

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE U.S.

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This Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Dealers nor any of their respective affiliates nor the Republic of Estonia accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this Offering Circular, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the United States Securities Act of 1933, (as amended) (the "**Securities Act**") or the applicable laws of other jurisdictions.

**Restrictions:** NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Any securities to be issued will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered in the United States (as such term is defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from such registration. In particular, the Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

## OFFERING CIRCULAR



# THE REPUBLIC OF ESTONIA

## Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme (the "**Programme**") described in this Offering Circular, The Republic of Estonia (the "**Issuer**"), may from time to time issue debt instruments in registered form (the "**Notes**").

Notes may be issued from time to time to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. Application will be made for the Notes issued under the Programme to be admitted to the official list (the "**Official List**") and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"). The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**EU MiFID II**"). Application may also be made for the Notes issued under this Programme to be admitted to listing, trading and/or quotation on or by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

In accordance with Article 1(2)(b) of the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), no prospectus is required in connection with the issuance of Notes described in this Offering Circular. Accordingly, this Offering Circular does not purport to meet the format or disclosure requirements of the Prospectus Regulation, and has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Regulation and in particular the Central Bank of Ireland, in its capacity as competent authority under the Prospectus Regulation.

[As at the date of this Offering Circular, the long-term foreign currency and local currency debt of the Republic of Estonia has been rated AA- by S&P Global Ratings Europe Limited ("**S&P**"), A1 by Moody's Deutschland GmbH ("**Moody's**") and A+ by Fitch Ratings Ireland Limited ("**Fitch**"). S&P, Moody's and Fitch are established in the EEA and registered under Regulation (EC) No 1060/2009, (the "**EU CRA Regulation**"). S&P, Moody's and Fitch appear on the latest update of the list of registered credit rating agencies (as of [•] 2023) on the ESMA website. The rating S&P, Moody's and Fitch have given to the Notes is endorsed by S&P Global Ratings UK Limited, Moody's Investor Services Ltd and Fitch Ratings Ltd respectively, which are established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]

Prospective investors should have regard to the risk factors described under the section "Risk Factors" in this Offering Circular. This Offering Circular does not describe all of the risks of an investment in the Notes.

### Arrangers and Dealers

BARCLAYS

CITIGROUP

19 October 2023

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## IMPORTANT NOTICES

### ***Responsibility for this Offering Circular***

The Republic of Estonia (the "**Issuer**") accepts responsibility for the information contained in this Offering Circular and any Pricing Supplement and declares that, to the best of its knowledge, the information contained in this Offering Circular is, in accordance with the facts and the Offering Circular makes no omission likely to affect its import.

### ***Pricing Supplement***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called a pricing supplement (the "**Pricing Supplement**"). Copies of each Pricing Supplement in relation to Notes to be listed on the Euronext Dublin will be published on the website of the Euronext Dublin (<https://live.euronext.com>).

### ***Other relevant information***

This Offering Circular must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Offering Circular contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material to investors in the context of their investment decision; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed in this Offering Circular are honestly held or made and are not misleading in any material respect; that this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representations not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or Notes issued under the Programme other than as contained in this Offering Circular or as expressly approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in

connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*".

*Prospective purchasers of Notes issued under the Programme should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Estonia of acquiring, holding and disposing of Notes issued under the Programme and receiving payments of interest, principal and/or other amounts under Notes issued under the Programme.*

This Offering Circular includes statements that are, or may be deemed to be, 'forward looking statements'. These forward looking statements can be identified by the use of forward looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of the Issuer and the industry in which the Issuer operates.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Issuer's operations, financial condition and liquidity, and the development of the industry in which the Issuer operates may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and liquidity, and the development of the industry in which the Issuer operates, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

The Republic of Estonia is a sovereign state. Consequently, it may be difficult for investors to obtain judgments of courts in countries outside Estonia against the Republic of Estonia. Enforcement of such judgments in Estonia may be refused in certain circumstances in the absence of an applicable treaty facilitating such enforcement. See "*Risk Factors—Risks Relating to the Notes— The Republic of Estonia is a sovereign state and accordingly it may be difficult to enforce judgments against certain assets*".

This and other factors are discussed in more detail under "Risk Factors" and "Description of the Republic of Estonia". Many of these factors are beyond the control of the Issuer. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer does not intend, and does not assume any obligation, to update any forward looking statements set out in this Offering Circular.

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or

purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

#### **Product Governance under Directive 2014/65/EU (as amended) ("EU MiFID II")**

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **Product Governance under Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR")**

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### ***Product classification pursuant to Section 309B of the Securities and Futures Act 2001***

The Pricing Supplement in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

#### ***Certain definitions***

In this Offering Circular, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

#### ***Ratings***

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche

of Notes will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

### **Stabilisation**

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## ENFORCEABILITY OF JUDGMENTS AND FOREIGN ARBITRAL AWARDS

Foreign judgments are recognised and generally enforced in Estonia on the basis of national legislation, European Union (EU) legislation or international treaties (whether bilateral, for example, legal assistance agreements, or multilateral, for example, Hague conventions).

Arbitral awards will be recognized and enforced in Estonia under the conditions set forth in the Estonian Code of Civil Procedure pursuant to which awards of foreign arbitral tribunals are recognized and accepted for enforcement in Estonia pursuant to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") and other foreign agreements which Estonia is a party to. The grounds for non-recognition of foreign arbitral awards are set out in Article 5 of the New York Convention. Therefore the recognition and enforcement of the arbitration awards obtained by a Noteholder in a country being a party to the New York Convention is possible in Estonia on the basis of and subject to the conditions set out in that convention.

If the foreign judgement is not subject to the EU regulations or international treaties (e.g., legal assistance agreements or Hague conventions), the Estonian Code of Civil Procedure of 2005 (*tsiviilkohtumenetluse seadustik*), as amended, is applied.

According to Estonian Code of Civil Procedure a judgment in a civil matter made by a foreign State other than a Member State of the European Union is subject to recognition in the Republic of Estonia, except in the case where: (i) recognition of the judgment would be clearly contrary to the essential principles of Estonian law (public order) and, above all, the fundamental rights and freedoms of persons; (ii) the debtor was unable to reasonably defend the rights thereof and, above all, if the summons or other document initiating the proceeding was not served in time and in the requisite manner, unless such person had a reasonable opportunity to contest the judgment and the person failed to do so within the prescribed term; (iii) the judgment is in conflict with an earlier judgment made in Estonia in the same matter between the same parties or if a claim between the same parties has been filed to Estonian court; (iv) the judgment is in conflict with a judgment of a foreign court in the same matter between the same parties which has been earlier recognised or enforced in Estonia; (v) the judgment is in conflict with a judgment made in a foreign state in the same matter between the same parties which has not been recognised in Estonia, provided that the earlier foreign judgment is subject to recognition or enforcement in Estonia; (vi) the court which made the judgment could not have made the judgment according to the provisions of Estonian law regulating international jurisdiction; (vii) the judgment has not entered into force pursuant to the law of the country, except if otherwise foreseen by the law of the international agreement.



## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Offering Circular will be published.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this overview.*

<b>The Issuer:</b>	The Republic of Estonia, acting through the Ministry of Finance
<b>Legal Entity Identifier:</b>	254900EIG007C6C9R437
<b>Arranger:</b>	Barclays Bank Ireland PLC and Citigroup Global Markets Europe AG
<b>Dealers:</b>	Barclays Bank Ireland PLC and Citigroup Global Markets Europe AG and any other Dealers appointed in accordance with the Dealer Agreement either generally in respect of the Programme or in relation to a particular Tranche of Notes
<b>Fiscal Agent:</b>	Citibank, N.A., London Branch
<b>Registrar:</b>	Citibank Europe PLC
<b>Programme Size:</b>	The Programme is unlimited in amount.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Offering Circular.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the **FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Selling Restrictions Addressing Additional United Kingdom Securities Laws*".

<b>Issuance in Series:</b>	Notes will be issued in Series (" <b>Series</b> "). Each Series may comprise one or more Tranches (" <b>Tranches</b> " and each a " <b>Tranche</b> ") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
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<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Notes may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.
<b>Maturities:</b>	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par. The price and amount of Notes to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions.
<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.</p> <p>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.</p>
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their principal amount and will not bear interest.
<b>Redemption:</b>	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.
<b>Denomination of Notes:</b>	The Notes will be issued in such denomination as may be agreed between the Issuer and the relevant Dealer.

<b>Taxation:</b>	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Republic of Estonia as provided in Condition 11 ( <i>Taxation</i> ). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 11 ( <i>Taxation</i> ), be required to pay additional amounts to cover the amounts so deducted.
<b>Negative Pledge:</b>	The terms of the Notes will contain a negative pledge provision as further described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b>	The terms of the Notes will contain a cross default provision as further described in Condition 12 ( <i>Events of Default</i> ).
<b>Listing and admission to trading:</b>	<p>Applications have been made for Notes to be admitted after the date hereof to listing on the official list and to trading on the regulated market of Euronext Dublin.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
<b>Status:</b>	The Notes (subject to Condition 5 ( <i>Negative Pledge</i> )) are the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank <i>pari passu</i> , without preference among themselves, with all other unsecured External Indebtedness of the Issuer, from time to time outstanding, provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular, shall have (i) no obligation to pay other External Indebtedness (irrespective of the creditor) at the same time as payment of sums due on the Notes issued under the Programme; and (ii) no obligation to pay sums due on Notes issued under the Programme at the same time as other External Indebtedness (irrespective of the creditor).
<b>Form:</b>	<p>The Notes will be issued in registered form.</p> <p>Each Tranche will be represented by either individual note certificates ("<b>Individual Note Certificates</b>") or one or more global note certificates ("<b>Global Note Certificates</b>").</p> <p>Each Note represented by a Global Note Certificate will either be: (a) in the case of a Certificate which is not to be held under the new safekeeping structure ("<b>New Safekeeping Structure</b>" or "<b>NSS</b>"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Note Certificate will be</p>

deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

**[Rating:]**

[As at the date of this Offering Circular, the long-term foreign currency and local currency debt of the Republic of Estonia has been rated AA- by S&P Global Ratings Europe Limited ("S&P") , A1 by Moody's Deutschland GmbH ("**Moody's**") and A+ by Fitch Ratings Ireland Limited ("**Fitch**"). S&P, Moody's and Fitch are established in the EEA and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**").

S&P, Moody's and Fitch appear on the latest update of the list of registered credit rating agencies (as of [•] 2023) on the ESMA website. The rating S&P, Moody's and Fitch have given to the Notes is endorsed by S&P Global Ratings UK Limited, Moody's Investor Services Ltd and Fitch Ratings Ltd respectively, which are established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.]

**Collective Action Clause:**

The Notes contain a Collective Action Clause in Condition 16 (*Meetings of Noteholders and Modification*).

If the Issuer issues future Debt Securities (as defined in Condition 16) which contain collective action clauses in substantially the same form as the collective action clauses outlined in Conditions 16A or 16B, the Notes would be capable of aggregation for voting purposes with any such future Debt Securities, thereby allowing 'cross-series' modifications to the terms and conditions of all affected series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).

**Governing Law:**

The Notes, the Agency Agreement, the Deed of Covenant, the Dealer Agreement and the Subscription Agreement, and any non-contractual obligations arising out of or in connection therewith, will be governed by English law.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.

<b>Selling Restrictions:</b>	See " <i>Subscription and Sale</i> ".
<b>United States Selling Restrictions:</b>	Regulation S, Category 1.
<b>Risk Factors:</b>	Investing in the Notes involves risks. See "Risk Factors".
<b>Use of proceeds:</b>	Unless a specific use of proceeds is specified in the relevant Pricing Supplement, the net proceeds of the issue of the Notes will be used by the Republic of Estonia for general budgetary purposes.
<b>Domestic Notes</b>	Notwithstanding anything to the contrary in this Offering Circular, the Issuer may from time to time (and without limitation) offer and issue Notes through auctions to local participants, syndicates with local banks and public offerings including to retail investors (such Notes, the " <b>Domestic Notes</b> "), which domestic Notes may (to the extent permitted by applicable law) be consolidated to form a single Series with an existing Series of Notes previously issued under the Programme. Notes issued under the Programme and domestic Notes may be listed on Nasdaq Tallinn AS.

## RISK FACTORS

*You should read this entire Offering Circular carefully. Words and expressions defined elsewhere in this Offering Circular have the same meanings in this section. Investing in the Notes involves certain risks. In addition, the purchase of the Notes may involve substantial risks and be suitable only for investors who have the knowledge and experience in financial and business matters to enable them to evaluate the risks and merits of an investment in the Notes. You should make your own inquiries as you deem necessary without relying on the Republic of Estonia or any Dealer and should consult with your financial, tax, legal, accounting and other advisers, prior to deciding whether to make an investment in the Notes. You should consider, among other things, the following:*

### 1. Risks relating to the Republic of Estonia

***The Republic of Estonia is susceptible to geopolitical risk, principally from its relationship with its neighbour, Russia.***

On 24 February 2022, Russia commenced a military invasion of Ukraine. In response, the United States, the United Kingdom, the European Union, Japan and other countries have announced the imposition of extensive sanctions on certain industry sectors of Russia, contested regions of Ukraine including Donetsk and Luhansk and on certain Russian individuals and entities. The sanctions announced to date include restrictions on selling or importing goods, materials and items (including an embargo on Russian crude oil exports to the EU), services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing Russia's largest banks from the U.S. financial system, removal of certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication system, barring some Russian entities from raising money, blocking the access of certain Russian banks to financial markets and preventing Russian nationals or residents from holding posts in governing bodies of owners or operators of the EU's critical infrastructures and critical entities. On 23 June 2023, the European Commission announced the adoption of an eleventh package of restrictive measures against Russia imposing additional trade, transport and energy restrictions and extending the scope of asset freezes. On 3 August 2023, the European Commission extended the scope of sanctions to include Belarus.

There exists a risk of further deterioration of geopolitical relations, including the war spilling over into new territories. The Republic of Estonia is also vulnerable to any attempts to spark unrest among its approximately 22.5 per cent. (as at 1 January 2023) ethnic Russian population. Given its high usage and reliance on information technology, Estonia is also vulnerable to cyberattacks. Although Russia has not been one of Estonia's main trading partners in recent years and Estonia's dependence on Russian energy imports is relatively low, the Republic of Estonia has some economic exposure to unforeseen and potentially severe changes in its trading relationship.

For historical reasons, the electricity grids of each of the Baltic states, including Estonia, continue to be operated in a synchronous mode with the Russian and Belarussian system. This means that the electricity networks of the Baltic states form part of the unified system with Russia and Belarus and run on the same frequency. At the same time, the Baltic States are connected with other EU Member States through several electricity lines, including the Estlink 1 and Estlink 2 interconnections between Estonia and Finland (with the total capacity of 1,000MW). Since 2018, the Baltic states have been preparing to join the Baltic power grids with the Continental Europe Synchronous Area (the "CESA") and de-synchronising and disconnection from the Russian and Belarussian system. The works continue and, on 3 August 2023, Estonia, Latvia and Lithuania signed an agreement to bring the deadline for synchronisation forward from the end of 2025 to February 2025. Current geopolitical tensions have elevated the risks arising from operating the Baltic electricity grids in synchronous mode with the Russian and Belarussian system. To mitigate the risks, contingency planning for the Baltic states have made preparations for emergency synchronisation with CESA, should this be necessary. Such earlier emergency synchronisation reduces the risks related to security of supply, while the execution of such emergency synchronisation may increase operational costs for the electricity system. According to estimations by the Estonian transmission system operator Elering, the emergency synchronisation process may take up to 12 hours to complete. No electricity trade is ongoing with Russia and Belarus, therefore, no adequacy or electricity price risks are foreseen from switching the synchronous area.

Furthermore, Estonia's largest power plants are dependent on cooling water from the river Narva, which is located at the border between Estonia and Russia, and the water level of which can be managed by Russia.

Construction works are ongoing to implement necessary measures to minimise this exposure by the end of 2023 but until then restrictions to the availability of the cooling water may adversely impact the electricity production capacity of the power plants and may lead to increased dependency on imports of electricity through the interconnections from Finland and Latvia, which may not be sufficient at all times to cover the electricity needs of all electricity consumers in Estonia.

The occurrence of any of the above events may have a significant adverse impact on the economic condition and trading position of the Republic of Estonia.

***As a small, open economy, the Republic of Estonia is exposed to global economic factors, including the economic performance of its main trading partners - European Economic Area members and particularly the Nordic countries***

As a small, open economy, the Republic of Estonia is vulnerable to the general global macroeconomic environment. Major regional or global economic downturns have in past and may also in the future negatively impact Estonia's economic performance. In particular, if the economies of the Republic of Estonia's main trading partners deteriorate, this may have a negative impact on the level of economic activity in the Republic of Estonia. In addition, a significant portion of the Republic of Estonia's banking sector is controlled by Nordic countries and is therefore exposed to changes in business appetite and economic performance in such countries. Pressures on banking systems in such Nordic countries and other trading partners or stresses in government debt markets may adversely affect the economic performance of the Republic of Estonia.

The share of natural gas in Estonia's energy consumption is relatively low and it has established a strategic reserve. Estonia imports all of the gasoline and diesel it consumes from Finland and Lithuania, and maintains gasoline and diesel reserves equivalent to 90 days of consumption. In addition, Estonia has considerable oil shale reserves and has developed a special purpose quay enabling it to receive ships carrying liquefied natural gas (LNG). Nevertheless, the Republic of Estonia remains subject to economic exposure from energy price increases (including increases of the price of electricity and fossil fuels, such as oil and natural gas). Any material restrictions or other unforeseen and potentially severe changes in the global supplies of oil may have an adverse negative impact on the Republic of Estonia's economy.

***There can be no assurance that the Republic of Estonia's credit rating will not change.***

[As at the date of this Offering Circular, long-term foreign currency and local currency debt of the Republic of Estonia is rated AA- by S&P Global Ratings Europe Limited, A1 by Moody's Deutschland GmbH and A+ by Fitch Ratings Ireland Limited.]<sup>1</sup> A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Rating agencies continue to assess rating levels, including to monitor the potential impact of Russia's invasion of Ukraine. There can be no assurance that the rating or outlook of the Republic of Estonia will not be placed on watch or be subject to change in the future, whether due to economic impact or otherwise. A downgrade in rating or a negative change in outlook could have a materially adverse impact on the cost of funding of the Republic of Estonia, and could have a further impact on the Estonian economy including on the GDP and budget.

***The Republic of Estonia is a sovereign state and accordingly it may be difficult to enforce judgments against certain assets.***

In connection with the issue of any Notes under the Programme, the Republic of Estonia will irrevocably accept that disputes may be referred to arbitration. The Republic of Estonia will also irrevocably waive immunity in connection with any action arising out of or based upon any Notes issued under the Programme or brought by any holder of Notes issued hereunder. However, there is no law or jurisprudence of Estonian courts with respect to sovereign immunity or procedure of irrevocable waiver thereof. Accordingly, if, notwithstanding the irrevocable waiver, the Issuer sought to claim immunity in respect of any action or proceedings brought in connection with the issue of any Notes under the Programme, there is no guarantee that such claim of immunity by the Issuer would not be successful. In the absence of a waiver of immunity by the Republic of Estonia with respect to such actions, it would not be possible to obtain a judgment or award in such an action against the Republic of Estonia unless a court or arbitral tribunal were to determine

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<sup>1</sup> Issuer to consider whether rating to be included only in the Pricing Supplement.

that the Republic of Estonia is not entitled to sovereign immunity with respect to such action. However, such waiver of immunity is subject to exclusions in respect of certain assets (see Condition 21(d) (*Governing Law and Arbitration – Waiver of Immunity*)).

In the event that a claimant enforces a judgment or award against the Republic of Estonia by attempting to attach assets located outside the Republic of Estonia, such assets may be immune from attachment notwithstanding the Republic of Estonia's waiver of sovereign immunity. Save as necessary to ensure the effectiveness of service, the Republic of Estonia does not agree to waive immunity with respect 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 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.

There is a risk that, notwithstanding the waiver of sovereign immunity by the Republic of Estonia, a claimant will not be able to enforce a court judgment or arbitral award against certain assets of the Republic of Estonia in certain jurisdictions (including the imposition of any arrest order or attachment or seizure of such assets and their subsequent sale) without the Republic of Estonia having specifically consented to such enforcement at the time when the enforcement is sought.

In particular, the Estonia Code of Enforcement Procedure of 2005 (*täitemenetluse seadustik*), as amended, provides a list of assets against which a claim for payment cannot be made and/or which may not be sold in the course of enforcement proceedings and which are immune from the enforcement of any judgment or claim with respect to any Notes issued under the Programme. These include 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. Also, according to the Bank of Estonia (*Eesti Pank*) Act, the Bank of Estonia is not liable for any financial obligations of the state and its assets are independent and legally distinct from the assets of the state.

#### ***Demographic challenges may lead to lower levels of economic growth and loss of competitiveness***

The Republic of Estonia faces certain demographic challenges, including an aging population and shrinking work force. If labour supply constraints become evident, this may lead to wage growth exceeding productivity gains and to a loss of competitiveness and a level of economic growth that is lower than expected.

While such demographic challenges can in principle be mitigated by increasing immigration, it may not be possible for the Republic of Estonia to attract sufficient appropriately skilled migrants. Furthermore, any extended period of slower or negative economic growth may lead to a resumption of emigration by younger and highly skilled workers, reversing the previous trend of workers returning to Estonia from overseas.

#### ***Estonia has limited ability to set monetary policy***

Estonia joined the Eurozone on 1 January 2011. Therefore, the Bank of Estonia (*Eesti Pank*) lacks the ability to set monetary policy by adjusting money supply and interest rates. The limitations on the ability to affect monetary policy may have an adverse effect on the Estonian economy.



## **2. Risks relating to the Notes**

***The trading market for the Notes may be volatile and may be adversely impacted by many factors.***

The market for the Notes issued by the Republic of Estonia is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in the United States and European and other industrialised countries. There can be no assurance that events in the United States, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Notes or that economic and market conditions will not have any other adverse effect.

***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining terms of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Change of law***

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change of law or administrative practice after the date of this Offering Circular.

***There may be no active trading market for the Notes.***

The Notes are a new issue of securities with no established trading market. There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Republic of Estonia. Although an application may be made to list and trade Tranches of Notes issued under the Programme on the official list and on the regulated market of Euronext Dublin there is no assurance that an active trading market will develop or will be maintained. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

***Certain economic risks are inherent in any investment denominated in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities.***

An investment in a security denominated in a currency other than the currency of the country in which the purchaser is resident or the currency in which the purchaser conducts its business or activities may present currency-related risks not associated with a similar investment in a security denominated in the home currency. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the home currency and the Euro. Such risks generally depend on events over which the Republic of Estonia has only partial control, such as economic and political events and the supply of and demand for the Euro and the home currency. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of the Notes. Depreciation of the Euro against the relevant home currency could result in a decrease in the

effective yield of a particular security below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis.

This description of foreign currency risks does not describe all the risks of an investment in securities denominated in a currency other than the home currency. Prospective investors should consult their own financial and legal advisers as to the risks involved in an investment in the Notes.

***Credit Rating may not reflect all risks***

One or more independent credit rating agencies may assign credit rating to the issue of Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

***Notes with integral multiples***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. Noteholders who, as a result of trading such amounts, hold a principal amount of Notes other than a multiple of the minimum Specified Denomination will receive definitive Notes in respect of their holding (provided that the aggregate amount of Notes they hold is in excess of the minimum Specified Denomination), however, any such definitive Notes which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

***Because the Global Note Certificates are held by or on behalf of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme may be represented by one or more Global Note Certificates (together the "**Global Note Certificates**") (as the case may be). Such Global Note Certificates will be deposited with a common depositary or common safekeeper, as the case may be, for Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system (each a "**relevant Clearing System**" as specified in the applicable Pricing Supplement). Except in the circumstances described in the relevant Global Note Certificate, holders of the Notes will not be entitled to receive Individual Note Certificates. The relevant Clearing System will maintain records of the beneficial interests in the Global Note Certificates. While the Notes are represented by one or more Global Note Certificates, holders of the Notes will be able to trade their beneficial interests only through the relevant Clearing System and their participants.

While the Notes are represented by one or more Global Note Certificates the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper, as the case may be, for the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in a Global Note Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer has no responsibility or liability

for the records relating to, or payments made in respect of, beneficial interests in the Global Note Certificates.

Holders of beneficial interests in the Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Note Certificates will not have a direct right under the Global Note Certificates to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

***The Conditions of the Notes restrict the ability of an individual holder to declare a default and permit a majority of holders to rescind a declaration of default***

The Conditions of the Notes contain a provision which, if an Event of Default occurs, allows the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes to declare all the Notes to be immediately due and payable by providing notice in writing to the Issuer, whereupon the Notes shall become immediately due and payable, at their principal amount with accrued interest, without further action or formality.

The Conditions of the Notes also contain a provision permitting the holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to notify the Issuer to the effect that the Event of Default or Events of Default giving rise to any above-mentioned declaration is or are cured following any such declaration and that such holders wish the relevant declaration to be withdrawn. The Issuer shall give notice thereof to the Noteholders, whereupon the relevant declaration shall be withdrawn and shall have no further effect.

***Interest Rate Risks***

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.

**Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future**

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("€STR") as the new risk-free rate for the euro

area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(n) (*Benchmark Replacement-Independent Adviser*), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR, (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

#### **The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes**

The use of risk-free rates - including those such as the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and the euro short-term rate ("**€STR**"), as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

**Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history**

Risk-free rates may differ from the London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

**The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index**

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR

or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

#### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### ***The Notes may not be a suitable investment for all investors.***

You must determine the suitability of investment in the Notes in the light of your own circumstances. In particular, you should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits and risks of investing in the Notes;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on your overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from your currency;
- (iv) understand thoroughly the terms of the notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

#### ***The Notes are unsecured***

The Notes will constitute unsecured obligations of the Republic of Estonia.

#### ***The Notes will contain provisions that permit the Republic of Estonia to amend the payment terms without the consent of all holders***

The Notes will contain provisions regarding acceleration and voting on amendments, modifications, changes and waivers, which are commonly referred to as "collective action clauses". Under these provisions, certain key provisions of the Notes may be amended, including the maturity date, interest rate and other payment terms, with the consent of the holders of 66⅔% of the aggregate principal amount of the outstanding debt securities. See "*Terms and Conditions*".

The conditions of the Notes issued under the Programme contain provisions regarding acceleration and voting on amendments, modifications and waivers, commonly referred to as "collective action" clauses. These provisions permit defined majorities to bind all Noteholders of a Series, including Noteholders who

did not attend and vote at the relevant meeting or sign the relevant written resolution and Noteholders who voted in a manner contrary to the majority.

The form of collective action clause applicable to each Series of Notes will be specified in the applicable Pricing Supplement.

If "2012 CAC" is specified in the applicable Pricing Supplement, the form of collective action clause was agreed and published by the EU Sovereign Debt Markets Group, a sub-committee of the European Council, on 28 March 2012. In accordance with the provisions of the Treaty Establishing the European Stability Mechanism ("ESM") signed on 2 February 2012 (the "**ESM Treaty**"), this standardised clause became mandatory in all new Eurozone government securities, with a maturity above one year, issued on or after 1 January 2013 (the "**2012 CAC**"). The provisions of the clause permit "cross-series modifications" to be made to one or more series of debt securities issued by the Issuer (provided that those debt securities also contain a cross-series modification provision). In the case of a cross-series modification, a defined majority of the holders of the debt securities of all series (when taken in the aggregate) that would be affected by the proposed modification may bind all holders of such series; provided that a lower defined majority of holders of each affected series of debt securities approve the relevant amendment (See "*Terms and Conditions of the Notes – Meetings of Noteholders and Modification*").

At the Euro Summit held on 14 December 2018, the Heads of State and Government of Euro Area member states confirmed the commitment to reform the 2012 CAC. On 30 November 2021, the ESM members within the Economic and Financial Committee agreed to introduce the single-limb collective action clauses (the "**2022 CAC**") on the first day of the second month following the entry into force of the Agreement amending the ESM Treaty (the "**Amendment Agreement**"). All Eurozone Member States (including the Issuer) have agreed to gradually phase in debt instruments with the 2022 CAC in the terms of debt instruments once the Amendment Agreement comes into force. The 2022 CAC will apply to Notes in respect of which "**2022 CAC**" is specified in the applicable Pricing Supplement. The provisions of the clause permit "cross-series modifications" to be made to one or more series of debt securities issued by the Issuer (provided that those debt securities also contain a cross-series modification provision), including the Notes. In the case of a cross-series modification, a defined majority of the holders of the debt securities of all series (when taken in the aggregate) that would be affected by the proposed modification may bind all holders of such series whether or not a majority of Noteholders of any affected series of Notes approves the relevant amendments.

The conditions of Notes issued under the Programme contain a provision permitting the Notes and the conditions of the Notes to be amended without the consent of the Noteholders to correct a manifest error or where the amendment is of a formal, minor or technical nature or is not materially prejudicial to the interests of the Noteholders.

#### ***Legal investment considerations may restrict certain investments***

*The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. You should consult your legal advisers to determine whether and to what extent (1) the Notes are legal investments for you, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to your purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.*

#### INFORMATION INCORPORATED BY REFERENCE

The most recent investor presentation entitled "*Republic of Estonia, Investor Presentation*" available from time to time at <https://fin.ee/en/investor-presentation> (the "**Investor Presentation**") shall be deemed to be incorporated in, and to form part of, this Offering Circular.



## **PRICING SUPPLEMENT**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the issuer. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Pricing Supplement.

For a Tranche of Notes the relevant Pricing Supplement will, for the purposes of that Tranche only, complete this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes are the Conditions described in the relevant Pricing Supplement as amended or supplemented to the extent described in the relevant Pricing Supplement.

## FORMS OF THE NOTES

### Registered Notes

Each Tranche of Notes will be in registered form ("**Registered Notes**"), represented by either individual note certificates in registered form ("**Individual Note Certificates**") or a global note in registered form (a "**Global Note Certificate**"), in each case as specified in the relevant Pricing Supplement.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which Euroclear and Clearstream, Luxembourg had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The relevant Pricing Supplement will indicate whether such Registered Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Registered Notes are to be so held does not necessarily mean that the Registered Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria.

Each Global Note Certificate will either be: (a) in the case of a Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Global Note Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

### *Global Note Certificate exchangeable for Individual Note Certificates*

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Note Certificates each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the "Global Note Certificate", then if either of the following events occurs:
  - (a) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (b) an Event of Default (as defined in Condition 12 (*Events of Default*)) occurs and the Notes become due and payable.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or
- (b) any of the Notes represented by a Global Note Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note Certificate in accordance with the terms of the Global Note Certificate on the due date for payment,

then the Global Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Note Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note Certificate or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note Certificate became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

#### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which complete those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* The Republic of Estonia (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**").
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a Pricing Supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 19 October 2023 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank Europe PLC as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agent named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agent named therein (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agent and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes are constituted by a deed of covenant dated 19 October 2023 (as amended or supplemented from time to time, the "**Deed of Covenant**").
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection or collection by Noteholders during normal business hours upon request at all reasonable times at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below or may be provided by email to a Noteholder following their prior written request to the relevant Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent).

### 2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

**"2006 ISDA Definitions"** means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));

**"2021 ISDA Definitions"** means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix

thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));

**"Accrual Yield"** has the meaning given in the relevant Pricing Supplement;

**"Additional Business Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the relevant Pricing Supplement;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement;

**"DA Selected Bond"** means the government security or securities selected by the Determination Agent as having the nearest actual or interpolated maturity comparable with the Remaining Term of the relevant Notes to be redeemed and that would be utilised, at the time of selection and in accordance with customary financial practice, in determining the redemption price of corporate debt securities denominated in the Specified Currency and with a comparable remaining maturity to the Remaining Term;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iv) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Determination Agent**" means an independent adviser, investment bank or financial institution of recognised standing with appropriate expertise selected by the Issuer;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Holder**", has the meaning given in Condition 3(c) (*Form, Denomination and Title – Title to Notes*);

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention;
- or



- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

**"ISDA"** means the International Swaps and Derivatives Association, Inc. (or any successor);

**"ISDA Definitions"** has the meaning given in the relevant Pricing Supplement;

**"Issue Date"** has the meaning given in the relevant Pricing Supplement;

**"Make Whole Redemption Price"** has the meaning given in Condition 9(b) (*Redemption and Purchase - Redemption at the option of the Issuer*);

**"Margin"** has the meaning given in the relevant Pricing Supplement;

**"Maturity Date"** has the meaning given in the relevant Pricing Supplement;

**"Maximum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Minimum Rate of Interest"** for any Interest Period has the meaning given in the Pricing Supplement but shall never be less than zero, including any relevant margin;

**"Minimum Redemption Amount"** has the meaning given in the relevant Pricing Supplement;

**"Noteholder"** has the meaning given in Condition 3(c) (*Form, Denomination and Title - Title to Notes*);

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**"Optional Redemption Date (Call)"** has the meaning given in the relevant Pricing Supplement;

**"Optional Redemption Date (Put)"** has the meaning given in the relevant Pricing Supplement;

**"Par Redemption Date"** has the meaning given in the relevant Pricing Supplement;

**"Participating Member State"** means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
- (i) a day on which banks in the relevant place of presentation are open for presentation and payment of debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

- (c) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Quotation Time"** has the meaning given in the relevant Pricing Supplement;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Make Whole Redemption Price, the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

**"Redemption Margin"** means the figure specified in the relevant Pricing Supplement;

**"Reference Bond"** means the bond specified in the relevant Pricing Supplement or, if not so specified or to the extent that such Reference Bond specified in the Pricing Supplement is no longer outstanding on the relevant Reference Date, the DA Selected Bond;

**"Reference Bond Price"** means, with respect to any Reference Bond and any Reference Date: (i) if at least five Reference Government Bond Dealer Quotations are received, the arithmetic average of the Reference Government Bond Dealer Quotations for such Reference Date, after excluding the highest (or in the event of equality, one of the highest) and lowest (or in the event of equality, one of the lowest) such Reference Government Bond Dealer Quotations; (ii) if fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations; or (iii) if no Reference Government Bond Dealer Quotations have been obtained after being requested, the Determination Agent shall determine the Reference Bond Price in good faith;

**"Reference Bond Rate"** means, with respect to any Reference Bond and any Reference Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) for the Remaining Term or interpolated yield for the Remaining Term (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date;

**"Reference Date"** means the date falling three London Business Days prior to the Optional Redemption Date (Call);

**"Reference Government Bond Dealer"** means each of five banks selected by the Issuer (following, where practicable, consultation with the Determination Agent, if one is specified in the relevant Pricing Supplement), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

**"Reference Government Bond Dealer Quotations"** means, with respect to each Reference Government Bond Dealer and any Reference Date, the arithmetic average, as determined by the Determination Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount): (a) which appear on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date; or (b) to the extent that in the case of (a) above either such bid and offered prices do not appear on that page, fewer than two such bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the Determination Agent by such Reference Government Bond Dealer;

**"Reference Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** means EURIBOR / SONIA / SONIA Compounded Index / SOFR / SOFR Compounded Index / €STR as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement. Other than in the case of U.S. dollar-denominated floating rate Notes for which the "Reference Rate" is specified in the relevant Pricing Supplement as being SOFR, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders in accordance with Condition 18 (*Notices*);

**"Relevant Financial Centre"** has the meaning given in the relevant Pricing Supplement;

**"Relevant Make Whole Screen Page"** means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Determination Agent for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Pricing Supplement;

**"Remaining Term"** means the term to maturity or, if a Par Redemption Date is specified in the relevant Pricing Supplement, to such Par Redemption Date;

**"Specified Currency"** has the meaning given in the relevant Pricing Supplement;

**"Specified Denomination(s)"** has the meaning given in the relevant Pricing Supplement;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Pricing Supplement;

**"T2"** means the real time gross settlement system operated by the Eurosystem or any successor system;

**"TARGET Settlement Day"** means any day on which T2 is open for the settlement of payments in euro;

**"Treaty"** means the Treaty on the Functioning of the European Union, as amended; and

**"Zero Coupon Note"** means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
- (v) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (vi) any reference in these Conditions 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.

### 3. **Form, Denomination and Title**

(a) *Form:* The Notes are in registered form.

- (b) *Denomination:* Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (c) *Title to Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. "**Holder**" means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.
- (d) *Ownership:* The Holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (e) *Transfers of Notes:* Subject to paragraphs (h) (*Closed periods*) and (i) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Specified Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.
- (f) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (e) (*Transfers of Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (g) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Issuer, the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (h) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.
- (i) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. **Status**

The Notes (subject to Condition 5 (*Negative Pledge*)) are the direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu*, without preference among themselves, with all other unsecured External Indebtedness of the Issuer, from time to time outstanding, provided, however, that the Issuer shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other External Indebtedness and, in particular,

shall have (i) no obligation to pay other External Indebtedness (irrespective of the creditor) at the same time as payment of sums due on the Notes issued under the Programme; and (ii) no obligation to pay sums due on Notes issued under the Programme at the same time as other External Indebtedness (irrespective of the creditor).

**"External Indebtedness"** means any indebtedness, present or future, for money borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) provided that indebtedness registered in Nasdaq CSD SE (the merged Central Securities Depository of Lithuania, Latvia and Estonia) (or any successor of this central depository for securities) shall not be included in "External Indebtedness";

## 5. **Negative Pledge**

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer will not grant or permit to be outstanding, and will procure that there is not granted or permitted to be outstanding, any mortgage, charge, lien, pledge or other security interest (any of the foregoing a **"Security Interest"**) over any of its present or future assets or revenues (which expression includes the International Monetary Assets of the Issuer) or any part thereof, to secure any Relevant Indebtedness or any Guarantee thereof unless the Issuer shall, in the case of the granting of the security, before or at the same time, and in any other case, promptly, procure that all amounts payable in respect of the Notes are secured equally and rateably, or such other security or other arrangement is provided as shall be approved by an Extraordinary Resolution of the Noteholders.

Where:

**"Relevant Indebtedness"** means any Indebtedness, present or future, in the form of, or represented by, notes, bonds or other similar instruments which is capable of being listed, quoted or traded on any stock exchange, *provided however that*, indebtedness registered in Nasdaq CSD SE (the merged Central Securities Depository of Lithuania, Latvia and Estonia) (or any successor of this central depository for securities) shall not be included in "Relevant Indebtedness".

In these conditions:

**"Government"** means the government of the Republic of Estonia from time to time;

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (A) any obligation to purchase such Indebtedness;
- (B) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (C) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (D) any other agreement to be responsible for such Indebtedness;

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised;

**"International Monetary Assets"** means all official holdings of gold and the reserves of the Issuer by whomsoever and in whatever form owned and held or customarily regarded and held out as the international monetary assets of the Issuer, Special Drawing Rights, Reserve Positions in the Fund and Foreign Exchange of the Government or any agency or department of the Government from time to time;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality; and

"Special Drawing Rights", "Reserve Positions in the Fund" and "Foreign Exchange" have, as to the types of assets included, the meanings given to them in the International Monetary Fund's ("IMF") publication entitled "*International Financial Statistics*" or such other meanings as shall be formally adopted by the IMF from time to time.

**6. Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Notes accruing interest otherwise than a Fixed Coupon Amount:* This Condition 6(d) shall apply to Notes which are Fixed Rate Notes only where the Pricing Supplement for such Notes specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The amount of interest payable in respect of each Note for any Interest Period for such Notes shall be calculated by multiplying the product of the Rate of Interest for such Interest Period and the Calculation Amount by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount.
- (e) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose, a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

**7. Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Screen Rate Determination*: If Screen Rate Determination is specified as applicable in the relevant Pricing Supplement, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Pricing Supplement) determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;
  - (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iv) and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however**, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.
- (d) *Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*
- (i) This Condition 7(d) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SONIA".
  - (ii) Where "SONIA" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent.
  - (iii) For the purposes of this Condition 7(d):
 

**"Compounded Daily SONIA"**, with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:



$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

"d" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"D" is the number specified in the relevant Pricing Supplement (or, if no such number is specified, 365);

"d<sub>o</sub>" means the number of London Banking Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"i" means a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

**"London Banking Day" or "LBD"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"n<sub>i</sub>" for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

**"Observation Period"** means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or if no such period is specified, five London Banking Days;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i</sub>**" means the SONIA Reference Rate for:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant London Banking Day "i";

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), be:
  - (A) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(d), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(e) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*

- (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the

Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "SOFR".

- (ii) Where "SOFR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(e):

**"Benchmark"** means Compounded Daily SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(e).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded Daily SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded Daily SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under this Condition 7(e) will apply.*

**"Compounded Daily SOFR"** with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

**"d"** is the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

**"D"** is the number specified in the relevant Pricing Supplement (or, if no such number is specified, 360);

**"d<sub>o</sub>"** is the number of U.S. Government Securities Business Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period.

**"i"** is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or

- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

**"ni"** for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1");

**"Observation Period"** in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**"p"** for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or if no such period is specified, five U.S. Government Securities Business Days;

**"SOFR"** with respect to any U.S. Government Securities Business Day, means:

- (i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**); or
- (ii) subject to this Condition 7(e), if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source;

**"SOFR<sub>i</sub>"** means the SOFR for:

- (i) where "Lag" is specified as the Observation Method in the applicable Pricing Supplement, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant U.S. Government Securities Business Day "i"; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer (in consultation with the Independent Adviser, if appointed) determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders, and the Fiscal Agent shall concur (in accordance with the Agency Agreement) with the Issuer in effecting any Benchmark Replacement Conforming Changes required to these Conditions and/or the Agency Agreement (regardless of whether or not effecting of such Benchmark Replacement Conforming Changes would constitute a Reserved Matter).

Any determination, decision or election that may be made by the Issuer (in consultation with the Independent Adviser, if appointed) pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (i) will be conclusive and binding absent manifest error;
- (ii) will be made in the sole discretion of the Issuer; and
- (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

**"Benchmark"** means, initially, Compounded Daily SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded Daily SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then **"Benchmark"** shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation with the Independent Adviser, if appointed) as of the Benchmark Replacement Date:

- (i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer (in consultation with the Independent Adviser, if appointed) as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer (in consultation with the Independent Adviser, if appointed) as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer (in consultation with the Independent Adviser, if appointed) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer (in consultation with the Independent Adviser, if appointed) determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor

administrator that will continue to provide the Benchmark (or such component);  
or

- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded Daily SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded Daily SOFR, the time determined by the Issuer (in consultation with the Independent Adviser, if appointed) after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(e) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders (and in any case, no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period). Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(e); and
  - (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*

- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Pricing Supplement as being "€STR".
- (ii) Where "€STR" is specified as the Reference Rate in the Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(f):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Pricing Supplement (or, if no such number is specified, 360);

"**d<sub>o</sub>**" means the number of TARGET Settlement Days in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STR<sub>i</sub>**" means the €STR reference rate for:



- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant TARGET Settlement Day "i".

"i" is a series of whole numbers from one to "d<sub>o</sub>", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (i) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

**"n<sub>i</sub>"** for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

**"Observation Period"** means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

**"p"** for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Pricing Supplement or, if no such period is specified, five TARGET Settlement Days.

- (iv) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 7(f)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (v) Subject to Condition 7(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of Condition 7(f)(ii)(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the relevant Pricing Supplement as being applicable.

Where "Index Determination" is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

**"Compounded Index"** means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Pricing Supplement;

**"Compounded Index End"** means the relevant Compounded Index value on the End date;

**"Compounded Index Start"** means the relevant Compounded Index value on the Start date;

**"d"** is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

**"End"** means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

**"Index Days"** means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

**"Numerator"** means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

**"Relevant Decimal Place"** shall, unless otherwise specified in the Pricing Supplement, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards); and

**"Relevant Number"** is as specified in the applicable Pricing Supplement, but, unless otherwise specified shall be five.

**"SONIA Compounded Index"** means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

**"SOFR Compounded Index"** means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

**"Start"** means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Pricing Supplement and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(d) or Condition 7(e), as applicable) had been specified instead in

the Pricing Supplement, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Pricing Supplement, and where the Observation Shift Period for the purposes of the references to that term in Condition 7(d) or Condition 7(e) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Pricing Supplement and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 7(n) (*Benchmark Replacement (Independent Adviser)*) shall apply, and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 7(e)(e)(iv) shall apply.

- (h) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (i) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (j) *Calculation of other amounts:* If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 18 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Determination of Rate of Interest following acceleration:* If (i) the Notes become due and payable in accordance with Condition 12 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Notes become due and payable is to be determined by reference to any of Conditions 7(d) (*Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*), 7(e) (*Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*), 7(f) (*Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*) and 7(g) (*Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Notes become so due and payable, and

such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in the Conditions.

(n) *Benchmark Replacement (Independent Adviser)*

Other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR" or "SOFR Compounded Index", if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(n)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(n)(ii)) and any Benchmark Amendments (in accordance with Condition 7(n)(iii)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, Agents or the Noteholders for any determination made by it pursuant to this Condition 7(n)) and the Fiscal Agent will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof

(i) If the Independent Adviser determines in its discretion that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Successor Rate; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(n) in the event of a further Benchmark Event affecting the Alternative Rate.

(ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(n) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions and/or the Agency Agreement, as are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall subject to giving notice thereof in accordance with Condition 7(n)(iv), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Fiscal Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 7(n)).

(iv) If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(n) prior to the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be

the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this Condition 7(n)(iv), shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(n) (*Benchmark Replacement (Independent Adviser)*).

- (v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(n) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Noteholders (and in any case, no later than 5 Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.
- (vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:
  - (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(n); and
  - (B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.

The Fiscal Agent and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

- (vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, Fiscal Agent, the Calculation Agent, the Paying Agents and the Noteholders.
- (viii) As used in this Condition 7(n):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has

been replaced by the Successor Rate or the Alternative Rate (as the case may be);  
or

- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(n) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;

**"Benchmark Amendments"** has the meaning given to it in Condition 7(n)(iii);

**"Benchmark Event"** means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date; or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by a specified future date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

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

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) *Redemption at the option of the Issuer:* If Issuer Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Pricing Supplement (together, if appropriate, with accrued interest to (but excluding) the relevant Optional Redemption Date (Call)) at one of:
  - (i) the Optional Redemption Amount (Call); or
  - (ii) the Make Whole Redemption Price.

The **"Make Whole Redemption Price"** will, in respect of Notes to be redeemed, be an amount equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and

(ii) the sum of the then present values (as determined by the Determination Agent) of the remaining scheduled payments of principal and interest on the Notes to be redeemed (but not including any portion of such payments of interest accrued to the Optional Redemption Date (Call), if any) discounted to the Maturity Date or, if applicable, any earlier Par Redemption Date, at the sum of: (x) the Reference Bond Rate plus (y) the Redemption Margin as determined by the Determination Agent provided however that, in the case of either (i) or (ii) above, if a Par Redemption Date is specified in the relevant Pricing Supplement and the Optional Redemption Date (Call) occurs on or after the Par Redemption Date, the Make-Whole Redemption Price will be equal to 100 per cent of the principal amount of the Notes.

- (c) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(b) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed and each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (d) *Clean-up Call:* If Clean-up Call Option is specified in the relevant Pricing Supplement as being applicable, and if, at any time (other than as a direct result of a redemption of some, but not all, of the Notes at the Make Whole Redemption Price at the Issuer's option pursuant to Condition 9(b) (*Redemption at the option of the Issuer*)), the outstanding aggregate principal amount of the Notes is 20 per cent. (or such other amount as is specified in the relevant Pricing Supplement) or less of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 19 (*Further Issues*) and consolidated with the Notes as part of the same Series shall be deemed to have been originally issued) (the "**Clean-up Call Threshold**"), the Issuer may redeem all (but not some only) of the remaining outstanding Notes on any date (or, if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable, on any Interest Payment Date) upon giving not less than 15 nor more than 30 days' notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Clean-up Call) together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 9(d), the Issuer shall deliver to the Fiscal Agent and the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate principal amount of the Notes is equal to or less than the Clean-up Call Threshold.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant



Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

- (f) Early redemption of Zero Coupon Notes: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- (g) Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(f) or, if none is so specified, a Day Count Fraction of 30E/360.
- (h) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) to 9(d)) above.
- (i) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise at any price and such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.
- (j) *Cancellation:* All Notes redeemed shall be cancelled and all Notes so cancelled and any Notes cancelled pursuant to Condition 9(i) (*Purchase*) above may not be reissued or resold.

#### 10. **Payments**

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).
- (d) *Commissions or Expenses:* No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on

redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10 arriving after the due date for payment or being lost in the mail.

- (f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (g) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

## 11. **Taxation**

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Estonia or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Estonia other than the mere holding of the Note; or
- (ii) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note would have been entitled to such additional amounts on presenting or surrendering such Note Certificate for payment on the last day of such period of 30 days.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 11 (Taxation).

## 12. **Events of Default**

If any of the following events occurs and is continuing:

- (i) *Non-payment:* Any default in the payment of the principal or any interest due in respect of the Notes and the default of the payment of interest continues for a period of 30 days; or
- (ii) *Breach of other obligations:* The Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days next following the service by any Noteholder to the Fiscal Agent or the Issuer of notice requiring the same to be remedied; or
- (iii) *Cross-acceleration:* Any other loan or debt in the form of Relevant Indebtedness of the Issuer having an aggregate principal amount of at least EUR 120,000,000 (or its equivalent

in any other currency or currencies) shall become due and payable prior to the stated maturity thereof following a default or any security therefor becomes enforceable or the Issuer fails to make repayment of any loan or debt in the form of Relevant Indebtedness at the maturity thereof or at the expiration of any grace period applicable thereto or any Guarantee of any loan, debt in the form of Relevant Indebtedness or other moneys having an aggregate principal amount of at least EUR 120,000,000 (or its equivalent in any other currency or currencies) given by the Issuer shall not be honoured when due and validly called upon,

then the Holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), declare all the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality. Notice of any such declaration shall promptly be given to all other Noteholders by the Issuer.

If the Issuer receives notice in writing from Holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes to the effect that the Event of Default or Events of Default giving rise to any above mentioned declaration of acceleration is or are cured following any such declaration and that such Holders wish the relevant declaration to be withdrawn, the Issuer shall give notice thereof to the Noteholders (with a copy to the Fiscal Agent), whereupon the relevant declaration shall be withdrawn and shall have no further effect. No such withdrawal shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

13. **Prescription**

Claims for principal or interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

14. **Replacement of Notes**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Notes are then admitted to listing, trading and/or quotation by any, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a fiscal agent and a registrar; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer

shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders and Modification**

16A. 2012 Collective Action Clause

The provisions of this Condition 16A will apply if "2012 CAC" is specified in the applicable Pricing Supplement:

(a) *General*

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series to consider matters relating to the Notes of such Series, including the modification of any provision of these Conditions or the provisions of the Agency Agreement. A meeting of Noteholders may be held electronically in accordance with the procedures set out in the Agency Agreement. The following is a summary of selected provisions contained in the Agency Agreement.

For the purposes of this Condition 16A:

**"Cross-Series Modification"** means a modification involving (i) the Notes of any Series or any agreement governing the issuance or administration of the Notes of any Series (including the Agency Agreement and/or the Deed of Covenant), and (ii) the Debt Securities of one or more other series or any agreement governing the issuance or administration of such other Debt Securities;

**"Debt Securities"** means the Notes of any Series and any other bills, bonds, debentures, notes or other debt securities issued directly or indirectly, or guaranteed, 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;

**"holder"**, in relation to a Note of any Series, means the person in whose name the Note of such Series is registered in the books and records of the Issuer and/or the Registrar;

**"Modification"**, in relation to the Notes of any Series, means any modification, amendment, supplement or waiver of the Conditions of the Notes of such Series or any agreement governing the issuance or administration of the Notes of such Series (including the Agency Agreement and/or the Deed of Covenant), and has the same meaning in relation to the Debt Securities of any other series, save that any of the foregoing references to the Notes of any Series or any agreement governing the issuance or administration of the Notes of such Series shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities;

**"outstanding"**, in relation to any Note of a Series, means a Note of such Series that is outstanding within the meaning of Condition 16A(j) below and the Agency Agreement and, in relation to the Debt Securities of any other series, will be determined in accordance with Condition 16A(l) below and the applicable terms and conditions of that Debt Security;

**"Reserved Matter"**, in relation to the Notes of any Series, means any modification of the terms and conditions of the Notes of such Series or of any agreement governing the issuance or administration of the Notes of such Series (including the Agency Agreement and/or the Deed of Covenant) that would:

- (a) change the date on which any amount is payable on the Notes of such Series;

- (b) reduce any amount, including any overdue amount, payable on the Notes of such Series;
- (c) change the method used to calculate any amount payable on the Notes of such Series;
- (d) reduce the redemption price for the Notes of such Series or change any date on which the Notes of such Series may be redeemed;
- (e) change the currency or place of payment of any amount payable on the Notes of such Series;
- (f) impose any condition on or otherwise modify the Issuer's obligation to make payments on the Notes of such Series;
- (g) change any payment-related circumstance under which the Notes of such Series may be declared due and payable prior to their stated maturity;
- (h) change the seniority or ranking of the Notes of such Series;
- (i) change the law governing the Notes of such Series;
- (j) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the Issuer in relation to any proceedings arising out of or in connection with the Notes of such Series;
- (k) change the principal amount of outstanding Notes of such Series 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 Notes of such Series, the principal amount of outstanding Notes of such Series required for a quorum to be present, or the rules for determining whether a Note of such Series is outstanding for these purposes; or
- (l) 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 Notes or any agreement governing the issuance or administration of the Notes (including the Agency Agreement and/or the Deed of Covenant) shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities; and

"**Series**" means, for the purposes of this Condition 16(A), 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 Notes of any Series and any further issuance of Notes of such Series.

(b) *Convening Meetings of Noteholders*

A meeting of Noteholders of a Series:

- (i) may be convened by the Issuer at any time; and
- (ii) will be convened by the Issuer if an Event of Default in relation to the Notes of such Series has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.

Any such meeting may be conducted by electronic means or by other means customary at the time, and may not necessarily require two or more persons to be physically present in the same location.

(c) *Quorum*

- (i) The quorum at any meeting at which Noteholders of any Series will vote on a proposed Modification to, or a proposed Modification of:
  - (a) a Reserved Matter will be one or more persons present or represented at the meeting and holding not less than 66 2/3 per cent. of the aggregate principal amount of the Notes of such Series then outstanding; and
  - (b) a matter other than a Reserved Matter will be one or more persons present or represented at the meeting and holding not less than 50 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.
- (i) Where a meeting is subject to a quorum pursuant sub-paragraph (i) above, if such 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 appointed chair of the meeting. The quorum for any adjourned meeting will be one or more persons present or represented at the meeting and holding:
  - (a) not less than 66 2/3 per cent. of the aggregate principal amount of the Notes of such Series then outstanding in the case of a proposed Reserved Matter modification; and
  - (b) not less than 25 per cent. of the aggregate principal amount of the Notes of such Series then outstanding in the case of a non-Reserved Matter modification.

(d) *Non-Reserved Matters*

The terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and the Deed of Covenant) may be modified in relation to any matter other than a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of a holder or holders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes of such Series represented at a duly called and quorate meeting of Noteholders of such Series; or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, a holder or holders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes of such Series.

(e) *Reserved Matters*

Except as provided by Condition 16A(f) below, the terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) may be modified in relation to a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of a holder or holders of not less than 75 per cent. of the aggregate principal amount of the outstanding Notes of such Series represented at a duly called and quorate meeting of Noteholders of such Series; or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, a holder or holders of not less than 66 2/3 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.

(f) *Cross-Series Modifications*

In the case of a Cross-Series Modification, the terms and conditions of the Notes of a Series and Debt Securities of any other series, and any agreement governing the issuance

or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) or Debt Securities of such other series, may be modified in relation to a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the holders of the Debt Securities of all the series (taken in the aggregate) that would be affected by the proposal and/or proposed modification; or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, the holders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities of all the series (taken in the aggregate) that would be affected by the proposal and/or proposed modification; and
- (iii) the affirmative vote of more than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the holders of each series of Debt Securities (taken individually) that would be affected by the proposal and/or proposed modification; or
- (iv) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, the holders of more than 50 per cent. of the aggregate principal amount of the then outstanding Debt Securities of each series (taken individually) that would be affected by the proposal and/or proposed modification.

A separate meeting will be called and held, or a separate written resolution signed, or a separate approval requested by way of an electronic consent, in relation to the proposed modification of the Notes of a Series and the proposed modification of each other affected series of Debt Securities.

(g) *Proposed Cross-Series Modifications*

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.

(h) *Partial Cross-Series Modification*

If a proposed Cross-Series Modification is not approved in relation to a Reserved Matter in accordance with Condition 16A(f) above, but would have been so approved if the proposed modification had involved only the Notes of a Series 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 Condition 16A(f) above, in relation to the Notes of such Series and Debt Securities of each other series whose modification would have been approved in accordance with Condition 16A(f) above if the proposed modification had involved only the Notes of such Series and Debt Securities of such other series, provided that:

- (i) prior to the Record Date for the proposed Cross-Series Modification, the Issuer has publicly notified holders of the Notes of such Series 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 Notes of such Series and some but not all of the other affected series of Debt Securities; and
- (ii) those conditions are satisfied in connection with the proposed Cross-Series Modification.

(i) *Written Resolutions*

A "**written resolution**" is a resolution in writing signed by or on behalf of holders of the requisite majority of the Notes of a Series and will be valid for all purposes as if it was a resolution passed at a quorate meeting of Noteholders of such Series duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in like form each signed by or on behalf of one or more Noteholders of such Series.

(j) *Binding Effect*

A resolution duly passed at a quorate meeting of holders duly convened and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of Noteholders of any Series, will be binding on all Noteholders of such Series, whether or not the holder was present at the meeting, voted for or against the resolution or signed the written resolution.

(k) *Manifest Error, Technical Amendments, etc.*

Notwithstanding anything to the contrary herein, the terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) may be modified by the Issuer without the consent of Noteholders of such Series:

- (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 Noteholders of such Series.

The Issuer will publish the details of any modification of the Notes of a Series made pursuant to this Condition 16A(i) within ten days of the modification becoming legally effective.

In addition, pursuant to Condition 7(f) (*Interest – Floating Rate Notes reference SOFR*) and 7(n) (*Benchmark Replacement (Independent Adviser)*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

(l) *Outstanding Notes*

In determining how many Notes are outstanding or whether holders of the requisite principal amount of outstanding Notes of a Series have voted in favour of a proposed modification or whether a quorum is present at any meeting of Noteholders of a Series called to vote on a proposed modification, a Note of a Series 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:

- (i) the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (ii) the Note 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 Note in accordance with its terms;
- (iii) the Note has become void or claims in respect of the Note have become prescribed;
- (iv) the Note is a Global Note Certificate which has been exchanged for an Individual Note Certificate pursuant to its provisions; or



- (v) the Note 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 Note held by any such above-mentioned corporation, trust or other legal entity, the holder of the Note does not have autonomy of decision, where:
  - (a) the holder of a Note for these purposes is the entity legally entitled to vote the Note 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 holder to vote the Note for or against a proposed modification;
  - (b) 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
  - (c) the holder of a Note 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:
    - (1) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or
    - (2) 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
    - (3) 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 Notes (if that person then held any Notes) would be deemed to be not outstanding under this Condition 16A(l).

(m) *Outstanding Debt Securities*

In determining whether holders of the requisite principal amount of outstanding Debt Securities of another series have voted in favour 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.

**16B 2022 Collective Action Clause**

The provisions of this Condition 16B will apply if "2022 CAC" is specified in the applicable Pricing Supplement:

(a) *General*

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series to consider matters relating to the Notes of such Series, including the modification of any provision of these Conditions or the provisions of the Agency Agreement. A meeting of Noteholders may be held electronically in accordance with the procedures set out in the Agency Agreement. The following is a summary of selected provisions contained in the Agency Agreement.

For the purposes of this Condition 16B:

**"Cross-Series Modification"** means a modification involving (i) the Notes of any Series or any agreement governing the issuance or administration of the Notes of any Series (including the Agency Agreement and/or the Deed of Covenant), and (ii) the Debt Securities of one or more other series or any agreement governing the issuance or administration of such other Debt Securities;

**"Debt Securities"** means the Notes of any Series and any other bills, bonds, debentures, notes or other debt securities issued directly or indirectly, or guaranteed, 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;

**"holder"**, in relation to a Note of any Series, means the person in whose name the Note of such Series is registered in the books and records of the Issuer and/or the Registrar;

**"Modification"**, in relation to the Notes of any Series, means (i) any modification, amendment, supplement or waiver of the Conditions of the Notes of such Series, (ii) any conversion, exchange or substitution of the Notes of such Series or (iii) any modification, amendment, supplement, waiver or substitution of any agreement governing the issuance or administration of the Notes of such Series (including the Agency Agreement and/or the Deed of Covenant), and has the same meaning in relation to the Debt Securities of any other series, save that any of the foregoing references to the Notes of any Series or any agreement governing the issuance or administration of the Notes of such Series shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities;

**"outstanding"**, in relation to any Note of a Series, means a Note of such Series that is outstanding within the meaning of the Condition 16B(u) below and the Agency Agreement and, in relation to the Debt Securities of any other series, will be determined in accordance with Condition 16B(v) below and the applicable terms and conditions of that Debt Security;

**"Relevant Series"** means, in relation to a proposed Cross-Series Modification, all those Series of Debt Securities, either specified in the relevant notice for convening a meeting or specified in connection with the associated draft written resolution or specified in the relevant notice given in connection with any proposal to be passed as an electronic consent, which are to be aggregated for voting purposes in connection with that proposed Cross-Series Modification;

**"Reserved Matter"**, in relation to the Notes of any Series, means any modification of the terms and conditions of the Notes of such Series or of any agreement governing the issuance or administration of the Notes of such Series (including the Agency Agreement and/or the Deed of Covenant) that would:

- (a) change the date on which any amount is payable on the Notes of such Series;
- (b) reduce any amount, including any overdue amount, payable on the Notes of such Series;
- (c) change the method used to calculate any amount payable on the Notes of such Series;
- (d) reduce the redemption price for the Notes of such Series or change any date on which the Notes of such Series may be redeemed;
- (e) change the place of payment of any amount payable on the Notes of such Series;
- (f) change the currency of any amount payable on the Notes of such Series or impose any condition on or otherwise modify the Issuer's obligation to make payments on the Notes of such Series;

- (g) change any payment-related circumstance under which the Notes of such Series may be declared due and payable prior to their stated maturity;
- (h) change the seniority or ranking of the Notes of such Series;
- (i) change the law governing the Notes of such Series;
- (j) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the Issuer in relation to any proceedings arising out of or in connection with the Notes of such Series;
- (k) change the principal amount of outstanding Notes of such Series 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 Notes of such Series, the principal amount of outstanding Notes of such Series required for a quorum to be present, or the rules for determining whether a Note of such Series is outstanding for these purposes; or
- (l) change the definition of a "Reserved Matter", a "Cross-Series Modification", "Uniformly Applicable" or a "Relevant Series",

and has the same meaning in relation to the Debt Securities of any other Series save that any of the foregoing references to the Notes or any agreement governing the issuance or administration of the Notes (including the Agency Agreement and/or the Deed of Covenant) shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities;

**"Series"** means, for the purposes of this Condition 16B, 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 Notes of any Series and any further issuance of Notes of such Series; and

**"Uniformly Applicable"** means a modification by which holders of Debt Securities of all Relevant Series are invited to:

- (a) exchange, convert or substitute their Debt Securities or amend the terms and conditions of their Debt Securities on a basis which would have the effect of reducing the principal amount outstanding by the same proportion under all Relevant Series;
- (b) exchange, convert or substitute their debt securities or amend the terms and conditions of their Debt Securities on a basis which would have the effect of extending the respective date on which principal amounts are payable under all Relevant Series by either the same period or by the same proportion;
- (c) exchange, convert or substitute their Debt Securities on the same terms for (x) the same new instrument or other consideration or (y) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration;
- (d) amend the terms and conditions of their Debt Securities such that each Relevant Series is amended on a basis which would, following implementation of such amendments, result in the amended Debt Securities having identical provisions (other than provisions which are necessarily different having regard to different currency of issuance);
- (e) in relation to the following Reserved Matters only, namely the Reserved Matters set out in any of the sub-paragraphs (e), (g), (h), (i), (j), (k) and (l) of the definition of "Reserved Matter", amend the same term or terms in the terms and conditions of their Debt Securities such that each Relevant Series is amended on

a basis which would, following implementation of such amendments, result in the amended Debt Securities being the subject of an identical amendment; or

- (f) amend the terms and conditions of their Debt Securities such that each Relevant Series is amended on a basis which would, following implementation of such amendments, result in one or more interest payment dates being extended by the same period other than where such an extension results from any extension of maturity in which case sub-paragraph (b) of this definition of "Uniformly Applicable" shall apply.

(b) *Convening Meetings of Noteholders*

A meeting of Noteholders of a Series:

- (i) may be convened by the Issuer at any time; and
- (ii) will be convened by the Issuer if an Event of Default in relation to the Notes of such Series has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.

Any such meeting may be conducted by electronic means or by other means customary at the time, and may not necessarily require two or more persons to be physically present in the same location.

(n) *Quorum*

- (i) The quorum at any meeting at which Noteholders of any Series will vote on a proposed Modification to, or a proposed Modification of:
  - (A) a Reserved Matter under Condition 16B(p) below will be one or more persons present or represented at the meeting and holding not less than  $66 \frac{2}{3}$  per cent. of the aggregate principal amount of the Notes of such Series then outstanding; and
  - (B) a matter other than a Reserved Matter under Condition 16B(o) below will be one or more persons present or represented at the meeting and holding not less than 50 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.
- (ii) Where a meeting is subject to a quorum pursuant sub-paragraph (i) above, if such 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 appointed chair of the meeting. The quorum for any such adjourned meeting will be one or more persons present or represented at the meeting and holding:
  - (A) not less than  $66 \frac{2}{3}$  per cent. of the aggregate principal amount of the Notes of such Series then outstanding in the case of a proposed Reserved Matter modification voted under Condition 16B(p) below; and
  - (B) not less than 25 per cent. of the aggregate principal amount of the Notes of such Series then outstanding in the case of a non-Reserved Matter modification voted under Condition 16B(o) below.

The provisions of this Condition 16B(c) shall not apply in relation to any Cross-Series Modification voted pursuant to Condition 16B(f).

(o) *Non-Reserved Matters*

The terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement or

the Deed of Covenant) may be modified in relation to any matter other than a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of a holder or holders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes of such Series represented at a duly called and quorate meeting of Noteholders of such Series; or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, a holder or holders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes of such Series.

(p) *Reserved Matters*

Except as provided by Condition 16B(f) below, the terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) may be modified in relation to a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of a holder or holders of not less than 75 per cent. of the aggregate principal amount of the outstanding Notes of such Series represented at a duly called and quorate meeting of Noteholders of such Series; or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, a holder or holders of not less than 66 2/3 per cent. of the aggregate principal amount of the Notes of such Series then outstanding.

(q) *Cross-Series Modifications*

*Reserved Matters:* in the case of a Cross-Series Modification, the terms and conditions of the Notes of a Series and Debt Securities of any other Relevant Series, and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) or any other Relevant Series, may be modified in relation to a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of holders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities of all Relevant Series (taken in the aggregate); or
- (ii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, the holders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities of all Relevant Series (taken in the aggregate).

A separate meeting will be called and held, or a separate written resolution signed, or a separate approval requested by way of electronic consent, in relation to the proposed modification of the Notes of a Series and the proposed modification of each other Relevant Securities.

*Non-Reserved Matters:* in the case of a Cross-Series Modification, the terms and conditions of the Notes of a Series and Debt Securities of any other Relevant Series, and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) or any other Relevant Series, may be modified in relation to any matter other than a Reserved Matter with the consent of the Issuer and:

- (i) the affirmative vote of holders of more than 50 per cent. of the aggregate principal amount of the outstanding Debt Securities of all Relevant Series (taken in the aggregate); or
- (iii) a written resolution signed by or on behalf of, or the approval of a resolution by way of electronic consent of, the holders of more than 50 per cent. of the aggregate

principal amount of the outstanding Debt Securities of all the Relevant Series (taken in the aggregate).

A separate meeting will be called and held, or a separate written resolution signed, or a separate approval requested by way of electronic consent, in relation to the proposed modification of the Notes of a Series and the proposed modification of each other Relevant Securities.

*Additional provisions relating to Reserved Matters:* in the case of a Cross-Series Modification in relation to a Reserved Matter, the following additional provisions shall apply:

- (i) such Cross-Series Modification must be Uniformly Applicable;
- (ii) any reference to amending the terms and conditions of Debt Securities in the definition of Uniformly Applicable shall extend to any agreement governing the issuance or administration thereof (including the Agency Agreement and/or the Deed of Covenant);
- (iv) in order for any Cross-Series Modification under sub-paragraph (b) of the definition of Uniformly Applicable to be regarded as extending principal amounts by the same proportion, the result of (y) divided by (x) (rounded to two decimal places) shall be the same for each Relevant Series, where: (x) is the original residual maturity under a Relevant Series in effect immediately prior to the proposed effective date of such exchange, conversion, substitution or amendment (ignoring any acceleration thereof), expressed as a number of days; and (y) is the residual maturity thereof in effect immediately following such proposed effective date, expressed as a number of days;
- (v) where no menu of options is offered, any such Cross-Series Modification under sub-paragraph (c) or (d) of the definition of Uniformly Applicable will not be considered Uniformly Applicable if, in the case of sub-paragraph (c) of such definition, each exchanging, converting or substituting holder of Debt Securities of any Relevant Series, or in the case of sub-paragraph (d) of such definition, each amending holder of Debt Securities of any Relevant Series, is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered, in the case of sub-paragraph (c) of such definition, to each other exchanging, converting or substituting holder of Debt Securities of any Relevant Series, or in the case of sub-paragraph (d) of such definition, to each other amending holder of Debt Securities of any Relevant Series;
- (vi) where a menu of options is offered, any such Cross-Series Modification under sub-paragraph (c) or (d) of the definition of Uniformly Applicable will not be considered Uniformly Applicable if, in the case of sub-paragraph (c) of such definition, each exchanging, converting or substituting holder of Debt Securities of any Relevant Series, or in the case of sub-paragraph (d) of such definition, each amending holder of Debt Securities of any Relevant Series, is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered, in the case of sub-paragraph (c) of such definition to each other exchanging, converting or substituting holder of Debt Securities of any Relevant Series, or in the case of sub-paragraph (d) of such definition, to each other amending holder of Debt Securities of any Relevant Series electing the same option under such menu of options; and
- (vii) where a Cross-Series Modification falling within sub-paragraph (a) or (b) of the definition of Uniformly Applicable is combined with a Cross-Series Modification falling within sub-paragraph (f) of that definition, those modifications will not be

regarded as being Uniformly Applicable unless the requirement described in subparagraph (iv) above is satisfied in relation to those combined modifications.

(r) *Written Resolutions*

A "**written resolution**" is a resolution in writing signed by or on behalf of holders of the requisite majority of the Notes of a Series and will be valid for all purposes as if it was a resolution passed at a meeting of Noteholders of such Series duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in like form each signed by or on behalf of one or more Noteholders of such Series.

(s) *Binding Effect*

A resolution duly passed at a meeting of holders duly convened and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of Noteholders of any Series, will be binding on all Noteholders of such Series, whether or not the holder was present at the meeting, voted for or against the resolution or signed the written resolution.

(t) *Manifest Error, Technical Amendments, etc.*

Notwithstanding anything to the contrary herein, the terms and conditions of the Notes of a Series and any agreement governing the issuance or administration of the Notes of a Series (including the Agency Agreement and/or the Deed of Covenant) may be modified by the Issuer without the consent of Noteholders of such Series:

- (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 Noteholders of such Series.

The Issuer will publish the details of any modification of the Notes of a Series made pursuant to this Condition 16B(t) within ten days of the modification becoming legally effective.

In addition, pursuant to Condition 7(e) (*Interest – Floating Rate Notes reference SOFR*) and 7(n) (*Benchmark Replacement (Independent Adviser)*), certain changes may be made to the interest calculation provisions of the Floating Rate Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders.

(u) *Outstanding Notes*

In determining how many Notes are outstanding or whether holders of the requisite principal amount of outstanding Notes of a Series have voted in favour of a proposed modification or whether a quorum is present at any meeting of Noteholders of a Series called to vote on a proposed modification, a Note of a Series 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:

- (i) the Note has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (ii) the Note 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 Note in accordance with its terms;
- (iii) the Note has become void or claims in respect of the Note have become prescribed;

- (iv) the Note is a Global Note Certificate which has been exchanged for a Individual Note Certificate pursuant to its provisions; or
- (v) the Note 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 Note held by any such above-mentioned corporation, trust or other legal entity, the holder of the Note does not have autonomy of decision, where:
  - (A) the holder of a Note for these purposes is the entity legally entitled to vote the Note 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 holder to vote the Note for or against a proposed modification; and
  - (B) 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.

For the purposes of this sub-paragraph (v), the holder of a Note 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:

- (A) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or
- (C) 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
- (D) 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 Notes (if that person then held any Notes) would be deemed to be not outstanding under this Condition 16B(u).

(v) *Outstanding Debt Securities*

In determining whether holders of the requisite principal amount of outstanding Debt Securities of another series have voted in favour 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.

**17. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

**18. Notices**

- (a) Notices to the Holders of Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website



of Euronext Dublin (<https://direct.euronext.com/#/rispublication>) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Arbitration**

- (a) *Governing law:* The Notes (including a dispute relating to their existence, validity or termination) and any non-contractual obligation or other matter arising out of or in connection with the Notes shall be governed by, and construed in accordance with, English law. The governing law of this Condition 21 (*Governing Law and Arbitration*) shall also be the substantive law of England.
- (b) *Arbitration:* Any dispute, claim, difference or controversy arising out of or in connection with the Notes (including any dispute relating to their existence, validity or termination, or any non-contractual obligation or other matter arising out of or in connection with the Notes) (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 Condition 21(b) (*Arbitration*). For these purposes:
  - (i) any Request for Arbitration (as defined in the Rules) may be served by delivery to the process agent in accordance with Condition 21(c) (*Service of Process*);
  - (ii) the seat, or legal place of arbitration, shall be London, England where all hearings and meetings shall be held, unless the parties agree otherwise;
  - (iii) 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;

- (iv) the language of the arbitration shall be English;
  - (v) any award of the tribunal shall be binding from the day it is made, and the parties to this Agreement hereby waive any right to refer any question of law and any right of appeal on the law and/or merits to any court;
  - (vi) 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 will waive their right, if any, to recover such damages;
  - (vii) this arbitration Condition 21(b) including its validity and scope, shall be governed by English law;
  - (viii) nothing in this Condition 21(b) shall be construed as preventing any party from seeking conservatory or similar interim relief in any court of competent jurisdiction; and
  - (ix) 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.
- (c) *Service of Process:* For the purposes of any court proceedings commenced in support of, or in relation to, arbitral proceedings brought under this Condition 21 (*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.
- (d) *Waiver of immunity and consent to enforcement:*

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 Condition 21(b) (*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.

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.

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.

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.

(e) *Consolidation of Disputes:*

(i) 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 relevant Notes, the Global Note Certificate, the Deed of Covenant, the Agency Agreement, the 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 the relevant Notes or any Linked Agreement.

(ii) 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 Condition, to the Tribunal appointed in relation to the Primary Dispute for a Consolidation Order.

(iii) 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.

- (iv) The Tribunal appointed in relation to the Primary Dispute may make a Consolidation Order on hearing an application brought under sub-Condition 21(e)(ii) 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. 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.
- (v) 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:
    - (1) 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;
    - (2) his entitlement to be paid his proper fees and disbursements; and
    - (3) 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:
    - (1) 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
    - (2) 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 the Notes, that Consolidation Order and the award of that Tribunal will bind the parties to the Linked Dispute arising under the relevant Notes.
  - (F) For the avoidance of doubt, where a Tribunal is appointed under the relevant Notes 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 the Notes and that Linked Agreement.

- (G) Each of the Issuer and the Noteholders 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 paragraph or in accordance with an equivalent provision under another Linked Agreement.
- (vi) 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 the relevant Notes to separate arbitration proceedings under Condition 21(b) (*Arbitration*) shall be unaffected.

## FORM OF PRICING SUPPLEMENT

**[EU MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the [Notes] has led to the conclusion that: (i) the target market for the [Notes] is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**EU MiFID II**"); and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any [person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the [Notes] (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any person subsequently offering, selling or recommending the Notes (a "**distributor**")/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

*[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]*

Pricing Supplement dated [•]

The Republic of Estonia

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

Legal entity identifier (LEI): 254900EIG007C6C9R437

under its

Euro Medium Term Note Programme

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 19 October 2023 [and the supplemental Offering Circular dated [•] ([together,] the "**Offering Circular** "). This document must be read in conjunction with the Offering Circular in order to obtain all the relevant information.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Offering Circular with an earlier date and the relevant terms and conditions from that Offering Circular with an earlier date were incorporated by reference in this Offering Circular.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date]. This document save in respect of the Conditions, must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [date]] ([together,] the "**Offering Circular** ") in order to obtain all the relevant information. The Conditions are incorporated by reference in the Offering Circular.

The Offering Circular has been published at [•].

In accordance with the EU Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.

*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.*

1. (i) Issuer: The Republic of Estonia, acting through the Ministry of Finance
2. (i) Series Number: [•]  
(ii) Tranche Number: [•]  
[(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on the Issue Date.
3. Specified Currency or Currencies: [•]
4. Aggregate Principal Amount: [•]  
[(i)] [Series]: [•]  
[(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]
6. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to and including [•].]  
(ii) Calculation Amount: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable] ]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[•] per cent. Fixed Rate]  
[•][•] [EURIBOR / SONIA / SONIA Compounded Index / SOFR / SOFR Compounded Index / €STR] +/- [•] per cent. Floating Rate]  
[Zero Coupon]  
(see paragraph [14/15/16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their principal amount.

11. Change of Interest or Redemption/Payment Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]*
12. Put/Call Options: *[Investor Put]*  
*[Issuer Call Option]*  
*[Clean-up Call Option]*  
*[See paragraph [17/18/19/20] below]*
13. Status of the Notes: Senior

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. **Fixed Rate Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: *[•] per cent. per annum payable [annually / semi-annually / quarterly / monthly] in arrear on each Interest Payment Date*
- (ii) Interest Payment Date(s): *[•] in each year*
- (iii) Fixed Coupon Amount[(s)]: *[•] per Calculation Amount*
- (iv) Fixed Coupon Amount for a short or long Interest Period ("Broken Amount(s)") *[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]*
- (v) Day Count Fraction: *[30/360 / Actual/Actual (ICMA/ISDA) / other]*
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not Applicable/ [•]]*
15. **Floating Rate Note Provisions** *[Applicable/Not Applicable]*  
*(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: *[•]*
- (ii) Specified Interest Payment Dates: *[•]*
- (iii) First Interest Payment Date: *[•]*
- (iv) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]*
- (v) Additional Business Centre(s): *[Not Applicable / [•]]*
- (vii) Party responsible for calculating the Rate(s) of *[•] shall be the Calculation Agent*



Interest and/or Interest  
Amount(s):

- (viii) Screen Rate Determination: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [•][•] [EURIBOR / SONIA / SOFR / €STR / SONIA Compounded Index / SOFR Compounded Index]
  - Observation Method: [Lag / Observation Shift]
  - Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
  - Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[ ]] / [Not Applicable]
  - Index Determination [Applicable/Not Applicable]
  - SONIA Compounded Index [Applicable/Not Applicable]
  - SOFR Compounded Index [Applicable/Not Applicable]
  - Relevant Decimal Place [ ] [5] *(unless otherwise specified in the Pricing Supplement, it should be the fifth decimal place)*
  - Relevant Number of Index Days [ ] [5] *(unless otherwise specified in the Pricing Supplement, the Relevant Number shall be 5)*
  - Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ *(select where Interest Determination Date has the meaning specified in Condition 7(d), 7(e) or 7(f))* [•] [London Banking Days / U.S. Government Securities Business Days / TARGET Settlement Days] prior to each Interest Payment Date]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]

- (x) [Linear interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [The Minimum Rate of Interest shall not be less than zero] / [The Minimum Rate of Interest shall not be less than [•] per cent. per annum]
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [•]
16. **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA/ISDA) / other]

#### PROVISIONS RELATING TO REDEMPTION

17. Issuer Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note: [[•] per Calculation Amount] / [Make-whole Redemption Price]  
  
[(in the case of the Optional Redemption Dates falling on [•]/[in the period from and including [date]]]
- [(iii) Make Whole Redemption Price: [Applicable/Not Applicable]  
*(If not applicable delete the remaining subparagraphs(a) – (f) of this paragraph)*
- [(a) Reference Bond: [Insert applicable Reference Bond]]
- [(b) Quotation Time: [•]]
- [(c) Redemption Margin: [•] per cent.]
- [(e) Par Redemption Date: [•]/Not Applicable]]
- (iii) Redemption in part: [Applicable/Not Applicable]
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount

- (iv) Notice period: [•]
18. Put Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
19. Clean-up Call Option [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Clean-up Call Threshold: [[•] per cent. / As set out in Condition 9(d) (Clean-up Call)]
- (ii) Optional Redemption Amount (Clean-up Call): [•]
- (iii) Notice period (if different from the Conditions) [Not less than [•] nor more than [•] days] / [Not Applicable – in line with Condition 9(d) (Clean-up Call)]
20. Final Redemption Amount of each Note [•] per Calculation Amount
21. Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on event of default or other early redemption: [Not Applicable] / [•]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: **Registered Notes:**  
 Global Note Certificate exchangeable for Individual Note Certificates on [[•] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]
23. New Safekeeping Structure: [Yes] [No]
24. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable]/[give details].  
*(Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates)*
25. Collective Action Clause: [2012 CAC] / [2022 CAC]



Signed on behalf of  
**THE REPUBLIC OF ESTONIA,**  
**ACTING THROUGH THE MINISTRY OF FINANCE:**

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Dublin with effect from [•]. [Not Applicable / [•].]

*(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

The Notes to be issued [have been/are expected to be] rated:

Ratings:

S&P Global Ratings Europe Limited ("**S&P**") : [AA-]

Moody's Deutschland GmbH ("**Moody's**") : [A1]

Fitch Ratings Limited ("**Fitch**") : [A+]

S&P, Moody's and Fitch are established in the EEA and registered under Regulation (EC) No 1060/2009, (the "**EU CRA Regulation**"). S&P, Moody's and Fitch appear on the latest update of the list of registered credit rating agencies (as of [•]) on the ESMA website. The rating S&P, Moody's and Fitch have given to the Notes is endorsed by S&P Global Ratings UK Limited, Moody's Investor Services Ltd and Fitch Ratings Ltd respectively, which are established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and

may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular)*

4. **[Fixed Rate Notes only – YIELD**

Indication of yield: [•]

*[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

FISN: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

CFI: [[See/[ ], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available] *(If the CFI and/or FISN is not required, it/they should be specified to be "Not Applicable")*

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable / give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

Relevant Benchmark[s]: *[[specify benchmark] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the EU Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the EU Benchmarks Regulation]/[As far as the Issuer is aware, the transitional*

provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that *[name of administrator]* is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]/  
[Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper[, and registered in the name of a nominee of one of Euroclear and Clearstream, Luxembourg acting as common safekeeper] *[include this text for registered notes held under the NSS structure]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of Euroclear and Clearstream, Luxembourg as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[Not Applicable]

## 6. DISTRIBUTION

(i) Method of Distribution: [Syndicated/Non-syndicated]

[Not Applicable/*give names*]

(ii) If syndicated: [Not Applicable/*give names*]

(A) Names of Dealers

(B) Stabilisation Manager(s), if any: [Not Applicable/*give names*]

(iii) If non-syndicated, name of Dealer:



(iv) U.S. Selling Restrictions: Reg S Compliance Category 1

**7. REASONS FOR THE OFFER  
AND ESTIMATED NET  
AMOUNT OF PROCEEDS**

Reasons for the offer: [See "*Use of Proceeds*" in Offering Circular]

Estimated net proceeds: [ ]

## **USE OF PROCEEDS**

Unless a specific use of proceeds is specified in the relevant Pricing Supplement, the net proceeds of each issue of the Notes will be used by the Republic of Estonia for general budgetary purposes.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

### Clearing System Accountholders

References in the Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name such Global Note Certificate is for the time being registered in the Register which, or so long as the Global Note Certificate is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note Certificate and in relation to all other rights arising under such Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Note Certificate.

### Conditions applicable to Global Note Certificates

Each Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note Certificate. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Global Note Certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note Certificate, the Issuer shall procure that in respect of a classic global note the payment is noted in a schedule thereto and in respect of an NSS the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg and any other relevant clearing system.

*Payment Business Day:* In the case of a Global Note Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(b) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Global Note Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system (to be reflected in the records of such clearing system as either a pool factor or a reduction in principal amount, at their discretion).

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note give notice of such exercise to the Fiscal Agent, in

accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Notices:* Notwithstanding Condition 18 (*Notices*), while all the Notes are represented by a Global Note Certificate deposited with a common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin (<https://direct.euronext.com/#/rispublication>).

*Calculation of interest:* the calculation of any interest amount in respect of any Note which is represented by a Global Note Certificate will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Note Certificate, as the case may be, and not by reference to the Calculation Amount.

Similarly, the provisions for meetings of Noteholders in the Agency Agreement contain provisions that apply while the Notes are represented by a Global Note Certificate.

## **DESCRIPTION OF THE REPUBLIC OF ESTONIA**

The description of the Issuer is set out in the Investor Presentation which has been incorporated by reference into this Offering Circular (see "*Documents Incorporated by Reference*").

## ESTONIAN TAXATION

*The following summary describes Estonian tax consequences to Noteholders. It is a general summary and should not be considered as a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Special tax treatment may apply to specific group of persons, entities or investment vehicles (such as investment funds, tax transparent entities). Purchasers of the Notes should consult with their tax advisers as to the consequences of holding or transferring Notes under the tax laws of the respective country of which they are resident for tax purposes.*

The summary herein regarding taxation is based on the laws in force in Estonia as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

### **Taxation of interest in Estonia**

#### ***Estonian Resident Noteholders***

Pursuant to Article 17 (1) of the Estonian Income Tax Act of 1999 (*tulumaksuseadus*), as amended (the "EITA"), Estonian resident natural person Noteholders pay income tax at the rate of 20 per cent<sup>2</sup>. Income tax is charged on all interest received by natural persons who are tax residents in Estonia. Natural persons pay income tax on an annual basis. The interest income is included in the amount based on which the general income tax allowance is calculated, meaning the interest income may increase the amount of income (and respectively decrease the amount of income which is subject to allowance) which is subject to tax.

Estonian resident natural persons can postpone tax liability on interest income if they have acquired the publicly offered financial asset for money held on an investment account and keep the returns from investment on the investment account as specified in Article 17<sup>2</sup> of the EITA. Likewise, individuals who have decided to accumulate their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA), can also acquire the publicly offered financial asset through PIA and postpone taxation of income from such assets (incl. interest from the Notes) until such income is withdrawn from the PIA.

In general, interest income earned by resident legal entities is not subject to income tax upon earning. Such income is included in their profits and taxed upon distribution of profit pursuant to the respective procedures either at the reduced corporate income tax rate of 14/86 (profit distributions qualifying as "regular" under the EITA) or at the standard rate of 20/80 (other taxable profit distributions).<sup>3</sup>

#### ***Non-resident Noteholders***

The interest income earned by non-resident Noteholders may be subject to taxation in their country of residence. Estonia generally does not levy tax on interest income earned by non-resident person or entity.

#### ***Individual Note Certificates***

Noteholders should be aware that, if Individual Note Certificates are issued, holders of any Individual Note Certificates, who are natural persons, may be required to present evidence of non-Estonian residency or other evidence as required by the Issuer, to the Issuer or the Paying Agent, in order for payment of interest not to be subject to withholding of income tax in Estonia (which, as at the date of this Offering Circular, is charged at a rate of 20 per cent<sup>4</sup>).

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<sup>2</sup> A higher income tax rate of 22% will apply as from 01.01.2025. The current rate of 20% is valid until 31.12.2024.

<sup>3</sup> The regular dividend distribution arrangement and the reduced CIT rate of 14/86 rate will be abolished as of 01.01.2025. Starting from 01.01.2025 all profits of Estonian resident legal entities will be taxed at the flat CIT rate of 22/78.

<sup>4</sup> 22% as of 01.01.2025.

## **Taxation of capital gains**

### ***Estonian Resident Noteholders***

The income earned by Estonian tax resident individuals from the sale or exchange of Notes is taxed as profit from the transfer or exchange of property which is subject to income tax at the rate of 20 per cent<sup>5</sup>. A Noteholder has to declare the income and pay the income tax.

Pursuant to Article 37 (1) of the EITA, a resident individual has the right to deduct certified expenses directly related to the sale of Notes from the resident's gain or to add such expenses to the resident's loss. The gain or loss derived from the transfer of Notes is the difference between the acquisition cost and the sale price of the Notes.

Estonian resident individual Noteholders may postpone the taxation of their income derived from the sale or exchange of the Notes, by using an investment account specified in Article 17<sup>2</sup> of the EITA for the purposes of making transactions with the Notes and depositing the proceeds from the transfer of Notes in the investment account. The moment of taxation of the financial income held in an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid in to the account). Likewise, individuals who have decided to accumulate their Estonian mandatory funded pension via pension investment account, can postpone taxation of capital gains from the Notes by acquiring the Notes via the PIA, in which case taxation will occur only upon withdrawal of pension funds from the PIA.

Income earned by resident legal entities from the sale of Notes is not subject to income tax upon receiving the income. Such income is included in their profits and taxed upon distribution of profits pursuant to relevant procedures.

### **Non-resident Noteholders**

Income earned from the sale or exchange of Notes is not subject to income tax in Estonia for non-resident Noteholders. The income earned by non-resident Noteholders may be subject to taxation in their country of residence.

### **Financial Transaction Tax**

There is no financial transaction tax or similar taxes or levies in Estonia.

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<sup>5</sup> 22% as of 01.01.2025.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank Ireland PLC and Citigroup Global Markets Europe AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated [•] (as amended or restated from time to time, the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Pricing Supplement as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Pricing Supplement. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Pricing Supplement as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Pricing Supplement.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. Each new Dealer so appointed will be required to represent, warrant and undertake to the following selling restrictions as part of its appointment.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Notes under or pursuant to the Dealer Agreement prior to the closing of the issue of such Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Notes. In this situation, the issuance of such Notes may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

### **United States of America: Regulation S Category 1**

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered or sold within the United States. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or the Notes within the United States. In addition, until 40 days after the commencement of any offering, an offer or sale of Notes from that offering within the United States by any dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Notes issued under the Programme have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Joint Lead Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes within the United States. In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

### **United Kingdom**

Each Dealer represents, warrants and undertakes that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.



## **The Republic of Estonia**

Each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Estonia or to or for the benefit of any resident of Estonia (which term as used in this paragraph means any person resident in Estonia, including any corporation or other entity incorporated under the laws of Estonia), or to others for re-offering or resale, directly or indirectly, in Estonia or to a resident of Estonia other than (i) to a qualified investor (as defined in Article 1(4) of the Prospectus Regulation), or (ii) otherwise in compliance with the Estonian Securities Market Act of 2001 (*väärtpaberituruseadus*), as amended, and any other applicable laws or regulations of, or applicable in, Estonia, including the Prospectus Regulation.

## **Singapore**

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## **General**

No action has been or will be taken in any jurisdiction by the Republic of Estonia or the Dealers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Republic of Estonia and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to Notes issued under the Programme, in all cases at their own expense.

## GENERAL INFORMATION

### 1. **Authorisation**

The creation and issue of Notes under this Programme has been authorised by the Ministry of Finance of the Republic of Estonia in accordance with the Estonian State Budget Act of 2014 (*riigieelarve seadus*), as amended, and the Regulation of the Government of Estonia No 44 "The principles of managing the state's cash flows and administering the stabilisation reserve", dated 21 March 2014, as amended (jointly the "**Authorisation**"). In accordance with the Authorisation, the Ministry of Finance is authorised to assume debt obligations for the Republic of Estonia within the maximum permitted balance of the debt obligations of the state determined each year by the state budget on terms and conditions established by the above regulation.

### 2. **Litigation**

There are no litigation or arbitration proceedings against or affecting the Republic of Estonia or any of its assets, nor is the Republic of Estonia aware of any pending or threatened proceedings, which are or might be material in the context of the issue of the Notes.

### 3. **Documents available for inspection**

In relation to Notes issued under this Programme, copies of the following documents are available for inspection or collection by Noteholders during normal business hours upon request at all reasonable times at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below or may be provided by email to a Noteholder following their prior written request to the relevant Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent):

- (a) this Offering Circular;
- (b) the Agency Agreement;
- (c) the Deed of Covenant; and
- (d) the relevant Pricing Supplement.

For the avoidance of doubt, unless specifically incorporated by reference into this Offering Circular, information contained on the website does not form part of this Offering Circular.

This Offering Circular will be available, in electronic format, on the website of Euronext Dublin (<https://live.euronext.com>).

### 4. **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### 5. **Notes Having a Maturity of Less than One Year**

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

6. **Issue Price and Yield**

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Pricing Supplement. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

7. **Conflicts of Interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

8. **Notes**

Notes issued under the Programme will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

9. **The Legal Entity Identifier**

The Legal Entity Identifier (LEI) Code of the Issuer is 254900EIG007C6C9R437.

**OFFICE OF THE ISSUER**

**THE REPUBLIC OF ESTONIA**  
**acting through the Ministry of Finance**  
1, Suur-Ameerika Street  
10122 Tallinn  
Estonia

**ARRANGERS AND DEALERS**

**Citigroup Global Markets Europe AG**  
Reuterweg 16  
60323 Frankfurt am Main  
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