linked Agreement.
- (g) Each of the Issuer and the Joint Lead Managers hereby waives any right to object to the validity and/or enforceability of any arbitral award made by a Tribunal following the grant of a Consolidation Order on the basis that such award was made in arbitral proceedings which were consolidated under this Clause 10.5 or in accordance with an equivalent provision under another Linked Agreement.

10.5.6 Should the Tribunal appointed in relation to the Primary Dispute decline appointment in respect of the Linked Dispute, any rights to submit a Linked Dispute arising under this Deed of Covenant to separate arbitration proceedings under Clause 10.2 (*Arbitration*) shall be unaffected.

11. **MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of this Deed of Covenant. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed)
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by the)
MINISTER OF FINANCE of)
The Republic of Estonia)
as attorney for)
THE REPUBLIC OF ESTONIA)
acting through its)
MINISTRY OF FINANCE)