

# PANGAEA FUNDING 1 PLC

(incorporated in England and Wales with limited liability under registered number 9073391)

## €237,500,000 Commercial Mortgage-Backed Floating Rate Notes due 2026

Initial Principal Amount	Issue Price	Interest Rate	Expected Maturity Date	Final Maturity Date
€237,500,000	98.91%	3-month EURIBOR + 4.85%	July 2019	July 2026

<b>Closing Date</b>	Pangaea Funding 1 plc (the " <b>Issuer</b> ") expects to issue the Notes on 22 August 2014 (the " <b>Closing Date</b> ").
<b>Underlying Assets</b>	<p>The Issuer will make payments on the Notes from, among other things, payments of principal and interest received by the Issuer pursuant to bonds (the "<b>Issuer Greek Bonds</b>") issued by NBG Pangaea REIC (the "<b>Greek Bond Issuer</b>"), in the amount of €237,400,000, to the Issuer on the Closing Date pursuant to a bond programme agreement (the "<b>Greek Bond Programme Agreement</b>") entered into by the Greek Bond Issuer and Alpha Bank AE (the "<b>Bondholder Agent</b>") on 11 August 2014 (the "<b>Greek Bond Documentation Date</b>"), as amended on or about 20 August 2014.</p> <p>The Issuer will also make payments on the Notes from payments of principal and interest received by the Issuer pursuant to a loan agreement (the "<b>SGB Loan Agreement</b>") entered into on the Closing Date between the Issuer and Pangaea Funding 1 (Second Greek Bondholder) Limited (the "<b>Second Greek Bondholder</b>").</p> <p>On the Closing Date, the Second Greek Bondholder will use the proceeds of the €100,000 loan advanced under the SGB Loan Agreement (the "<b>SGB Loan</b>") to subscribe for bonds issued by the Greek Bond Issuer pursuant to the Greek Bond Programme Agreement in the amount of €100,000 (the "<b>SGB Greek Bonds</b>" and, together with the Issuer Greek Bonds, the "<b>Greek Bonds</b>").</p>
	<p>The Greek Bonds are secured primarily by mortgages and pledges granted by the Greek Bond Issuer over a portfolio (the "<b>Portfolio</b>") of 77 commercial properties located in the Hellenic Republic (each a "<b>Property</b>" and collectively the "<b>Properties</b>") and the commercial leases in relation to the Properties.</p> <p>See the sections entitled "<i>Description of the Portfolio</i>", "<i>The Greek Bonds and the Greek Bond Security</i>" and "<i>Appendix 1 – The Property Details</i>" for more detail.</p>
<b>Redemption Provisions</b>	Information on any optional and mandatory redemption of the Notes is summarised in the section entitled " <i>Overview of the Terms and Conditions of the Notes</i> " and set out in full in Condition 6 ( <i>Redemption and Cancellation</i> ) under " <i>Terms and Conditions of the Notes</i> ".
<b>Credit rating</b>	No rating agency has been mandated to rate the Notes.
<b>Listing</b>	This document comprises a prospectus (the " <b>Prospectus</b> "), for the purpose of Directive 2003/71/EC, as amended (the " <b>Prospectus Directive</b> "). This Prospectus has been approved by the Central Bank of Ireland (the " <b>Central Bank of Ireland</b> ") as competent authority under the Prospectus Directive.

	<p>Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC (the "<b>Markets in Financial Instruments Directive</b>") and/or which are to be offered to the public in any Member State of the European Economic Area. This Prospectus constitutes a "prospectus" for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "<b>Prospectus Regulations</b>") (which implement the Prospectus Directive in Ireland). Application has been made to the Irish Stock Exchange (the "<b>Irish Stock Exchange</b>") for the Notes to be admitted to the official list (the "<b>Official List</b>") and trading on its regulated market.</p>
<b>Further Notes and Additional Notes</b>	<p>The Issuer shall, subject to the terms of the Note Trust Deed, be at liberty from time to time to create and issue:</p> <p>(a) further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single series with the outstanding Notes ("<b>Further Notes</b>"); or</p> <p>(b) additional notes, which may be on different terms and conditions from the Notes issued on the Closing Date ("<b>Additional Notes</b>"),</p> <p>in each case secured on the same assets as the Notes (which may include further bonds issued by the Greek Bond Issuer in connection with such Further Notes or Additional Notes), subject to the condition that the then existing Noteholders have consented to the issue of such Further Notes or Additional Notes by way of Extraordinary Resolution.</p>
<b>Obligations</b>	<p>The Notes will constitute direct, secured and limited recourse obligations of the Issuer only and will not be guaranteed by, or be the responsibility of, any other person. It should be noted, in particular, that the Notes will not be obligations of, and will not be guaranteed by, the Second Greek Bondholder, Cairn Capital Limited (the "<b>Arranger</b>"), the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee, the Paying Agents, the Agent Bank, the Facility Agent, the Account Bank, the Servicer, the Cash Manager, the Corporate Services Provider, the Bondholder Agent, the Greek Bond Issuer or any of their respective affiliates or the shareholders of the Issuer or any other third person or entity and any suggestion otherwise, express or implied, is expressly excluded.</p>

**THE "RISK FACTORS" SECTION CONTAINS DETAILS OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE GIVEN PARTICULAR CONSIDERATION BEFORE INVESTING IN THE NOTES. PROSPECTIVE INVESTORS SHOULD BE AWARE OF THE ISSUES SUMMARISED WITHIN THAT SECTION, INCLUDING THE STATUS OF THE ISSUER AND THE NOTES UNDER THE VOLCKER RULE, AS DEFINED HEREIN.**

*Arranger*

**Cairn Capital Limited**

**The date of this Prospectus is 20 August 2014**

## IMPORTANT NOTICE

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. No representation is made by the Issuer, the Second Greek Bondholder, the Greek Bond Issuer, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee or the Arranger that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Second Greek Bondholder, the Greek Bond Issuer, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee or the Arranger which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus (other than as provided in the following two paragraphs) is in accordance with the facts and does not omit anything likely to affect the import of such information.

NBG Pangaea REIC accepts responsibility for the information set out in the section entitled "*The Greek Bond Issuer*" and the information incorporated into this Prospectus by reference (as described in the section entitled "*Documents Incorporated by Reference*"). To the best of the knowledge and belief of NBG Pangaea REIC (having taken all reasonable care to ensure that such is the case), the information contained in the section entitled "*The Greek Bond Issuer*" and in the documents so incorporated into this Prospectus by reference is in accordance with the facts and does not omit anything likely to affect the import of such information.

Maria N. Vlachogianni MRICS-REV (certified valuer) (the "**Initial Valuer**") accepts responsibility for the information set out in the section entitled "*Appendix 2 – Portfolio Valuation*". To the best of the knowledge and belief of the Initial Valuer (having taken all reasonable care to ensure that such is the case), the information contained in the section entitled "*Appendix 2 – Portfolio Valuation*" is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised in connection with the issue and sale of the Notes to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Greek Bond Issuer, the Bondholder Agent or any of their respective affiliates or shareholders or the shareholders of the Issuer. Neither the delivery of this Prospectus nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the information contained herein since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

None of the Securities and Exchange Commission, any state securities commission or any other U.S. regulatory authority has approved or disapproved the Notes nor have any of the foregoing authorities passed upon or endorsed the merits, or the accuracy or adequacy, of this Prospectus.

The Notes and interest and other amounts thereon will not be obligations or responsibilities of any person other than the Issuer. In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Greek Bond Issuer or any associated body of the Greek Bond Issuer or of or by the Greek Bond Issuer, the Bondholder Agent or any of their respective affiliates or shareholders or the shareholders of the Issuer and none of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make payment of any amount due on the Notes.

## NOTICE TO EUROPEAN ECONOMIC AREA INVESTORS

This Prospectus has been prepared on the basis that any offer of the Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") other than offers (the "**Permitted Public Offers**") which are contemplated in the Prospectus in Ireland once the Prospectus has been approved by the competent authority in Ireland and published and notified to the relevant competent authority in accordance with the Prospectus Directive, and in respect of which the Issuer has consented in writing to the use of the Prospectus, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. The Issuer has not authorised, nor does it authorise, the making of any offer (other than Permitted Public Offers) of the Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

## NOTICE TO UNITED KINGDOM INVESTORS

In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, persons who either (1) have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (2) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (each such person being referred to as a "Relevant Person"). Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This Prospectus must not be acted or relied on by persons who are not Relevant Persons.

## NOTICE TO U.S. INVESTORS

This Prospectus has been prepared by the Issuer solely for use in connection with the issue of the Notes. In the United States, this Prospectus is personal to each person or entity to whom the Issuer, the Arranger or an affiliate thereof has delivered it. Distribution in the United States of this Prospectus to any person other than such persons or entities and those persons or entities, if any, retained to advise such persons or entities with respect thereto, is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Each prospective purchaser in the United States, by accepting delivery of this Prospectus, agrees to the foregoing and not to reproduce all or any part of this Prospectus.

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Prospectus under the section entitled "*Transfer Restrictions*".

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY STATE OR OTHER SECURITIES LAW, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE NOTES WILL BE AND ARE BEING OFFERED AND SOLD, AND MAY BE REOFFERED AND RESOLD, ONLY (A) OUTSIDE THE UNITED STATES TO INVESTORS WHO ARE NOT U.S. PERSONS AS DEFINED IN RULE 902(k) UNDER THE SECURITIES ACT ("**U.S. PERSONS**") AND (B) TO INVESTORS THAT (I) ARE BOTH "QUALIFIED INSTITUTIONAL BUYERS" ("**QUALIFIED INSTITUTIONAL BUYERS**") AS DEFINED IN RULE 144A ("**RULE 144A**") UNDER THE SECURITIES ACT AND "QUALIFIED PURCHASERS" AS SUCH TERM IS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER ("**QUALIFIED PURCHASERS**"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE

EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED IN THE SECTION ENTITLED "*TRANSFER RESTRICTIONS*".

For more detail on certain further restrictions on resale or transfer of the Notes, see the sections entitled "*Description of the Note Trust Deed and the Notes*" and "*Transfer Restrictions*".

#### **STATUS OF THE ISSUER UNDER THE VOLCKER RULE**

The Issuer is a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank Act**") (such statutory provision together with such implementing regulations, the "**Volcker Rule**"); and the Notes may constitute "ownership interests", as defined under the Volcker Rule, although the Issuer believes the better view is that they do not. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an "ownership interest" in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, but is subject to a conformance period scheduled to conclude on 21 July 2015, during which banking entities must make good-faith efforts to conform their activities and investments to the Volcker Rule. The definition of "covered fund" under the Volcker Rule includes any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The definition of "ownership interest" includes any equity, partnership or other similar interest, and the term "other similar interest" is defined broadly and may cover certain debt securities. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the matters described above and other effects of the Volcker Rule.

#### **NOTICE TO NEW HAMPSHIRE RESIDENTS**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE STATE OF NEW HAMPSHIRE REVISED STATUTES ANNOTATED ("**RSA 421-B**") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

#### **AVAILABLE INFORMATION**

The Issuer is not subject to the informational requirements of the Exchange Act. The Issuer agrees that at any time whilst the Notes are outstanding, it will, upon request, furnish to the Noteholders or prospective purchasers of the Notes designated by such Noteholders (provided that the prospective purchasers are permitted transferees) the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with resales of the Notes.

#### **ENFORCEABILITY OF JUDGMENTS**

The Issuer is a public limited company registered in England and Wales. All of the Issuer's assets are located outside the United States and all of the directors of the Issuer reside outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons not residing in the United States with respect to matters arising under the federal or

state securities laws of the United States, or to enforce against them judgments of the courts of the United States predicated upon the civil liability provisions of such securities laws. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for the enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon such securities laws.

### **OFFEREE ACKNOWLEDGEMENTS**

Each person receiving this Prospectus, by acceptance hereof, hereby acknowledges that:

- (a) this Prospectus has been prepared by the Issuer solely for the purpose of offering the Notes described herein. Notwithstanding any investigation that the Arranger may have made with respect to the information set forth herein, this Prospectus does not constitute, and shall not be construed as, any representation or warranty by the Arranger as to the adequacy or accuracy of the information set forth herein. Delivery of this Prospectus to any person other than the prospective investor and those persons, if any, retained to advise such prospective investor with respect to the possible offer and sale of the Notes is unauthorised, and any disclosure of any of its contents for any purpose other than considering an investment in the Notes is strictly prohibited. A prospective investor shall not be entitled to, and must not rely on this Prospectus unless it was furnished to such prospective investor directly by the Issuer or the Arranger.
- (b) The obligations of the parties to the transactions contemplated herein are set forth in and will be governed by certain documents described herein, and all of the statements and information contained herein are qualified in their entirety by reference to such documents. This Prospectus contains summaries, which the Issuer believes to be accurate, of certain of these documents, but for a complete description of the rights and obligations summarised herein, reference is hereby made to the actual documents, copies of which may (on giving reasonable notice) be obtained from the Issuer or the Paying Agents after the Closing Date.

EACH PERSON RECEIVING THIS PROSPECTUS FURTHER ACKNOWLEDGES THAT (A) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF OR TO SUPPLEMENT THE INFORMATION HEREIN, (B) SUCH PERSON HAS NOT RELIED ON THE ARRANGER OR ANY PERSON AFFILIATED WITH THE ARRANGER IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION, (C) NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING THE NOTES OTHER THAN AS CONTAINED HEREIN, AND IF GIVEN OR MADE, ANY SUCH OTHER INFORMATION OR REPRESENTATION SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED AND (D) NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER WILL CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS AT ANY TIME SINCE THE DATE HEREOF. EACH PROSPECTIVE PURCHASER SHOULD CONSULT ITS OWN BUSINESS, LEGAL AND TAX ADVISERS FOR INVESTMENT, LEGAL AND TAX ADVICE AND AS TO THE DESIRABILITY AND CONSEQUENCES OF AN INVESTMENT IN THE NOTES.

### **FORWARD-LOOKING STATEMENTS**

Certain matters contained herein are forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of places in this Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Notes and reflect significant assumptions and subjective judgments by the Issuer that may or may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "projects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and changes in governmental regulations, fiscal policy, planning or tax laws, in the United Kingdom, Greece or elsewhere. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such

statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. The Arranger has not attempted to verify any such statements, nor does it make any representation, express or implied, with respect thereto.

Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. Neither the Issuer nor the Arranger assumes any obligation to update these forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

#### **REFERENCES TO CURRENCIES**

All references in this Prospectus to "**Euro**", "**EUR**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, and all references in this Prospectus to "**sterling**" or "**pounds**", "**GBP**" or "**£**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland (the "**United Kingdom**").

#### **GENERAL NOTICE TO INVESTORS**

Other than approval by the Financial Regulator in Ireland of this Prospectus as a prospectus in accordance with the requirements of the Prospectus Directive and the relevant implementing measures in Ireland, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. The distribution of Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part hereof) comes are required by the Issuer and the Arranger to inform themselves about, and to observe, any such restrictions. Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by or on behalf of the Issuer or the Arranger to subscribe for or purchase any of the Notes and neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus (or any part hereof) see the sections entitled "*Notice to U.S. Investors*", "*Subscription and Exchange*" and "*Transfer Restrictions*".

Save as provided under "*Documents Incorporated by Reference*" below, any website referred to in this Prospectus and the contents thereof do not form part of this Prospectus.

## DOCUMENTS INCORPORATED BY REFERENCE

The following information, which has previously been published or is published simultaneously with Prospectus on the website of the Irish Stock Exchange at <http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/>, shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the audited statutory accounts of the Greek Bond Issuer for its financial year ended 31 December 2012, the notes thereto and the audit reports in connection therewith (the "**2012 Greek Bond Issuer Financial Statements**"); and
- (b) the audited statutory accounts of the Greek Bond Issuer for its financial year ended 31 December 2013, the notes thereto and the audit reports in connection therewith (the "**2013 Greek Bond Issuer Financial Statements**").

The Issuer has, prior to the date of this Prospectus, filed all of the documents deemed to be incorporated herein by reference with the Central Bank of Ireland.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference. Written requests for such documents should be directed either to the Issuer or the Principal Paying Agent at its office set out at the end of this Prospectus.

In order to navigate to the 2012 Greek Bond Issuer Financial Statements and the 2013 Greek Bond Issuer Financial Statements on the website of the Irish Stock Exchange, the viewer will be required to:

- (a) go to the webpage at <http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/>;
- (b) enter "Pangaea Funding 1 PLC" into the search facility that is available on that page (and *not*, for the avoidance of doubt, "NBG Pangaea REIC"); and
- (c) click on the appropriate link to access the 2012 Greek Bond Issuer Financial Statements or, as applicable, the 2013 Greek Bond Issuer Financial Statements.



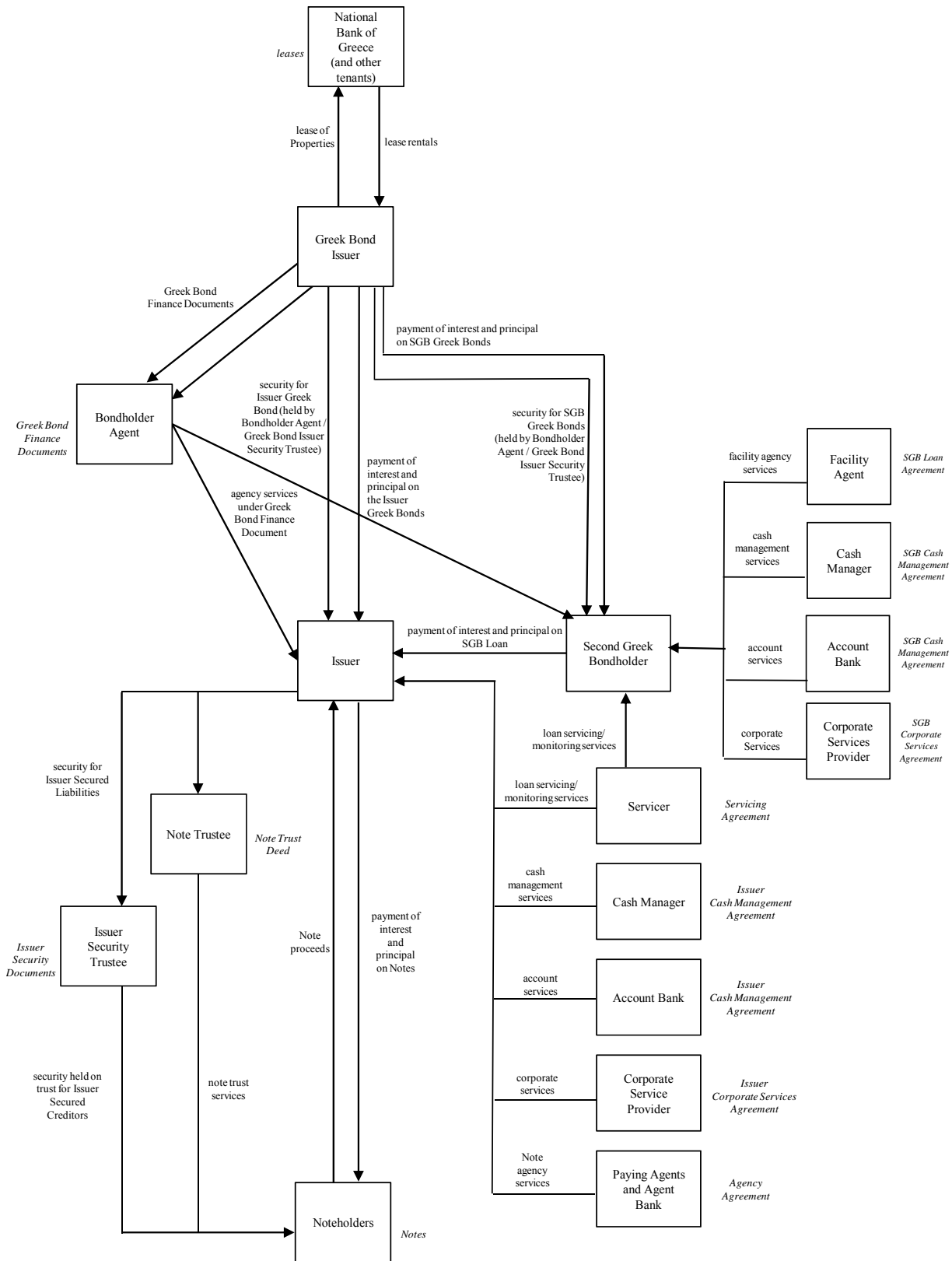
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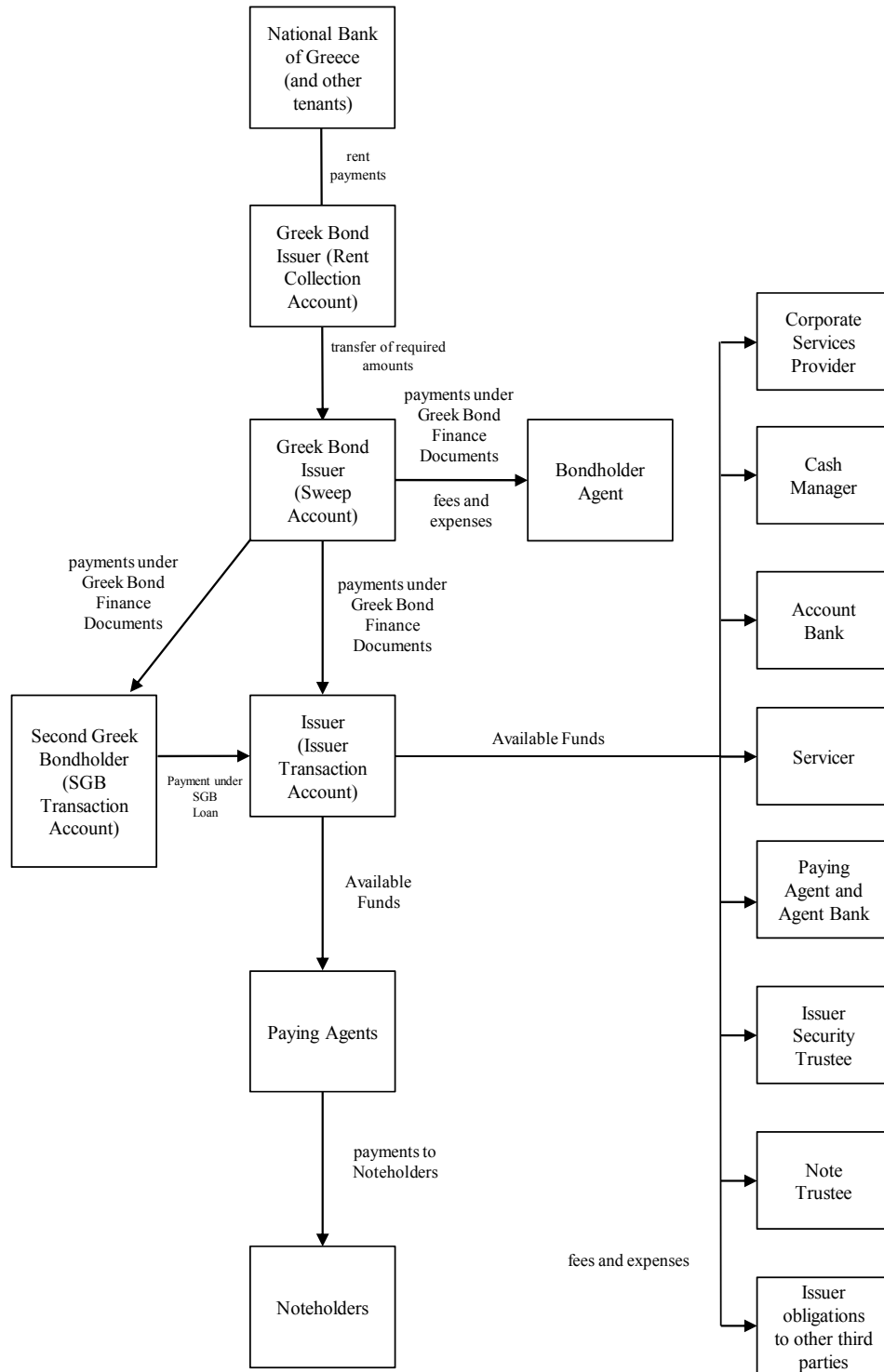
## DIAGRAMMATIC OVERVIEW

The following diagram sets out the key transaction parties and the contractual arrangements to which they are a party.



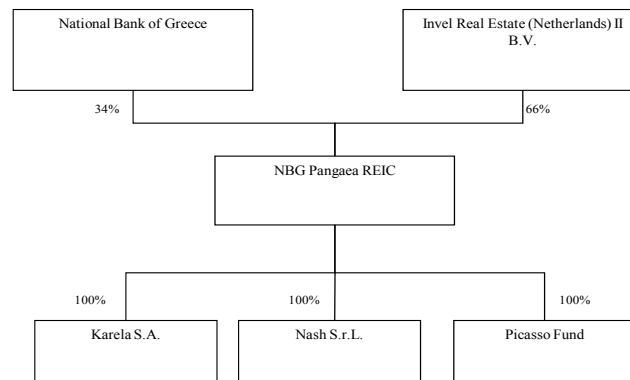
## On-going cashflow

The following diagram highlights the structure and cashflow for the transaction. It is not intended to be an exhaustive description of such matters and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.



## Ownership structure of Greek Bond Issuer

The following diagram sets out the structure of the corporate group of which the Greek Bond Issuer forms part. It is not intended to be an exhaustive description of such corporate group. See the sections entitled "*The Greek Bond Issuer*" for more detail.



## **RISK FACTORS**

*Set out in this section is a summary of certain issues of which prospective Noteholders should be aware before making a decision whether or not to invest in Notes. This summary is not intended to be exhaustive. Therefore, prospective holders of the Notes should also read the detailed information set out elsewhere in this Prospectus and form their own views before making any investment decision.*

### **A. RISK FACTORS RELATING TO THE NOTES**

#### **Liability under the Notes**

The Issuer will be the only entity which has obligations to pay any amount due in respect of the Notes. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity.

#### **Limited resources of the Issuer**

The Issuer is a special purpose entity with no business operations other than the issue of the Notes, the entering into of the Transaction Documents and the transactions contemplated thereby and which are ancillary thereto. The assets of the Issuer will themselves be limited. Other than from interest earned on the Issuer Transaction Account, the ability of the Issuer to meet its obligations under the Notes will be wholly dependent upon the receipt by it of:

- (a) principal and interest and other amounts from the Greek Bond Issuer under the Issuer Greek Bonds (see the section entitled "- D. Risk Factors relating to the Greek Bonds") or, if the Greek Bond Issuer fails to repay the Greek Bonds, the receipt of funds (if any) in respect of any enforcement of the Greek Bond Security; and
- (b) principal and interest and other amounts from the Second Greek Bondholder under the SGB Loan Agreement or, if the Second Greek Bondholder fails to repay the SGB Loan, the receipt of funds (if any) in respect of enforcement of the SGB Security. However, given that the SGB Loan will be collateralised by SGB Greek Bonds and the Second Greek Bondholder has been structured as a bankruptcy remote special purpose pass through entity whose only principal asset will be SGB Greek Bonds owned by it, the only circumstances in which the Second Greek Bondholder would not have sufficient funds available to repay the SGB Loan would be if the Greek Bond Issuer failed to make a payment under the SGB Greek Bonds. Accordingly, ultimately, the Issuer will be fully exposed to the credit risk of the Greek Bond Issuer.

Other than the foregoing, the Issuer is not expected to have any other funds available to it to meet its obligations under the Notes and/or any other payment obligation ranking in priority to, or *pari passu* with, the Notes.

Upon enforcement of the Issuer Security, the Issuer Security Trustee or (with respect to any assets secured pursuant to the Issuer Deed of Charge and Assignment) any receiver will have recourse only to the Issuer Greek Bonds and the Issuer's interest in the Greek Bond Security, to the SGB Loan and the Issuer's interest in the SGB Security, and to any other assets of the Issuer then in existence as described in this document.

#### **Limited Recourse obligations of the Issuer**

The Notes will be limited recourse obligations of the Issuer. On enforcement of the Issuer Security, in the event that the proceeds of such enforcement are insufficient (after payment of all other claims ranking higher in priority to or *pari passu* with amounts due under the Notes), then the Noteholders will have no further claim against the Issuer in respect of such unpaid amounts.

Enforcement action under the Issuer Security Documents (which may be by way of appointment of a receiver over the assets secured pursuant to the Issuer Deed of Charge and Assignment) is the only substantive remedy available for the purposes of recovering amounts owed in respect of the Notes.

The Issuer will not have any recourse to the assets of the Greek Bond Issuer unless the Greek Bond Issuer has also defaulted on its obligations under the Greek Bond Finance Documents. The security created by the Greek Bond Security Documents will not automatically be enforceable as a result of enforcement action under the Issuer Security Documents.

### **No Credit Ratings of the Notes**

No rating agency has been mandated by the Issuer to rate the Notes.

Credit rating agencies could seek to rate the Notes without having been requested to do so by the Issuer. The issuance of an unsolicited rating could have an adverse effect on the market value and/or liquidity of the Notes.

### **Absence of Secondary Market/Limited Market Liquidity**

Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market. There is not, at present, a secondary market for the Notes. There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. In addition, the market value of certain of the Notes may fluctuate with changes in prevailing rates of interest. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time until final redemption or maturity of such Notes. Lack of liquidity could result in a significant reduction in the market value of the Notes and any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes.

### **Denominations and Trading**

The Notes will be issued in the denomination of €100,000 (or an integral multiple of €1,000 in excess thereof). For so long as the Notes are represented by one or more Global Notes, and the rules of Euroclear and Clearstream, Luxembourg so permit, the Notes will be tradeable in minimum nominal amounts of €100,000 and integral multiples of €1,000 in excess thereof. However, if Definitive Notes are required to be issued and printed, any Noteholder holding Notes having a nominal amount which cannot be represented by a Definitive Note in the denomination of €100,000 will not be entitled to receive a Definitive Note in respect of such Notes and will not therefore be able to receive principal, interest or any other amounts in respect of such Notes. Furthermore, at any meeting of Noteholders while the Notes are represented by one or more Global Notes, any vote cast will be valid only if it is in respect of €1,000 in nominal amount.

### **Modifications to the Transaction Documents without Noteholder consent**

Pursuant to the provisions of the Note Trust Deed and the Conditions, the Note Trustee may agree, without the consent of the Noteholders, to any modification (other than a Basic Terms Modification) to, or to the waiver or authorisation of any breach or proposed breach of, the Notes, the Note Trust Deed (including the Conditions) or any of the other Transaction Documents or to determine that any condition, event or act which constitutes a Note Event of Default or Potential Note Event of Default in respect of the Notes shall not be treated as such which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders.

The Note Trustee may also agree, without the consent of the Noteholders, to any modification to the Notes, the Note Trust Deed (including the Conditions) or any of the other Transaction Documents (i) to correct a manifest error or an error that is proven (to the satisfaction of the Note Trustee), (ii) to ensure that the Transaction Documents are consistent with the corresponding disclosure or description in this Prospectus (and, for the avoidance of doubt, the disclosure in this Prospectus shall prevail in the event of any inconsistency) (iii) to comply with the mandatory provisions of law or (iv) is of a formal, minor or technical nature.

The Note Trustee will be required, without the consent or sanction of the Noteholders, to concur with the Servicer and/or direct the Issuer Security Trustee and/or direct the Issuer Security Trustee to direct the SGB Security Trustee to concur with the Servicer (in each case acting in accordance with the terms of the Servicing Agreement), in giving any waiver or consent or agreeing to any modification (which is not a Basic Terms Modification) to the Notes, the Note Trust Deed (including the Conditions) or any of the other Transaction Documents, in each case, that has been notified to the Noteholders by the Servicer and to which the Noteholders have not objected, pursuant to and in accordance with the terms of the Servicing Agreement (for further detail, see the section entitled "*The Servicing Arrangements – Role of the Servicer - Modifications, Waivers, Amendments and Consents in relation to the Transaction Documents*").

Any modification, waiver or consent referred to above will be binding on the Noteholders.

### **Withholding or Deduction under the Notes**

In the event that a withholding or deduction for or on account of any tax is required by law in respect of amounts payable under the Notes or payable on redemption of the Notes, none of the Issuer, any Paying Agent, the Note Trustee or any other entity will be obliged to gross up or otherwise compensate Noteholders for the lesser amounts which the Noteholders will receive as a result of such withholding or deduction. The requirement for such withholding or deduction would (subject to certain conditions being fulfilled) entitle (but not oblige) the Issuer to redeem the Notes at their then Principal Amount Outstanding (plus accrued interest but excluding any premium), thereby shortening the average lives of the Notes.

### **Yield and Prepayment Considerations**

The yield to maturity of the Notes will depend on, among other things, the amount and timing of receipt by the Issuer of amounts of principal in respect of the Issuer Greek Bonds and any Make-Whole Amounts and the purchase price paid by the holders of the Notes. Such yield may be adversely affected by a prepayment in respect of the Issuer Greek Bonds.

Subject to the payment of a Make-Whole Amount, the Greek Bond Issuer has the option to prepay the Greek Bonds in whole or in part at any time. There are some circumstances, as further described in the section entitled "*The Greek Bonds and the Greek Bond Security*", in which the Greek Bond Issuer may be required to make a mandatory prepayment of the Greek Bonds and in which no Make-Whole Amount will be payable. Subject as stated below, if the Greek Bond Issuer prepays the Greek Bond:

- (a) the Second Greek Bondholder will effect a repayment of the SGB Loan in accordance with the terms of the SGB Loan Agreement; and
- (b) the Issuer will effect a redemption of the Notes in accordance with Condition 6(b) (*Mandatory Redemption from Principal Distribution Amounts*) under "*Terms and Conditions of the Notes*".

### **Operating Adviser**

The Noteholders will, from time to time, be entitled to appoint an Operating Adviser to provide certain oversight services in connection with the Transaction Documents. See the section entitled "*The Servicing Arrangements*" and Condition 15 (*Operating Adviser*) under "*Terms and Conditions of the Notes*" for more detail on the role of the Operating Adviser. No Operating Adviser will be appointed on the Closing Date and no Operating Adviser will be appointed during the term of the Notes unless a simple majority of the Noteholders take positive action to procure such an appointment. Such action would need to include negotiating the terms of such appointment with the chosen entity and giving the necessary notices of appointment.

There can be no assurance that sufficient Noteholders at any time would agree among themselves on the need for an Operating Adviser to be appointed, the entity that the Noteholders should appoint or the terms of appointment.



There can be no assurance that any entity at any time would satisfy the criteria for an Operating Adviser set forth in the Conditions or would be prepared to accept the appointment on terms satisfactory to the Noteholders.

### **Appointment of substitute Servicer**

Prior to or contemporaneously with any termination of the appointment of the Servicer, it would first be necessary for the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee to appoint a substitute Servicer. The ability of any substitute Servicer to monitor the performance of the Bondholder Agent in relation to the Greek Bonds, and to effectively provide instructions and directions to the Bondholder Agent in relation to the Greek Bonds, would depend on the information and records then available to it. There is no guarantee that a substitute Servicer could be found who would be willing to monitor the performance of the Bondholder Agent in relation to the Greek Bonds and to provide instructions and directions to the Bondholder Agent in relation to the Greek Bonds at a commercially reasonable fee, or at all, on the terms of the Servicing Agreement. The fees and expenses of a substitute Servicer would be payable in priority to payments due under the Notes.

### **General Legal Investment Considerations**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) it may legally invest in the Notes, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### **Recent market dislocation**

The global markets have seen an increase in volatility due to uncertainty surrounding the level and sustainability of sovereign debt of certain countries in the Eurozone, including Greece, Cyprus, Spain, France, Portugal, Ireland and Italy, as well as the sustainability of the Euro itself. There can be no assurance that this uncertainty will not lead to further disruption of the credit markets in Europe. In addition, recently-enacted (and future) financial reform legislation in Europe could adversely affect the availability of credit for commercial real estate in Eurozone countries.

## **B. RISK FACTORS RELATING TO THE MACROECONOMIC ENVIRONMENT IN GREECE**

### **Greece's financial and economic crisis has had and could continue to have an adverse impact on the Greek Bond Issuer, the Tenants and the value and marketability of the Properties**

In 2013, the Greek economy experienced its sixth consecutive year of financial recession, and Greece continues to face unprecedented pressure in its public finances marked by significant GDP contraction (6.4% in 2012, 3.9% in 2013) and record unemployment (27.3% in 2013). ]

Over the past four years, the Hellenic Republic has undertaken significant structural measures to restore competitiveness and promote economic growth through the Economic Adjustment Programme (the "**Hellenic Programme**") agreed with the IMF, the ECB and the EU (collectively, the "**Troika**") for fiscal adjustment policies and growth enhancing structural reforms. Pressures arising from the ongoing fiscal effort to achieve a primary budget surplus in the Greek government (the "**Greek Government**") budget, including policy fatigue and social tensions, potential delays in Eurozone decisions to ensure Greek public debt sustainability and sufficient medium- to long-term financing for the country, compounded by remaining deep-rooted structural constraints, could slow or reverse the economic recovery and fuel additional uncertainty. More specifically:

- Despite the successful completion of the debt buyback programme in December 2012, the significant progress in fiscal deficit reduction and the adjustment in the labour market and external balance, the Greek economy continues to face substantial macroeconomic challenges. Uncertainty about debt sustainability and the ability for a timely transition to a new sustainable export-oriented model of

economic growth, which will boost fiscal consolidation and improve public debt dynamics, remains high.

- The need to impose additional austerity measures in the form of additional corrective spending cuts to offset potential slippages in the implementation of the 2014 Greek Government budget, in view of weaker-than-expected Greek Government revenue performance for most of 2013 and a continued drop in social security system revenue, could delay the economic recovery, resulting in the weakening economic sentiment, declining liquidity, reduced private spending and a further decline in financial and real estate asset valuations.
- Funding provided to the Hellenic Republic under the Hellenic Programme is insufficient to cover the Hellenic Republic's financing needs from the third quarter of 2015 onwards, and the shortfall could increase if privatisation revenues fall short of expectations. It is not certain whether funding will be increased by the EU and the IMF or whether there will be further modifications in Greek public debt to reduce further debt servicing costs, as this depends on Greece's performance under the Hellenic Programme and potential agreement on new conditionality. In addition, the IMF is considered to have exhausted its statutory limits in providing financing to Greece. Moreover, opinions that have recently been expressed in Europe, as evidenced by last year's events in Cyprus, suggest that a broader spectrum of creditors could be bailed in to cover such financing needs. The prospect of such a development could be destabilising for the Greek economy.
- According to reports by the Troika, Greece has little, if any, margin to absorb additional shocks or slippages in the implementation of the Hellenic Programme. If implementation takes longer than expected or falls short of expectations, or the economy takes longer than expected to respond to the labour market and other structural competitiveness-enhancing reforms, or the fiscal impact of the recession is higher than estimated in subsequent years, the likely result would be a higher debt trajectory than expected.
- Failure to successfully implement the Hellenic Programme over its term to 2016 may lead to termination of financial support provided by the IMF and the EU, or may undermine a potential agreement for the provision of additional medium-term financing and debt relief to the Greek Government in 2014. Such a development may create the conditions for a new credit event with respect to Hellenic Republic debt or lead to a default by the Hellenic Republic on its debt.
- Even in the event that the Hellenic Republic successfully implements the Hellenic Programme, Hellenic Republic debt as a percentage of GDP is projected to remain above 170% of GDP until 2015, and it remains uncertain whether the Greek economy will grow sufficiently to ease the financing constraints of the Hellenic Republic without a new agreement with the EU and the IMF to provide debt relief, i.e., a reduction in Greece's debt to the IMF and the Eurozone. This relief could occur through new changes in the conditions of official sector loans or further restructuring of Greek government bonds held by the Eurosystem and a direct haircut on official sector loans or loans from the European Financial Stability Facility ("**EFSF**"). Failure to agree on a credible way to restore long-term debt sustainability and cover possible additional needs of Greece for external financing may result in a credit event with respect to Hellenic Republic debt occurring prior to the completion of the Hellenic Programme.
- Further instability in the current coalition Greek Government (elected on 17 June 2012 and reshuffled on 10 June 2014), or a shrinkage of its parliamentary majority currently supporting the Hellenic Programme, could pose significant risks to the implementation of the Hellenic Programme. In addition, the commitment by the member states of the Eurozone to provide long-term support to Greece on acceptable terms could be limited by public discontent in these countries regarding support to Greece.
- The credit rating agencies have assigned Greek sovereign debt a rating that is significantly below investment grade. The current credit ratings of Greece are set out in the section entitled "*F. Risk Factors relating to the Principal Tenant - Negative results in the Principal Tenant's stress testing may lead to further capital increases or loss of public confidence in the Principal Tenant*". Despite the improvement of such ratings compared to 2012, Greece's credit rating may be downgraded again if the reforms do not continue or if Greece's fiscal results deteriorate or political risk increases.
- The large losses experienced by private creditors as a result of the exchange implemented pursuant to the 2011 - 2012 private sector involvement in Greece's debt restructuring ("**PSI**"), in conjunction with

the high level of Greek sovereign debt, even after the PSI and successful completion of the debt buy-back in December 2012, render an improvement of market sentiment and a significant upward revision of sovereign ratings highly unlikely for the short to medium-term unless new decisions that provide significant long-term relief on Greek sovereign debt profile are taken by Eurozone member states. In this respect, valuations of Hellenic Republic assets (and thus privatisation revenue), and the ability of Greece to access the international capital markets, are uncertain.

- The continuing recovery in economic sentiment in Greece and the marginal increase in the private deposit base of the Greek banking system (since the second half of 2012 to May 2014) could be undermined by slower progress in structural reforms and tensions in fiscal adjustment strategy.

The economic environment in Greece remains fluid and uncertain. Further deterioration of the economic environment or increased social tensions could cause political instability or a revision of fiscal consolidation or structural adjustment policies. This could in turn result in a deterioration in the Greek economy, which could harm the Greek Bond Issuer, the Tenants, their ability to pay rent, tenant demand for rental properties and the value of the Properties.

## **C. RISK FACTORS RELATING TO THE GREEK BOND ISSUER**

### **The Greek Bond Issuer**

The Greek Bond Issuer is a real estate investment company (a "REIC") regulated under Greek law 2778/1999 as in force as at the date of this Prospectus (the "REIC Law"). The Greek Bond Issuer is not a limited purpose entity but rather a trading entity which buys, sells, manages and leases out real estate property assets. There can be no assurance that the business of the Greek Bond Issuer will be successful or that it will not become insolvent.

### **Greek legislation can restrict the Greek Bond Issuer's ability to buy or sell real estate property**

According to the regulatory framework which governs Greek REICs, the Greek Bond Issuer may not sell a real estate property from its portfolio at a price more than 5% lower than such property's market value, as estimated by certified appraisers, nor may the Greek Bond Issuer purchase a real estate property at a price more than 5% higher than said property's market value, as estimated by Certified Appraisers. The aforementioned restrictions could adversely affect the Greek Bond Issuer's ability to purchase and sell real estate properties in a way that is consistent with its investment objectives and strategy and could affect its ability to sell real estate properties to fund a repayment of the Greek Bonds if it were not able to raise or otherwise generate sufficient funds to fund such repayment.

### **The Greek Bond Issuer could be subject to adverse changes in tax legislative framework or its interpretation**

As it is incorporated as a Greek REIC, the Greek Bond Issuer is not liable to pay income tax. Instead it is liable to pay a special tax on the appraised value of its assets. That rate is equal to 10 per cent. of the ECB Refinancing Operations Rate plus one per cent. The tax rate paid by the Greek Bond Issuer with respect to the first six months of 2014 was 0.125 per cent. The tax rate applicable to the Greek Bond Issuer as from 1 July 2014 is 0.115 per cent.

The special tax treatment granted to the Greek Bond Issuer as a REIC could be affected by adverse changes in existing tax legislation or its interpretation, or the introduction of any new taxes. In the case of any such adverse change in the Greek Bond Issuer's tax regime, its financial position and economic results may be adversely affected, which may in turn adversely affect its ability to meet its payment obligations under the Greek Bonds.

### **Litigation**

There may be pending or threatened legal proceedings against the Greek Bond Issuer. The Greek Bond Issuer has represented in the Greek Bond Finance Documents that, on the Greek Bond Documentation Date and the Closing Date, no investigation, litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including, but not limited to, investigative proceedings) are

current or, to the best of its knowledge (having made due and careful enquiry), pending or threatened, which might reasonably be expected to be adversely determined and if adversely determined might reasonably be expected to have a material adverse effect on, among other things, the ability of the Greek Bond Issuer to perform its payment obligations under any Greek Bond Finance Document. There can, however, be no assurance that such litigation will not arise in the future.

**There may be circumstances where the Greek Bond Issuer may be affected by a potential conflict of interest**

There may be circumstances in which a member of the board of directors of the Greek Bond Issuer has, directly or indirectly, a material interest in a transaction being considered by the Greek Bond Issuer or a conflict of interest with the Greek Bond Issuer. The Greek Bond Issuer has established a formal written policy to protect against the risks these potential conflicts can pose. Nonetheless, any of the directors and/or any person connected with them may from time to time act as a director, investor or be otherwise involved in other investment vehicles (including vehicles that may have investment strategies similar to those of the Greek Bond Issuer) and/or other assets which may also be purchased or sold by the Greek Bond Issuer, subject at all times to the provisions governing such conflicts of interest both in law and in the articles of association of the Greek Bond Issuer. Christophoros Papachristophorou, an executive member of the board of directors of the Greek Bond Issuer, is also a managing partner of Invel; and David Netser, a non-executive member of the board of directors of the Greek Bond Issuer, is the CEO of Azorim Limited.

**D. RISK FACTORS RELATING TO THE GREEK BONDS**

**Reliance on Valuation Report**

The aggregate market value of the Properties as set out in the Portfolio Valuation is €476,357,477. Valuations, however, represent the analysis and opinion of qualified valuers and are not guarantees of present or future value (one valuer may reach a different conclusion from a different valuer appraising the same property). Furthermore, valuations seek to establish the amount which a typical third party buyer would pay for the asset and, in certain cases, may have taken into consideration the purchase price paid by the Greek Bond Issuer.

There can be no assurance that the market value of the Properties will continue to equal or exceed such valuations nor, as the market value of the Properties fluctuates, any assurance that this will remain equal to or greater than the unpaid principal, accrued interest and other amounts due under the Greek Bond Finance Documents nor, if any Property is sold following an event of default under the Greek Bond Finance Documents, any assurance that the net proceeds of such sale will be sufficient to pay in full all amounts due under the Greek Bond Finance Documents (and therefore the amounts due under the Notes).

**Risks relating to conflicts of interest**

There will be no restrictions on the Servicer or on the Bondholder Agent preventing it from acquiring Notes or servicing loans for third parties, including instruments similar to the Greek Bonds. The properties securing any such instruments may be in the same market as the Properties. Consequently, personnel of the Servicer or the Bondholder Agent may perform services on behalf of the Issuer and the Second Greek Bondholder with respect to the Greek Bonds at the same time as they are performing services on behalf of other persons with respect to similar instruments. Despite the requirement on the Servicer to perform its servicing obligations in accordance with the terms of the Servicing Agreement (including the Servicing Standard), such other servicing obligations may pose inherent conflicts for the Servicer.

As of the date of this Prospectus, the Greek Bond Issuer is considered a subsidiary of the Principal Tenant. Therefore, the Principal Tenant controls the Greek Bond Issuer. The Greek Bond Issuer's relationship with the Principal Tenant therefore poses the risk of conflicts of interests. However, under the REIC Law, Greek REICs are obliged to list their shares within two years following their incorporation. This time-period may be extended by two more years following a request by the REIC to the HCMC. The Greek Bond Issuer was granted an extension in relation to the listing of its shares to April 2014, which has been further extended by virtue of Greek law 4141/2013 for a period of thirty months from entry into force of

such law. Following the above extensions, the deadline for listing of the Greek Bond Issuer's shares has been extended to October 2015.

### **Appointment of substitute Bondholder Agent**

Prior to or contemporaneously with any termination of the appointment of the Bondholder Agent, it would first be necessary for the Issuer and the Second Greek Bondholder to appoint a substitute Bondholder Agent. The ability of any substitute Bondholder Agent to administer the Greek Bonds successfully would depend on the information and records then available to it. There is no guarantee that a substitute Bondholder Agent could be found who would be willing to administer the Greek Bonds at a commercially reasonable fee, or at all, on the terms of the Greek Bond Programme. The fees and expenses of a substitute Bondholder Agent would be payable in priority to payments due under the Greek Issuer Bonds.

### **Refinancing risks**

The Greek Bonds provide for a single bullet repayment of principal at maturity. Accordingly, the ability of the Greek Bond Issuer to repay the Greek Bonds in full at maturity will largely depend on the ability of the Greek Bond Issuer either to sell some of its assets (which may include the Properties for these purposes) or raise finance from third party lenders (most likely secured on some of its assets), in each case, in a sufficient amount to fund repayment of the Greek Bonds.

Under the REIC Law, the Greek Bond Issuer may only invest in real estate assets. Greek REICs may borrow up to an amount equal to 75 per cent. of their assets' value, for the purpose of acquiring and exploiting real estate. Therefore, the ability of the Greek Bond Issuer to raise sufficient finance to fund a repayment of the Greek Bonds at maturity will be constrained by the amount of other secured finance it has outstanding at the relevant time and the value of its assets at the relevant time.

## **E. RISK FACTORS RELATING TO THE PROPERTIES**

### **Geographic concentration**

All of the Properties are located in Greece and 74.8% per cent of the Properties (in terms of gross leasable area) are located in Attica. Consequently, any regulatory changes, the continuation of the recession of the Greek economy, the Greek real estate market or the real estate market of Attica in particular, as well as any decline in demand for commercial spaces and any economic recession or adverse conditions in the real estate market in Attica or in Greece, might lead lessees to seek new lease terms or renegotiate existing ones, a situation which may negatively affect the financial results of the Greek Bond Issuer and its ability to meet its obligations under the Greek Bonds, its financial position and the value of its real estate assets to a greater extent than if the Greek Bond Issuer had diversified its investment portfolio (so as to include other kinds of real estate in a wider geographic area).

### **Lessee's Rights to Challenge Commercial Lease Agreements**

It is likely that certain of the provisions of the lease agreements entered into between the Greek Bond Issuer and its lessees could be challenged on the basis of their validity and be declared unenforceable by the competent court. In particular, with respect to lease agreements governed by Greek law, Greek legislation on commercial leases (presidential decree 34/1995) includes certain provisions intended to grant special rights and protection to the lessees. In practice, however, it is common for lessees in commercial lease agreements to waive some of their rights. In such cases the contract by virtue of which the lessees waive their rights must be entered into after the date of the initial lease agreement. Such waivers of the lessees' rights have been included in the Commercial Lease Agreements in respect of the Properties.

### **Statutory Termination Rights relating to Commercial Lease Agreements**

Under the Commercial Lease Agreements entered into between the Greek Bond Issuer and its lessees, the lessee expressly retains the right to terminate any of the leases for "good cause" and the value of any relevant Property may be reduced as a consequence. According to the Greek Civil Code, the lessee is not entitled to waive such right before the occurrence of the event that constitutes "good cause". Accordingly, there is a risk that the Commercial Lease Agreements will be terminated prematurely by the lessees, prior to the time frame provided for in the relevant lease, and the Greek Bond Issuer will be deprived of rents

which it reasonably expected to collect. "Good cause" is interpreted by Greek courts as any event that renders the continuation of the lease exceedingly onerous for the lessee on the basis of good faith. According to case law, such an event could include an adverse change in the financial status of the lessee, irrespective of the fault of the parties, or an adverse change in circumstances materially affecting the lessee. However, a material adverse change in the financial status of the lessee that is due exclusively or primarily to the acts or omissions of the lessee could be considered by Greek courts as an invalid reason for termination on the basis of two fundamental principles of Greek law, namely: (a) that a party must exercise its rights in good faith; and (b) that a party cannot take advantage of its own illegal or undue behaviour. In addition, even if the Principal Tenant has a "good cause" to terminate the lease, the exercise of its right would be under scrutiny by Greek courts as to whether it complies with the general Greek law principle of good faith and in particular whether the exercise of the right of termination results in a disproportionately adverse effect to the rights of the Greek Bond Issuer under the leases.

In addition, under the general principles of Greek law, "good cause" could be invoked in case of a material breach on the part of the lessor in relation to a lease agreement. However the obligations of the Greek Bond Issuer under the Commercial Lease Agreements are limited. Specifically, the main obligations of the lessor are: (a) to deliver the leaseholds to the lessee and (b) to release funds from the insurance proceeds payable to it under the NBG Portfolio insurance policies, in accordance with the provisions of the Commercial Lease Agreements.

If the Principal Tenant succeeded in terminating leases relating to the Properties representing a material percentage of the rental income from the Portfolio as a whole, that would have a material adverse effect on the Greek Bond Issuer's revenues, which could in turn have a material adverse effect on the ability of the Greek Bond Issuer to pay amounts due under the Greek Bonds. That would, in turn, have a material adverse effect on the ability of the Issuer to pay amounts due under the Notes.

### **Termination on Insolvency of Lessee**

The Principal Tenant has waived its right to terminate the Commercial Lease Agreements in case of its own insolvency. Nevertheless, lessees subject to insolvency (or similar) procedures may be unable to comply with their payment obligations under the Commercial Lease Agreements, in which case the Greek Bond Issuer will be required to take judicial measures for the repayment of the due rents. Claims for due rents will be allocated pro rata with all of the lessee's unsecured creditors.

### **Risks relating to Insurance**

The Greek Bond Issuer's real estate assets may suffer property damage due to natural disasters (such as earthquakes fires and floods), terrorist activities and other acts of violence (such as arsons and continuous protests), that lead to losses (including the loss of rents) that may not be covered, partially or fully, by the insurance. Additionally, with respect to certain types of risks (such as the danger of war or earthquake during the carrying out of technical works), no coverage is offered in the insurance market in Greece or only partial coverage. Furthermore, the cost of such an insurance policy may be prohibitive when compared to the risk in question. Moreover, a certain coverage, whether partial or full, for certain risks against which the Greek Bond Issuer is insured, may cease to be provided by the insurance market. If the Greek Bond Issuer incurs an uninsured loss above the insurance limit, it could lose part of the capital that it invested in the damaged real estate property, as well as future revenue that it expected to collect from said property. Furthermore, it could be held liable to compensate for losses that were caused by uninsured risks. It could also continue to be held liable for debts or other financial obligations associated with the real estate property in question. No assurance can be given that there will be no substantial losses in the future, exceeding the amount of the insurance indemnity.

### **Environmental Risks**

The Greek Bond Issuer could be held liable for the payment of the expenses for removing or restoring of the impacts of dangerous or toxic substances that are placed on, under or in its real estate assets. These expenses could prove to be material. By virtue of the relevant legislation the owner might be held liable independently of whether or not he was aware of, or was responsible for, the existence of such harmful or toxic substances.

The environmental legislation could impose a limitation on the way a real estate asset is utilised or on the authorised business activities applicable to such asset, and due to these limitations significant expenses can arise or the signing of lease agreements with potential lessees affected by these provisions may be

impeded. The environmental laws provide for sanctions in the case of non-compliance and such sanctions may be imposed by state authorities, local authorities or, in certain instances, by certain public entities. There is a possibility that third parties could request indemnification by the Greek Bond Issuer for personal injuries or financial loss linked to exposure to these released substances. The cost of the defence of the Greek Bond Issuer in the context of these indemnification claims, compliance with the requirements of the environmental law provisions, restoration of assets polluted by such substances, or payment of indemnification for personal injuries could negatively affect the business activities of the Greek Bond Issuer, its operation and its financial performance. Additionally, the existence of such substances or the failure to restore any damages caused by these substances could negatively affect the ability of the Greek Bond Issuer to sell or lease the specific asset. However, as regards the Properties, the environmental due diligence reports delivered as condition precedents to the issue of the Greek Bonds disclosed no major environmental risks in respect of the Properties, save in the case of two of the Properties, with respect to which remedial works were recommended to be carried out without delay. The Greek Bond Issuer has undertaken, in the Greek Bond Programme Agreement, to ensure that such remedial works are carried out within three months of the Greek Bond Documentation Date.

### **Greece does not have a centralised land registry system, which makes proof of title vulnerable**

Much of the land registry system in Greece is non-centralised and paper-based, and therefore not easily searchable. Moreover, the boundaries of properties registered with the land registry are not cross-checked against those of other registered properties, which makes title to property in Greece vulnerable to claims of illegitimate ownership and sale. Furthermore, documentation of title to the majority of properties registered in Greece is vulnerable to being destroyed, damaged, stolen, lost and misplaced as there are no duplicated records in the care of the land registry system. Although the land registry system in Greece is currently being updated to a centralised and electronic system, that may take years to complete, and evidence of title to the Properties in the Portfolio remains vulnerable in the interim. Properties in the Portfolio may be subject to claims of illegitimate ownership and sale and the Greek Bond Issuer may incur substantial expenses in refuting such claims or establishing title to the Properties.

## **F. RISK FACTORS RELATING TO THE PRINCIPAL TENANT**

### **Concentration Risks on Principal Tenant**

As at 30 June 2014, National Bank of Greece SA ("NBG" or the "**Principal Tenant**") was the tenant with respect to Properties comprised within the Portfolio representing 99.4 per cent. of the annualised rental income of the Portfolio.

There can be no assurance that the Principal Tenant will not breach its obligations arising from the lease agreements with the Greek Bond Issuer or that it will not stop paying its rents to the Greek Bond Issuer. The lessees of the Greek Bond Issuer may breach their contractual obligations for limited time periods and therefore, even in the case that these rents are eventually collected, the financial results of the Greek Bond Issuer may be negatively affected for this specific time period. By virtue of Greek law, three to six months are usually required for the eviction of defaulting lessees, under the condition that no judicial remedies are exercised by the lessees.

The forfeiting of the leases by the Principal Tenant may therefore have a material adverse effect on the income of the Greek Bond Issuer and there can be no assurances that the Greek Bond Issuer would be able to find new tenants for the properties leased to the Principal Tenant on terms of equal value to those of the existing leases. An inability of the Greek Bond Issuer in such circumstances to replace the Principal Tenant with alternative tenants with similar financial strength or to negotiate replacement leases on as favourable financial terms as the existing lessee may result in an inability of the Greek Bond Issuer to make payments under the Greek Bonds.

Accordingly, the ability of the Greek Bond Issuer to make payments of interest and other amounts due under the Greek Bonds will, to a significant extent, be dependent on the performance of the Principal Tenant under its lease obligations in respect of the properties owned by the Greek Bond Issuer including, without limitation, the Properties.

The Principal Tenant is subject to numerous risks which could adversely affect its ability to meet its obligations to the Greek Bond Issuer under the Commercial Lease Agreements. Since September 2007, the global financial system has experienced difficult credit and liquidity conditions and disruptions resulting in reduced liquidity, greater volatility and widening of credit spreads both generally and specifically with respect to Greek banks. The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity has adversely affected the Principal Tenant. Continued or worsening disruption and lack of liquidity in the global financial markets could have a material adverse effect on the ability of the Principal Tenant, to access capital and liquidity on acceptable financial terms, or at all.

Moreover, market turmoil and deteriorating macro-economic conditions, especially in Greece, Turkey and south eastern Europe, the countries where the Principal Tenant primarily operates, could materially adversely affect borrowers of and other counterparties of the Principal Tenant, which could further increase the Principal Tenant's non-performing loan ratios, impair its loan and other financial assets and result in decreased demand for borrowings in general. In addition, its customers may further decrease their investment in stocks, bonds and mutual funds, which would adversely affect the Principal Tenant's fee and commission income.

### **Valuation and refinancing Risks**

Given the significance of the Principal Tenant as an obligor to the Greek Bond Issuer, the value of the assets of the Greek Bond Issuer (as at the date of this Prospectus) available to be sold by the Greek Bond Issuer or against which the Greek Bond Issuer could seek to raise secured finance will depend, to a significant extent, on the financial strength and performance of the Principal Tenant under its lease obligations to the Greek Bond Issuer.

In the event that the Greek Bond Issuer defaulted on the Greek Bonds and the holders of the Greek Bonds sought to enforce the security over the Properties, the value of the Properties would also be significantly influenced by the financial strength and performance of the Principal Tenant under its lease obligations to the Greek Bond Issuer.

### **Impact of the implementation of the Hellenic Programme on the Principal Tenant**

As a result of the Greek financial crisis, the Principal Tenant participated in the Greek bank support plan (established by Greek law 3723/2008) and the Greek bank recapitalisation framework (established by Greek law 3864/2010). Moreover, under the Hellenic Programme, the Greek Government undertook certain state-aid commitments towards the European Commission regarding Greek banks. As at the date of this Prospectus, the Hellenic Financial Stability Fund (the "HFSF") owns 57.24% of the Principal Tenant's issued share capital. As a result of the above, certain commercial and management decisions of the Principal Tenant may be subject to the HFSF's approval or the approval of the European Commission's General Directorate of Competition or influenced by the Hellenic Republic and other monitoring or regulatory bodies. Decisions in relation to the Principal Tenant's branch presence or the Principal Tenant's lease agreements with the Greek Bond Issuer could be affected by commitments undertaken by the Principal Tenant as recipient of state aid and due to its participation in the recapitalisation framework.

A failure of the Hellenic Programme to result in a marked improvement in the Greek economy would have significant adverse consequences on the Principal Tenant. If another credit event with respect to the Hellenic Republic debt or an additional restructuring of the Hellenic Republic debt were to occur, the Principal Tenant's regulatory capital would be severely affected due to its direct exposure to Hellenic Republic debt as well as due to the indirect effects of the credit event on investor confidence, requiring the Principal Tenant to raise additional capital. There would be no assurance that the Principal Tenant could raise all of the required additional capital on acceptable terms or that the Commercial Lease Agreements for leaseholds occupied by it or members of its group of companies would not be materially affected.



**Recessionary pressures in Greece stemming from the Hellenic Programme have had and may continue to have an adverse effect on the Principal Tenant's business, results of operations and financial condition**

The Principal Tenant's business activities are dependent on the level of banking, finance and financial products and services it offers, as well as customers' capacity to repay their liabilities. In particular, the levels of savings and credit demand are heavily dependent on customer confidence, employment trends and the availability and cost of funding.

The pace of the recession in Greece weakened markedly in 2013 with negative GDP growth decelerating from 6.0% (year-on-year) in the first quarter to 2.3% in the last quarter. The Greek GDP contraction of 3.9% for 2013 as a whole was slightly less pronounced than expected during the last review of the Second Economic Adjustment Programme in July 2013 (4.2%) (the "**Second Hellenic Programme**"), according to the fourth review of the Second Hellenic Programme, as issued by the responsible General Directorate of the European Union in April 2014. The projections of the Second Hellenic Programme point to a positive GDP growth rate of 0.6% in 2014 for Greece.

The protracted period of poor economic conditions in the Hellenic Republic (as to which, please see above under "*Risk Factors relating to the macroeconomic environment in Greece - Greece's financial and economic crisis has had and could continue to have an adverse impact on the Greek Bond Issuer, the Tenants and the value and marketability of the Properties*") is materially and adversely affecting the liquidity, business activity and financial conditions of the Principal Tenant's borrowers, which in turn may lead to further increases in the Principal Tenant's loans and advances to customers +90 days past due ("dpd"), impairment charges on loans and other financial assets and decreased demand for borrowings in general and increasing deposit outflows.

Adding to the negative impact of a sharp drop in consumer and business confidence - despite the notable recovery in 2013 and in 2014 (up to the date of this Prospectus) - resulting from the economic crisis and ongoing sizeable macroeconomic imbalances, the additional fiscal adjustment agreed under the Hellenic Programme has had, and in the future is likely to continue to have, a significant negative effect on economic activity in the Hellenic Republic.

The volume of loans to households and businesses declined in 2013 and is expected to decline further in Greece as the downward pressure on household disposable incomes is expected to remain strong and the profitability of Greek firms is expected to continue to be adversely affected by austerity measures and the resulting deterioration in the business environment (against a backdrop of tighter credit criteria and stressed liquidity conditions). In addition, the need to reduce further the Principal Tenant's dependency on Eurosystem funding will also increase the likelihood of de-leveraging. Moreover, the Principal Tenant's customers may further significantly decrease their risk tolerance to non-deposit investments such as stocks, bonds and mutual funds, which would adversely affect the Principal Tenant's fee and commission income.

In the context of a new round of uncertainty-driven market turmoil, worsening macroeconomic conditions and increasing unemployment, coupled with declining consumer spending and business investment and the worsening credit profile of the Principal Tenant's corporate and retail borrowers, the value of assets collateralising the Principal Tenant's secured loans, including houses and other real estate, could suffer further significant declines in value. Such decline could result in impairment of the value of the Principal Tenant's loan assets or an increase in the level of past due loans, either of which may have a material adverse effect on the Principal Tenant's business, results of operations and financial condition.

Finally, if the Hellenic Programme is not implemented successfully - especially with respect to the structural reform agenda - or if additional austerity measures beyond those agreed to in the Hellenic Programme are required to counterbalance potential deviations from the Hellenic Programme's targets, economic activity may register a weaker than expected performance in 2014 and may also be adversely affected in subsequent years, which will result in a delayed recovery and a further adverse effect on the Principal Tenant's business, results of operations and financial condition.

### **As a recipient of state aid, the Principal Tenant's operational autonomy is constrained**

The Principal Tenant and its group of companies participated in the 2011 - 2012 private sector involvement ("PSI") in Greece's debt restructuring and, as a result, recorded impairment losses on its Greek government bond portfolio and loans and advances to customers. As a result, the Principal Tenant's capital adequacy ratio (on a consolidated basis) fell below the minimum 8.0% (-2.6% as at 31 December 2011) and the Principal Tenant had to seek support from the HFSF.

The recapitalisation of the Greek banks placed the Principal Tenant under European state aid rules. Under such rules, the Principal Tenant's operations are restricted so that the state aid provided does not lead to the distortion of competition.

The commitments of the Hellenic Republic towards the European Commission include, among other things, the appointment of a Monitoring Trustee for each Greek bank, who acts on behalf of the European Commission and aims to ensure the compliance of the Principal Tenant with the aforementioned commitments. The Monitoring Trustee's powers affect the discretion that can be exercised by management of Principal Tenant through further supervision and by imposing restrictions which may affect business decisions and development strategies and limit the operational flexibility of the Principal Tenant. Grant Thornton was appointed as the Principal Tenant's Monitoring Trustee on 16 January 2013.

### **The Hellenic Republic and the legal entities associated with the Greek government have the ability to exercise significant influence in specific areas of the Principal Tenant's operations**

As at 30 June 2014, the Hellenic Republic directly owned 270 million non-transferable redeemable preference shares amounting to €1,350.0 million issued by the Principal Tenant under the Hellenic Republic's Bank Support Plan (Greek law 3723/2008). The direct stake of the Hellenic Republic in the Principal Tenant provides the Hellenic Republic, among other things, with: (i) voting rights at the general meeting of preference shareholders of the Principal Tenant; (ii) the right to appoint a representative to the board of directors of the Principal Tenant; and (iii) veto rights on matters of strategy or other key decisions on the legal or financial status of the Principal Tenant and decisions for which the approval of the general meeting is required.

Following the participation of the HFSF in the capital structure of the Principal Tenant, the management and business decisions of the Principal Tenant may also be materially affected by the veto powers of the representatives of the HFSF within the framework of the Principal Tenant's recapitalisation under the second support package to Greece.

In the context of the recapitalisation of the Greek banks, the HFSF has become the largest ordinary shareholder of the Principal Tenant, with 57.24% shareholding as at the date of this Prospectus. As a result, the HFSF has appointed one representative to the Principal Tenant's Board of Directors and various committees, with veto rights on key decisions (such as distribution of dividends or other matters that may have a material adverse effect on depositors and the operation of the Principal Tenant). The HFSF also has (limited) voting rights at the Principal Tenant's shareholder meetings, which may be expanded upon occurrence of certain events provided under the applicable legislation.

Therefore, the HFSF can exercise material influence over the operations of the Principal Tenant. There is a risk that the HFSF may disagree with certain decisions of the Principal Tenant relating to dividend distributions, benefits policies and other commercial and management decisions that will ultimately limit its operational flexibility.

If economic conditions do not improve or continue to deteriorate, or if the financial position of the Principal Tenant deteriorates, further government or inter-governmental intervention may take place through the HFSF. Any further governmental or inter-governmental intervention, including through the HFSF, may have a material adverse effect on the interests of Greek Bondholders.

Furthermore, the Hellenic Republic and the HFSF also have interests in other Greek financial institutions and an interest in the health of the Greek banking industry and other industries generally, and those

interests may not always be aligned with the commercial interests of the Principal Tenant or the Issuer, as holder of Issuer Greek Bonds.

**There are risks associated with the Principal Tenant's need for additional capital and liquidity, most notably from increased asset impairment, as well as a significant deterioration in asset quality compared to previous estimates**

The Principal Tenant is required by its regulators to maintain adequate capital. In jurisdictions where the Principal Tenant has branches, including within the EEA, it is also subject to the regulatory capital and liquidity requirements of such jurisdictions. The Principal Tenant, its regulated subsidiaries and its branches may be subject to the risk of having insufficient capital resources to meet the minimum regulatory capital and/or liquidity requirements. In addition, those minimum regulatory capital requirements are likely to increase in the future, or the methods of calculating capital resources may change. Likewise, liquidity requirements may come under heightened scrutiny, and may place additional stress on the liquidity demands in the jurisdictions in which it operates.

The main risks to the Principal Tenant's further recapitalisation needs are: (a) the poor economic environment in Greece, which may result in: (i) a sharper deterioration in asset quality than the one projected by the independent loan diagnostic studies performed in 2011 (and followed by a second study with an extended scope designed to align with the anticipated methodologies of the European Central Bank in the second half of 2013), on the domestic loan portfolio of the Principal Tenant and its group of companies (the BlackRock loan diagnostics) by BlackRock Financial Management Inc., in accordance with the commitment undertaken by the Bank of Greece under the Hellenic Programme in the context of ensuring that Greek banks are adequately capitalised; and (ii) weaker pre-provision profits in the domestic market; and (b) a weaker international environment, which may lead to lower-than-projected profits from the Principal Tenant's international subsidiaries. Even if the Principal Tenant initially meets the minimum capital ratio requirements established by law, by raising the required capital as ruled by the Bank of Greece or the European Central Bank, there are no assurances that the above risks will not result in further recapitalisation needs.

**The Principal Tenant has been, and may become again, limited in its ability to obtain funding in the capital markets and remains dependent on the Eurosystem for funding**

On 30 April 2014, NBG Finance PLC, a subsidiary of the Principal Tenant issued €750 million five-year senior unsecured bonds under Regulation S that were guaranteed by the Principal Tenant. The bonds were issued at an issue price of 99.451% with a 4.5% yield at issuance, and an annual coupon of 4.375%. In May 2014, the Principal Tenant completed a recapitalisation exercise that was effective in reducing the level of HFSF ownership from 84.37% to 57.24%. Prior to those events, the economic crisis had adversely affected the Principal Tenant's credit risk profile and ability to access the private capital markets for funding and increased the cost of such funding and the need for additional collateral requirements in repurchase contracts and other secured funding arrangements, including those with the Eurosystem. Concerns relating to the ongoing impact of these conditions may further constrain the Principal Tenant's ability to obtain funding in the private capital markets in the medium term.

The Principal Tenant remains dependant on the Eurosystem for funding, which may be affected by changes in Eurosystem rules relating to the eligibility of collateral used for funding, such as Greek government bonds and guarantees.

The Principal Tenant's wholesale borrowing costs and access to liquidity and capital have also been negatively affected by a series of downgrades of the Hellenic Republic's credit rating. Further downgrades of the Hellenic Republic's credit rating may result in a downgrade of the Principal Tenant's credit rating.

Since 2009, the Hellenic Republic has undergone a series of credit rating downgrades and in 2010 moved to below investment grade. The credit rating of the Hellenic Republic was lowered by all three credit rating agencies to levels just above default status following the activation of collective action clauses in Greek government bonds in late February 2012. Specifically, Standard & Poor's Credit Market Services France SAS lowered the Hellenic Republic's credit rating to Selective Default-SD (27 February 2012), Fitch Ratings Limited lowered the Hellenic Republic's credit rating to Restricted Default-RD (9 March 2012),

and Moody's Investors Service Ltd lowered the Hellenic Republic's credit rating to C (2 March 2012). The Hellenic Republic's current credit ratings are B (Fitch Ratings Limited), Caa1 (Moody's Investors Service Ltd) and B-/B (Standard & Poor's Credit Market Services France SAS), all with stable outlook.

A further downgrade of the Hellenic Republic's rating may occur in the event of a failure to implement the Hellenic Programme or if the Hellenic Programme fails to produce sufficient results. Accordingly, the cost of risk for the Hellenic Republic would increase further, with negative effects on the cost of risk for Greek banks and thereby on their results. Further downgrades of the Hellenic Republic could result in a corresponding downgrade in the Principal Tenant's credit rating.

As at the date of this Prospectus, the Principal Tenant's long term issuer credit ratings are Caa1 (Moody's Investors Service Cyprus Ltd), CCC+ (Standard & Poor's Credit Market Services Europe Limited) and B- (Fitch Italia SpA). Any reduction in its long-term credit ratings could increase its wholesale borrowing costs, limit its access to the debt capital markets and trigger additional collateral requirements in derivative contracts and other secured-funding arrangements. As a result, any reduction in the Principal Tenant's credit ratings could adversely affect its competitive position and access to liquidity or have a negative impact on its earnings and financial condition. If the Principal Tenant experiences significant deterioration with respect to its earnings and financial condition, this could affect the Principal Tenant's ability to meet its obligations to the Greek Bond Issuer, which could in turn adversely impact the Greek Bond Issuer's ability to meet its obligations under the Greek Bonds.

A downgrade or withdrawal of Greek sovereign ratings or the credit ratings of the Principal Tenant would likely have a material adverse effect on the Principal Tenant's ability to continue to access current levels of funding from the private capital markets, the Eurosystem or from any other source.

**A continued loss of deposits and the prolonged need for additional Eurosystem funding may result in the exhaustion of collateral eligible for funding from the Eurosystem.**

Accelerated outflow of funds from customer deposits could cause an increase in the Principal Tenant's costs of funding and have a material adverse effect on the Principal Tenant's operating results, financial condition and liquidity prospects.

Historically, one of the Principal Tenant's principal sources of funds has been customer deposits. Since the Principal Tenant relies on customer deposits for the majority of its funding, if the Principal Tenant's depositors withdraw their funds at a rate faster than the rate at which borrowers repay their loans, or if the Principal Tenant is unable to obtain the necessary liquidity by other means, the Principal Tenant may be unable to maintain its current levels of funding without incurring significantly higher funding costs or having to liquidate certain of its assets, or without increasing access to the Eurosystem under their exceptional terms.

The ongoing funding of the Principal Tenant's loan portfolio from customer deposits is subject to potential changes in certain factors outside the Principal Tenant's control, such as depositors' concerns relating to the economy in general, the financial services industry or the Principal Tenant specifically, significant further deterioration in economic conditions in Greece and the availability and extent of deposit guarantees. Any of these factors separately or in combination could lead to a sustained reduction in the Principal Tenant's ability to access customer deposit funding on appropriate terms in the future, which would impact on the Principal Tenant's ability to fund its operations and meet its minimum liquidity requirements, having an adverse effect on its results, financial condition and prospects. Unusually high levels of withdrawals could have the result that the Principal Tenant may not be in a position to continue to operate without additional funding support, which it may be unable to secure.

Moreover, the increased access of tax authorities to debtors' deposit accounts in the context of an intensifying effort against tax evasion, in conjunction with a high rate of deployment of cash reserves by income-constrained households and firms, may lead to decline in total deposits in the Greek banking system.

### **Negative results in the Principal Tenant's stress testing may lead to further capital increases or loss of public confidence in the Principal Tenant**

Stress tests analysing the European banking sector are conducted in accordance with methodology and macroeconomic scenarios published by the European Banking Authority (the "EBA"). The EBA's common methodology will be used by all EU supervisory authorities to ensure that the main EU banks are all assessed against common assumptions, definitions and approaches. Loss of confidence in the banking sector following the announcement of stress tests regarding the Principal Tenant or the Greek banking system as a whole, or a market perception that any such tests are not rigorous enough, could also have a negative effect on the Principal Tenant's cost of funding and may thus have a material adverse effect on its results of operations and financial condition.

### **Deteriorating asset valuations resulting from poor market conditions may adversely affect the Principal Tenant's future earnings and its capital adequacy**

An increase in financial market volatility or adverse changes in the marketability of the Principal Tenant's assets could impair its ability to value certain of its assets and exposures. The value ultimately realised by the Principal Tenant will depend on their fair value determined at that time and may be materially different from their current value. Any decrease in the value of such assets and exposures could require the Principal Tenant to realise additional impairment charges, which could adversely affect the Principal Tenant's financial condition and results of operations, as well as the Principal Tenant's capital.

The global economic slowdown and economic crisis in Greece from 2009 to 2014 have resulted in an increase in past due loans and significant changes in the fair values of the Principal Tenant's financial assets, as well as value of underlying collateral for its lending such as real estate, securities, vessels, term deposits and receivables.

Adverse developments could be triggered by any further significant deterioration of global economic conditions, including the credit profile of other EU countries such as Ireland, Portugal, Cyprus or Spain, or international banks. Furthermore, a continued decline in the Greek economy, or a deterioration of economic conditions in any industry in which the Principal Tenant's borrowers operate or in the market of the collateral, may result in the value of collateral falling below the outstanding principal balance for some loans, particularly those disbursed in the years prior to the crisis.

In addition, the Principal Tenant's failure to recover the expected value of collateral in the case of foreclosure, or its inability to initiate foreclosure proceedings due to domestic legislation, may expose it to losses which could have a material adverse effect on the Principal Tenant's business, results of operations and financial condition.

### **The Principal Tenant is exposed, as counterparty, to risks potentially faced by other financial institutions**

The Principal Tenant routinely transacts with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Sovereign credit pressures may weigh on Greek financial institutions, limiting their funding operations and weakening their capital adequacy by reducing the market value of their sovereign and other fixed income holdings. These liquidity concerns have negatively impacted, and may continue to negatively impact, inter- institutional financial transactions in general. Many of the routine transactions into which the Principal Tenant enters may expose it to significant credit risk in the event of default by one of its significant counterparties. In addition, the Principal Tenant's credit risk may be exacerbated when the collateral the Principal Tenant holds cannot be realised or is liquidated at prices not sufficient for it to recover the full amount of the loan or derivative exposure. A default by a significant financial counterparty, or liquidity problems in the financial services industry in general, could have a material adverse effect on the Principal Tenant's business, results of operations, financial condition and capital position.

## **G. RISK FACTORS RELATING TO MORTGAGE ENFORCEMENT IN GREECE**

### **Enforcement of mortgages under Greek law is a lengthy process**

In case of acceleration of the Greek Bonds the Bondholder Agent is entitled to commence enforcement on (among other things) the Mortgage Deeds.

Enforcement of mortgages in Greece requires the issuance of an enforceable title. Usually, this enforceable title takes the form of a payment order. A payment order is issued by Greek courts within a period of 2 days to 3 months following application, depending on the court's backlog. The mortgagor would not be invited to participate in the hearing.

The Greek Bond programme provides for the jurisdiction of the English courts for the resolution of all disputes. Subject to certain formalities of Regulations 44/2001/EC on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and 1215/2012/EU on the same subject, the Greek courts will also acknowledge a decision of the English courts as a valid title for enforcement (as an alternative to a payment order issued by a Greek court), without going into the merits of the underlying claim(s).

Following this step, the Bondholder Agent will appoint a service agent (i.e. a state-licensed professional who has the authority to serve documents and certify due service, date and place of service, as well as to conduct some of the enforcement process).

However, the Greek Bond Issuer may delay enforcement against the relevant Property by contesting each step of the enforcement process until allocation of the proceeds of the auction described below under "*Mandatory public auction is the only means of enforcement of a mortgage under Greek law*", which in turn will result in a delay in the receipt by the Issuer of the proceeds from enforcement of the mortgage over such Property.

Hearing dates are set at 1 to 2 years from filing of the claim before the courts; therefore if the suspension request is granted by the court, the entire enforcement is extended for approximately 2 to 7 years, depending on the competent courts' backlog.

Even once the auction is initiated, it may be postponed if any creditor of the Greek Bond Issuer contests the value of the asset / property estimated by the Bondholder Agent or if the Greek Bond Issuer makes a partial repayment of the outstanding amounts under the Greek Bond. This postponement can last up to 6 months after the auction has been initiated.

Once the auction has taken place and allocation of proceeds amongst the creditors of the Greek Bond Issuer has been determined by the public notary, creditors may contest the allocation and file a petition within 12 working days from the issuance of the allocation list. The competent Court of First Instance adjudicates the matter but the relevant creditor is entitled to appeal against the decision to the Court of Appeal. This procedure may delay the payment of proceeds approximately for two and a half years.

In addition, there is a period of mandatory suspension for all enforcement procedures between the 1st and 31st August of each year during which no action is taken in respect of the enforcement of property.

Following an acceleration of the Greek Bonds, the Bondholder Agent will be entitled to appoint a property manager to manage the Properties. This will enable the Bondholder Agent to ensure that the Properties are properly managed during the mortgage enforcement process and to avoid the potential adverse impact on the values of the Properties that could result otherwise. For further details, please see the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement - Default, acceleration and Property management – Property management following acceleration*".

### **Mandatory public auction is the only means of enforcement of a mortgage under Greek law**

A mortgaged property can be liquidated only through a public auction, which is conducted by a notary public before the lower instance court of the district where the foreclosed assets are located. The process is

governed by the Greek Code of Civil Procedure and cannot be replaced by other types of liquidation; the private sale of the asset by the debtor to the lender is null and void. The same applies where a private sale is made pursuant to an agreement entered into between the lender and the debtor prior to foreclosure.

Greek law does not allow the auctioning of a group of properties, so each Property of the Portfolio would need to be auctioned separately.

The starting bid in an auction cannot be set below the "taxable value" of the auctioned property; the "taxable values" are set by the Greek Ministry of Finance and are subject to periodical re-adjustments, more or less at the Ministry's discretion.

In case of two failed auctions (i.e. where no bidders have submitted a valid offer), the Bondholder Agent (or any other party with a legitimate interest) may ask the court to:

- (a) order a new auction within 30 days, under the same or a lower starting bid, or
- (b) to allow the public notary to proceed with the selling of the Property against a price and time frame set by the court.

If again there is no result, the court may discharge the property from the seizure or may order a new auction at a later date and at the same or a lower starting bid. The decision for this process is taken by the court of enforcement. The petition is usually heard within 3 months from submission and the relevant order is issued by the court approximately 3 to 4 months after the hearing date.

Anyone can participate in the auction, provided they submit within the prescribed deadline cash or bank letters of guarantee of an amount equal to the starting bid (not the amount of their bid).

Public auctions start 15 days after the foreclosure with regards to movable assets and 45 days after the foreclosure with regards to real estate property, provided that no suspension is effective at that time.

The proceeds from a public auction may be materially lower compared to a private sale of the Portfolio, individually or as one or more clusters of Properties.

### **Auction Proceeds**

The proceeds of an auction following the enforcement of a property securing a loan have to be allocated in accordance with articles 975 and 976 of the Greek Code of Civil Procedure.

Creditors wishing to have an entitlement to the liquidation proceeds have to lodge their claims before the notary public within 15 days after the auction date (except for the seisor, whose claim is known to the notary public).

Once the auction has taken place, liquidation proceeds are allocated by the public notary on the basis of a ranking of claims set by the Greek Code of Civil Procedure as follows:

- (a) enforcement expenses;
- (b) VAT due obligations;
- (c) claims arising from employment relationships and contracts for legal and educational services during the previous two years, as well as claims of social security funds subject to the responsibility of the General Secretariat of Social Security arising until the time of the auction;
- (d) provided claims referred to as items (a)-(c) above have been fully satisfied, one third of the remaining auction proceeds are allocated towards (i) all due claims of the Hellenic Republic that arose up to the date of the auction and (ii) municipal taxes relating to the proceeds of the auction or to the auctioned property and which were incurred during the year when the auction took place or the year before that;

- (e) the remaining two thirds of the auction proceeds are allocated for the claims of secured creditors (together with any maintenance costs of the foreclosed asset);
- (f) any remaining amounts are distributed pro rata to the unsecured creditors.

### **Risks relating to prenotation mortgages**

As described in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Property undertakings – Prenotation/Required Transfer Properties*", the Greek Bond Issuer and the Bondholder Agent are, pursuant to the Greek Bond Programme Agreement, required to take all steps necessary to grant mortgage prenotations in respect of certain of the Properties on 5 September 2014 or as soon as practicable thereafter.

Under Greek law, a prenotation of a mortgage is an injunction over the property entitling its beneficiary to obtain a mortgage after acquiring an enforceable title of the claim secured (as described above under the heading "*- Enforcement of mortgages under Greek law is a lengthy process*"), but valid as of the date of the prenotation, subject to its timely conversion into a full mortgage.

Such conversion must occur within 90 days from the date when the enforceable title on the claim secured has become irrevocable, being after all pending litigation in relation to the enforceable title has been adjudicated by final court decisions. Conversion is a formal process, not going into the merits of the title, and it is effected by submission of a relevant notice in the competent land registry and/or cadastre. If the beneficiary of the prenotation fails to effect such conversion within the above-mentioned 90-day period, the beneficiary of the prenotation loses its priority right and is treated as an unsecured creditor. From the point of view of enforcement process, ranking of the security and preferred right on the proceeds of the auction, there is no difference between a mortgagee and the holder of a prenotation of a mortgage, since the latter is treated as a secured creditor of the property.

The prenotation, as a form of injunction, can be established with or without the consent of the owner(s) of the property on which the mortgage will be established, but is only granted pursuant to a court's decision.

The prenotations that are required to be established on the Prenotation Properties would be granted with the consent of the Greek Bond Issuer, which would appear, along with the Bondholder Agent, before the competent court and consent to the establishment of the prenotation on the Prenotation Properties. The court would be expected to issue the decision immediately.

The court decision and a summary thereof would then be submitted to the competent land registries and cadastres for registration of the prenotation.

## **H. GENERAL RISK FACTORS**

### **Reliance on third parties**

Each of the Issuer, the Second Greek Bondholder and the Greek Bond Issuer have entered into agreements with a number of third parties which have agreed to provide certain services. In particular, but without limitation, the Bondholder Agent has been appointed to administer the Greek Bonds on behalf of the Issuer and the Second Greek Bondholder, the Servicer has been appointed to monitor the performance of the Bondholder Agent in relation to the Greek Bonds on behalf of (among other things) the Issuer and the Second Greek Bondholder, to provide directions and instructions to the Bondholder Agent in relation to the Greek Bonds and to produce and publish periodic reports, the Cash Manager has been appointed to provide cash management services on behalf of the Issuer and the Second Greek Bondholder (which services include the determination of payments due to be made by the Issuer and, as applicable, the Second Greek Bondholder on each Note Payment Date) and the Account Bank has been appointed to provide bank accounts to the Issuer and the Second Greek Bondholder. In the event any of those parties fail to perform its obligations under the relevant agreement to which it is a party, the ability of the Greek Bond Issuer to make payments under the Greek Bonds and/or the ability of the Second Greek Bondholder to make payments to the Issuer under the SGB Loan and/or the ability of the Issuer to make payments to the Noteholders may be affected.



### **No reliance on warranties (purchase)**

Neither the Issuer nor the Second Greek Bondholder will undertake any investigations, searches or other actions in relation to the Greek Bonds, the Greek Bond Issuer, the Principal Tenant or the Properties upon subscription for the Greek Bonds.

Each of the Issuer and the Second Greek Bondholder will rely solely on the representations, warranties and undertakings given and to be given by the Greek Bond Issuer in favour of the Bondholder Agent in the Greek Bond Programme Agreement (see the section entitled "*The Greek Bonds and the Greek Bond Security*").

### **Insolvency Act 2000**

Under Schedule A1 to the Insolvency Act 1986 which was inserted by the Insolvency Act 2000, certain companies ("**small companies**") are entitled to seek protection from their creditors for a period of 28 days for the purposes of putting together a company voluntary arrangement with the option for creditors to extend the moratorium for a further two months. A small company is defined as one which satisfies two or more of the following criteria:

- (a) its turnover is not more than £6.5 million;
- (b) its balance sheet total is not more than £3.26 million; and
- (c) the number of employees is not more than 50,

in the year ending on the date the company files for the moratorium or in the last financial year of the company ending before that date.

The position as to whether or not a company is a small company may change from time to time and consequently no assurance can be given that the Issuer or the Second Greek Bondholder will not, at any given time, be determined to be a small company. The Secretary of State for Business, Innovation and Skills may by regulation modify the eligibility requirements for small companies and can make different provisions for different cases. No assurance can be given that any such modification or different provisions will not be detrimental to the interests of Noteholders.

However, pursuant to paragraph 4 of Schedule A1 to the Insolvency Act 1986, certain companies are excluded from the optional moratorium provisions. Such exceptions include (i) a company which is a party to an agreement which is or forms part of a capital market arrangement (as defined in paragraph 4D of Schedule A1) under which a party has incurred, or when the agreement was entered into was expected to incur, a debt of at least £10 million and which involves the issue of a capital market investment (also defined, but generally a rated, listed or traded bond) and (ii) a company which has incurred a liability (including a present, future or contingent liability) of at least £10 million. The Issuer is of the view that it should fall within the exceptions and that the Second Greek Bondholder should fall within the exception described in (i). There is no guidance, however, as to how the legislation will be interpreted and the Secretary of State for Business, Innovation and Skills may by regulation modify the exceptions. Accordingly, no assurance may be given that any modification of the eligibility requirements for these exceptions will not be detrimental to the interests of Noteholders. If the Issuer were determined to be a "small" company and determined not to fall within one of the exceptions (by reason of modification of the exceptions or otherwise), then the enforcement of the security for the Notes may, for a period, be prohibited by the imposition of a moratorium. If the Second Greek Bondholder were determined to be a "small" company and determined not to fall within one of the exceptions (by reason of modification of the exceptions or otherwise), then the enforcement of the security for the SGB Loan may, for a period, be prohibited by the imposition of a moratorium.

### **Potential impact of Basel III implementation**

On 16 December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") published a revised package of capital adequacy and liquidity standards for internationally active banks ("**Basel**

III"). Basel III is not itself legally binding but is intended to form the basis for national or regional rulemaking.

Basel III provides for a substantial strengthening of existing prudential rules, including new requirements intended to reinforce capital standards (with heightened requirements for global systemically important banks) and to establish a leverage ratio "backstop" for financial institutions and certain minimum liquidity standards (referred to as the "Liquidity Coverage Ratio" and the "Net Stable Funding Ratio").

It is intended that member countries will implement the new capital standards and the new Liquidity Coverage Ratio as soon as possible (with provision for phased implementation, meaning that the measure will not apply in full until January 2019 and the Net Stable Funding Ratio from January 2018).

In the European Union, Basel III is being implemented through Directive 2013/36/EU ("**Capital Requirements Directive**", or "**CRD IV**", which came into effect on 1 January 2014) and Regulation (EU) 575/2013 ("**Capital Requirements Regulation**", or "**CRR**") both dated 26 June 2013.

Implementation of Basel III may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow implementation of Basel III and, as a result, the liquidity and/or value of the Notes may be adversely affected.

Noteholders should consult their own advisers as to the regulatory requirements in respect of the Notes and as to the consequences to and effect on them of Basel III and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

#### **Risks relating to the status of the Issuer under the Volcker Rule**

The Issuer is a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act; and the Notes may constitute "ownership interests", as defined under the Volcker Rule, although the Issuer believes the better view is that they do not. The Volcker Rule generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an "ownership interest" in or sponsoring a "covered fund" and (iii) entering into certain relationships with such funds. The Volcker Rule became effective on 1 April 2014, but is subject to a conformance period scheduled to conclude on 21 July 2015, during which banking entities must make good-faith efforts to conform their activities and investments to the Volcker Rule. The definition of "covered fund" under the Volcker Rule includes any entity that would be an investment company but for the exemptions provided by Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act. The definition of "ownership interest" includes any equity, partnership or other similar interest, and the term "other similar interest" is defined broadly and may cover certain debt securities. The general effects of the Volcker Rule remain uncertain. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the matters described above and other effects of the Volcker Rule.

#### **Risks related to characterisation of the Notes as equity for US federal income tax purposes**

The Issuer is incorporated as a public limited company under the laws of England and Wales. It is a special purpose company and its activities will be mostly passive. See the section entitled "*The Issuer*". Under current United States federal income tax law, the Issuer is treated as an association that is taxable as a corporation for United States federal income tax purposes. The characterisation of the Notes as debt or equity for United States federal income tax purposes depends on many factors, including the form of such Notes, the terms of such Notes and the debt-to-equity ratio of the Issuer. Because the Issuer is not expected to have substantial equity, there is a strong likelihood that the Notes will be treated as an equity interest in the Issuer (and, likely as an interest in a PFIC or CFC, each as defined in the section entitled "*United States Taxation*") rather than as debt for United States federal income tax purposes. A Note that is treated as an equity interest in a PFIC or CFC rather than a debt instrument for United States federal income tax purposes may have certain timing and character consequences to a United States holder that are materially different from the consequences to such holder than if the Note were treated as a debt instrument, and may require certain elections and disclosures that would need to be made shortly after acquisition to mitigate potentially adverse United States federal income tax consequences. See the section entitled "*United States Taxation*". As more fully discussed in the section entitled "*United States Taxation*", the Issuer and each

Noteholder, by acceptance of a Note or beneficial interest therein, agree to treat the Notes as equity in the Issuer for all United States federal income tax purposes.

## **FATCA**

Under sections 1471-1474 of the Internal Revenue Code of 1986, as amended (the "**Code**") and any current or future US Treasury Regulations (and any notices, published guidance or other official pronouncements thereof) promulgated thereunder ("**FATCA**"), starting in 2017, the Issuer may be subject to a 30% United States federal withholding tax on payments made to it under rules applicable to "foreign pass-thru payments." In order to avoid withholding under FATCA, the Issuer may be required to enter into an agreement to provide the U.S. Internal Revenue Service ("**IRS**") with information about United States holders of its debt and equity (a "**FATCA Agreement**"). In addition, starting in 2017, the Issuer (or any intermediary financial institution, broker or agent (each an "**Intermediary**") through which a beneficial owner holds its interest in a Note) may be required to withhold tax from payments (including interest, principal and redemption proceeds) on the Notes, to the extent such payments are considered foreign pass-thru payments, and are not otherwise exempt from withholding. In the event withholding under FATCA is required with respect to any Notes, the Issuer or an Intermediary will withhold on payments on such Notes if the relevant Noteholders fail to provide information or documentation, or to update or correct such information or documentation, as may be necessary or helpful for the Issuer or any Intermediary to achieve compliance with FATCA. The United Kingdom has recently entered into an Intergovernmental Agreement ("**IGA**") with the United States with respect to FATCA. For so long as the IGA is in effect, the IGA will likely enable the Issuer to report the required information to the Commissioners for Her Majesty's Revenue and Customs, instead of to the IRS, which would provide such information to the IRS under existing Exchange of Information protocols. Further, the Issuer would be relieved of the requirements to enter into a FATCA Agreement with the IRS and to withhold from payments to, or close the accounts of, certain account holders, but will still be required to identify certain United States accounts. Further guidance is anticipated prior to the effective date of these rules, which may significantly modify these rules as they apply to the Issuer, to Intermediaries and to Noteholders. The rules relating to FATCA are complex and subject to change in the future. Prospective investors should consult their tax advisers regarding the applicability of the FATCA rules to their investment in the Notes.

## **Change of law**

The structure of the issue of the Notes is based on English law and administrative practice and, in relation to the Greek Bonds, the Greek Bond Security and the Properties, the laws of the Hellenic Republic in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to English law, European law or the laws of the Hellenic Republic or administrative practice after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Notes.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons. The Issuer does not represent that the above statements regarding the risks of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus may mitigate some of these risks for Noteholders, there can be no assurance that these elements will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

## TRANSACTION OVERVIEW

*The information set out below is an overview of various aspect of the transaction. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, references to the detailed information presented elsewhere in this Prospectus.*

### TRANSACTION PARTIES ON THE CLOSING DATE

Party	Name	Address	Document under which appointed/Further Information
<b>Issuer</b>	Pangaea Funding 1 PLC	35 Great St. Helen's, London EC3A 6AP	N/A. See the section entitled " <i>The Issuer</i> " for more detail.
<b>Second Greek Bondholder</b>	Pangaea Funding 1 (Second Greek Bondholder) Limited	35 Great St. Helen's, London EC3A 6AP	N/A. See the section entitled " <i>The Second Greek Bondholder</i> " for more detail.
<b>Servicer</b>	Situs Asset Management Limited	10 <sup>th</sup> Floor, 155 Bishopsgate, London EC2M 3TQ	The Servicer will be appointed to act as servicer of the Greek Bonds and to undertake certain duties in relation to the Transaction Documents pursuant to a servicing agreement to be entered into on the Closing Date between, <i>inter alios</i> , the Issuer, the Issuer Security Trustee and the Servicer (the " <b>Servicing Agreement</b> "). See the section entitled " <i>The Servicing Arrangements</i> " for more detail.
<b>Cash Manager and Account Bank</b>	Elavon Financial Services Limited, UK Branch	5th Floor, 125 Old Broad Street, London EC2N 1AR	Each of the Cash Manager and the Account Bank will be appointed pursuant to a cash management agreement to be entered into on the Closing Date between, <i>inter alios</i> , the Issuer, the Issuer Security Trustee, the Cash Manager and the Account Bank (the " <b>Issuer Cash Management Agreement</b> "). See the section entitled " <i>Cash Management for the Issuer</i> " for more detail.  The Cash Manager and the Account Bank will also be appointed by the Second Greek Bondholder pursuant to a separate cash

<b>Note Trustee</b>	U.S. Bank Trustees Limited	125 Old Broad Street, London, EC2N 1AR	<p>management agreement to be entered into on the Closing Date between, <i>inter alios</i>, the Issuer, the Issuer Security Trustee, the Cash Manager and the Account Bank (the "<b>SGB Cash Management Agreement</b>").</p> <p>The Note Trustee will be appointed to act as trustee for the holders of the Notes pursuant to a note trust deed to be entered into on the Closing Date between the Issuer and the Note Trustee (the "<b>Note Trust Deed</b>"). See the section entitled "<i>Description of the Note Trust Deed and the Notes</i>" for more detail.</p>
<b>Issuer Security Trustee</b>	U.S. Bank Trustees Limited	125 Old Broad Street, London, EC2N 1AR	<p>The Issuer Security Trustee will be appointed to act as security trustee for itself and the other Issuer Secured Creditors pursuant to a deed of charge and assignment to be entered into on the Closing Date between, <i>inter alios</i>, the Issuer, the Issuer Security Trustee and the Note Trustee (the "<b>Issuer Deed of Charge and Assignment</b>"). The Issuer will also grant a pledge over the certificates relating to the Issuer Greek Bonds pursuant to a Greek law –governed pledge (the "<b>Issuer Bond Pledge Agreement</b>" and, together with the Issuer Deed of Charge and Assignment, the "<b>Issuer Security Documents</b>"). See the section entitled "<i>Security for the Issuer's Obligations</i>" for more detail.</p>
<b>SGB Security Trustee</b>	U.S. Bank Trustees Limited	125 Old Broad Street, London, EC2N 1AR	<p>The SGB Security Trustee will be appointed to act as security trustee for itself and the other SGB Secured Creditors pursuant to a deed of charge and</p>

			<p>assignment to be entered into on the Closing Date between, <i>inter alios</i>, the Second Greek Bondholder and the SGB Security Trustee (the "<b>SGB Deed of Charge and Assignment</b>"). The Second Greek Bondholder will also grant a pledge over the certificates relating to the SGB Greek Bonds pursuant to a Greek law – governed pledge (the "<b>SGB Bond Pledge Agreement</b>" and, together with the SGB Deed of Charge and Assignment, the "<b>SGB Security Documents</b>"). See the section entitled "<i>Security for the Second Greek Bondholder's Obligations</i>" for more detail.</p>
<b>Principal Paying Agent and Agent Bank</b>	Elavon Financial Services Limited, UK Branch	5th Floor, 125 Old Broad Street, London EC2N 1AR	Each of the Principal Paying Agent and the Agent Bank will be appointed pursuant to an agency agreement to be entered into on the Closing Date between, <i>inter alios</i> , the Issuer, the Issuer Security Trustee, the Paying Agents, the Agent Bank and the Registrar (the " <b>Agency Agreement</b> "). See the section entitled " <i>Terms and Conditions of the Notes</i> " for more detail.
<b>Registrar</b>	Elavon Financial Services Limited	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	The Registrar will be appointed pursuant to the Agency Agreement. See the section entitled " <i>Terms and Conditions of the Notes</i> " for more detail.
<b>Facility Agent</b>	Elavon Financial Services Limited	Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland	The Facility Agent will be appointed pursuant to the SGB Loan Agreement. See the section entitled " <i>Overview of the SGB Loan Agreement</i> " for more detail.
<b>Corporate Services Provider</b>	Structured Finance Management Limited	35 Great St. Helen's, London EC3A 6AP	The Corporate Services Provider has been appointed to act as corporate services provider

to the Issuer pursuant to a corporate services agreement entered into on the Closing Date between, *inter alios*, the Issuer and the Corporate Services Provider (the "**Issuer Corporate Services Agreement**"). See the section entitled "*The Issuer*" for more detail.

The Corporate Services Provider has also been appointed to act as corporate services provider to the Second Greek Bondholder pursuant to a corporate services agreement entered into on the Closing Date between, *inter alios*, the Second Greek Bondholder and the Corporate Services Provider (the "**SGB Corporate Services Agreement**"). See the section entitled "*The Second Greek Bondholder*" for more detail.

<b>Greek Bond Issuer</b>	NBG Pangaea REIC	6, Karageorgi Servias Str, GR 105 62 Athens, Greece	N/A. See the section entitled " <i>The Greek Bond Issuer</i> " for more detail.
<b>Bondholder Agent</b>	Alpha Bank AE	40 Stadiou Str., 10252 Athens Greece	The Bondholder Agent has been appointed to act as agent to the holders of the Greek Bonds (including the Issuer and the Second Greek Bondholder) pursuant to the Greek Bond Programme Agreement and the Bondholder Agency Agreement. The Bondholder Agent also holds the benefit of the Greek Bond Security (other than the security held by the Greek Bond Issuer Security Trustee pursuant to the Account Security Deed, as described below) as agent of the holders of the Greek Bond Security (including the Issuer and the Second Greek Bondholder). See

the section entitled "*The Greek Bonds and the Greek Bond Security*" for more detail.

<b>Greek Bond Issuer Security Trustee</b>	U.S. Bank Trustees Limited	125 Old Broad Street, London, EC2N 1AR	The Greek Bond Issuer Security Trustee has been appointed to act as security trustee for itself and the Greek Bondholders pursuant to an account security deed entered into on or about 20 August 2014 between, <i>inter alios</i> , the Greek Bond Issuer and the Greek Bond Issuer Security Trustee (the " <b>Greek Bond Issuer Account Security Deed</b> ").
<b>Listing Agent</b>	Arthur Cox Listing Services Limited	Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland	N/A
<b>Competent Authority</b>	Central Bank of Ireland	N/A	N/A
<b>Stock Exchange</b>	Irish Stock Exchange	N/A	N/A
<b>Clearing Systems</b>	Euroclear Bank S.A./N.V. and Clearstream, Luxembourg	N/A	N/A



## OVERVIEW OF THE GREEK BONDS

See the section entitled "*The Greek Bonds and the Greek Bond Security*" for more detail in respect of the Greek Bonds and the terms of the Greek Bonds.

**Origination of the Greek Bonds** The Greek Bonds will be issued by the Greek Bond Issuer to the Issuer and the Second Greek Bondholder on the Closing Date pursuant and subject to the terms of the Greek Bond Programme Agreement and the Greek Bond Purchase Agreement, in the following amounts:

- (a) €237,400,000 in principal amount of Greek Bonds (the "**Issuer Greek Bonds**") will be issued to the Issuer; and
- (b) €100,000 in principal amount of Greek Bonds (the "**SGB Greek Bonds**") will be issued to the Second Greek Bondholder.

The proceeds of the Greek Bonds are intended to be applied by the Greek Bond Issuer to:

- (a) acquire assets in accordance with the REIC Legislation; and
- (b) pay certain fees, costs and expenses incurred by the Greek Bond Issuer in relation to the Greek Bond Loan.

The following is a summary of certain features of the Greek Bonds. See the section entitled "*The Greek Bonds and the Greek Bond Security*" for more detail.

### Greek Bond Information

Greek Bond Issuer	NBG Pangaea REIC
Greek Bond Issuer domicile	Hellenic Republic
Greek Bond Issuer Purpose	Among other things, to acquire and manage real property; to purchase shares in other corporate entities within the meaning of the REIC Law (as defined in the section entitled " <i>The Greek Bond Issuer</i> "); and to acquire and manage money market instruments. See the section entitled " <i>The Greek Bond Issuer – Principal Activities</i> " for more information.
Greek Bond Documentation Date	11 August 2014
Closing Date	22 August 2014
Greek Bond Final Maturity Date	The Greek Bond Payment Date falling in July 2019.
Greek Bond Payment Dates	15 January, 15 April, 15 July and 15 October in each year (the first such Greek Bond Payment Date falling in October 2014), provided that if any such day is not a Business Day, the relevant Greek Bond Payment Date will instead be the immediately preceding Business Day.

Closing Date Greek Bond Balance	€237,500,000
Currency	Euro
Interest Rate Type	Floating Rate
Interest Rate	3-month EURIBOR + Margin (or, in the case of the first Greek Bond Interest Period, a linear interpolation of 1-month and 2-month EURIBOR + Margin).
Margin	4.85 per cent.
Day Count Basis	Actual/360
Interest Cover	The Greek Bond Issuer is required to ensure that quarterly rental as a percentage of quarterly finance costs is at least 150 per cent.
Loan to Value	The Greek Bond Issuer is required to ensure, on a quarterly basis, that the aggregate nominal amount of the Greek Bonds as a percentage of the aggregate value of the Properties comprising the Portfolio as at the relevant date (subject to certain deductions) does not exceed 75 per cent.
Repayment and Prepayment	<p>The Greek Bonds are subject to the following optional or mandatory repayment events:</p> <ul style="list-style-type: none"> <li>• mandatory repayment in whole on the Greek Bond Final Maturity Date;</li> <li>• voluntary repayment upon not less than five Business Days' prior notice from the Greek Bond Issuer to the Bondholder Agent, as described in more detail in the section entitled "<i>The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Voluntary prepayment</i>";</li> <li>• mandatory prepayment on compulsory purchase of a Property in an amount equal to the Release Price of the relevant Property, subject to the Greek Bond Issuer having the option instead to pay an amount equal to such Release Price into the Disposals Account pending the addition of one or more additional properties to the Portfolio, as described in more detail in the section entitled "<i>The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Mandatory</i></li> </ul>

*prepayment on compulsory purchase";*

- mandatory prepayment on major damage of a Property (where such damage constitutes an actual or constructive total loss of such Property) in an amount equal to the Release Price of the relevant Property, subject to the Greek Bond Issuer having the option instead to pay an amount equal to such Release Price into the Disposals Account pending the addition of one or more additional properties to the Portfolio or (subject to the approval of the Bondholder Agent) to apply the proceeds of any relevant Insurance held in respect of that Property in the rebuilding or reconstruction of such Property, as described in more detail in the sections entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Mandatory prepayment on major damage*" and "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Reconstruction Plan*";
- if so directed by the Enhanced Majority Greek Bondholders, mandatory prepayment upon a Change of Control of the Greek Bond Issuer, as described in more detail in the sections entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Mandatory prepayment for change of control*";
- mandatory prepayment upon being notified by a Greek Bondholder that it is unlawful in any jurisdiction applicable to that Greek Bondholder to fund or continue to hold any Greek Bonds subscribed or purchased by it, as described in more detail in the sections entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Mandatory prepayment - illegality*";
- optional prepayment in the event that the Greek Bond Issuer becomes subject to withholding or deduction for or on account of tax or to increased costs, as described in more detail in the sections

entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Repayment and prepayment of the Greek Bonds – Involuntary prepayment for taxation or increased costs*";

- mandatory prepayment to cure a breach of the Interest Cover Test, as described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Property undertakings – Interest Cover*";
- prepayment as one method of curing a breach of the Loan to Value Test, as described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Property undertakings – Loan to Value*"; and
- prepayment in the event of a failure by the Greek Bond Issuer to grant a first ranking full mortgage over each Prenotation Property and the Required Transfer Property or to procure registration of the mortgages over each of the Delayed Registration Properties, in each case within certain time periods, as described in more detail in the sections entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Property undertakings – Prenotation/Required Transfer Properties*" and "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Property undertakings – Delayed Transfer Properties*".

#### Make-Whole Amount

In the event that the Greek Bond Issuer voluntarily prepays the whole or any part of the Greek Bonds or the Greek Bonds are prepaid upon a Change of Control or to cure a breach of the Interest Cover Test or the Loan to Value Test, the Greek Bond Issuer will be required to pay to the Bondholder Agent on the date of such prepayment, for the account of the Greek Bondholders, an additional make-whole amount, being equal to the aggregate amount that would, but for the relevant prepayment, have been paid to Greek Bondholders by way of Margin on the principal amount of Greek Bonds as at the relevant prepayment date (or, in the event of a partial repayment, the principal amount of the Greek Bonds prepaid) from (and including) the

date of prepayment to (but excluding) the Greek Bond Final Maturity Date.

#### Facility Fee

The Greek Bond Issuer is required pursuant to the terms of the Greek Bond Finance Documents to pay a fee (the "**Facility Fee**") to cover the amount required by:

- (a) the Issuer to meet certain of its obligations (other than, among other things, interest and principal due on the Notes); and
- (b) the Second Greek Bondholder to meet certain of its obligations (other than, among other things, interest and principal due on the SGB Loan),

subject to certain exceptions, as described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Facility Fee*".

#### Greek Bond Security

The Greek Bond Issuer has, in accordance with the terms of the Greek Bond Programme Agreement and the Greek Bond Purchase Agreement, granted first-ranking Greek law security in favour of the Bondholder Agent (for the benefit of itself and the Greek Bondholders) over:

- (a) the rights and claims of the Greek Bond Issuer with respect to the Properties, pursuant to notarial mortgage deeds entered into on or about the Greek Bond Documentation Date (or, in the case of the Prenotation Properties and the Required Transfer Property, to be entered into after the Closing Date) between the Greek Bond Issuer and the Bondholder Agent (the "**Mortgage Deeds**");
- (b) the rights and claims of the Greek Bond Issuer with respect to the Prenotation Properties, pursuant to mortgage prenotations required to be established on 5 September 2014 or as soon as practicable thereafter;
- (c) the rights and claims of the Greek Bond Issuer with respect to the Insurance Proceeds, pursuant to an insurance pledge entered into on 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Insurance**");

**Pledge**");

- (d) the rights and claims of the Greek Bond Issuer under the Commercial Lease Agreements with NBG or any member of the NBG Group or any tenant of the Property with address Ermou 19, Athens, pursuant to a commercial lease agreements pledge entered into on 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Commercial Lease Agreements Pledge**"); and
- (e) the rights and claims of the Greek Bond Issuer with respect to the net proceeds arising under certain future sales of all or part of any of the Properties in accordance with the terms and conditions of the Greek Bond Programme Agreement, pursuant to a disposal proceeds pledge entered into on 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Disposal Proceeds Pledge**"),

each as described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Security Documents*".

In addition, the Greek Bond Issuer has, on or about 20 August 2014, pursuant to the Account Security Deed, granted an English law charge, in favour of the Greek Bond Issuer Security Trustee (for the benefit of itself and the Greek Bondholders) over its right, title, interest and benefit in and to the Sweep Account and the Disposals Account, as described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Security Documents – Account Security Deed*".

Property Information	Governing Law	The Greek Bond Programme is governed by English law (although certain provisions thereof are governed by Greek law).
	Properties	<p>The Portfolio consists of 77 Properties, all of which are located in the Hellenic Republic.</p> <p>The Greek Bond Issuer is the sole and exclusive owner of the Properties, except for the first basement of the Property located at 2 Nikitara, Parkou and Vasileos Georgiou, Argos. More specifically, the Greek Bond Issuer owns 50% of such basement and the data in this Prospectus relating to that Property represents the Greek</p>

Bond Issuer's share of the ownership.

Tenants

As at the date of this Prospectus, 98.9 per cent. of Gross Leasable Area (as defined in the section entitled "*Description of the Portfolio*") of the Portfolio is occupied and 1.1 per cent. of the Gross Leasable Area of the Portfolio is vacant.

Out of a total of 228,761 square metres comprising the Gross Leasable Area of the Portfolio, 225,320 square metres are leased by the Greek Bond Issuer to NBG or one of its subsidiaries (excluding National Insurance Brokers S.A. for this purpose). By way of contrast, 907.76 square metres of the Gross Leasable Area is leased to third parties.

The total "**Annualised Passing Rent**" (being the monthly passing rent agreed under the lease agreements between the Greek Bond Issuer and its tenants regarding the Portfolio, as at 31 March 2014, multiplied by 12, without giving effect to future consumer price index adjustments under the leases as at the Closing Date) is €43,828,675. The vast majority of rent payable pursuant to the leases is subject to upwards only review.

See the section entitled "*Description of the Portfolio*" for more detail.

Nature of properties

The Properties are used as office space and/or retail and/or ancillary spaces (for example, without limitation, parking places, storage spaces and warehouses).

The Properties leased to NBG are used as office space and/or branches of NBG and may also be used for any other use which is customary for branches of NBG in Greece.

**Valuation of Properties**

An independent valuation of the Properties is set out in a report requested by the Greek Bond Issuer and prepared by Maria N. Vlachogianni MRICS-REV (certified valuer) (based on the valuation of all but one of the Properties as at 31 December 2013 and the remaining Property in Ermou Street, Athens as at 31 May 2014) (the "**Portfolio Valuation**").

Based on the assumptions set out in "*Appendix 2 - Portfolio Valuation*", the market value of the Properties as set out in the Portfolio Valuation is €476,357,477.

The Portfolio Valuation will not be updated, and no further valuations in respect of the Properties will be undertaken, prior to the issuance of the Notes.

**Initial Valuer**

Maria N. Vlachogianni MRICS-REV (the "**Initial Valuer**") is a certified valuer regulated by the Body of Sworn-in Valuers of Greece, whose office is at Eslin 3, Athens 115 23, Greece. Valuations are undertaken by the Initial Valuer across all real estate sectors in Greece.

The Initial Valuer has given and has not withdrawn her written consent to the inclusion of the Portfolio Valuation in this Prospectus in the form and context in which the Portfolio Valuation appears.



## OVERVIEW OF KEY TERMS OF THE SERVICING ARRANGEMENTS

See the section entitled "The Servicing Arrangements" for more detail in respect of the terms of the Servicing Agreement.

### **Servicing of the Greek Bonds**

The Servicer will be appointed by the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee to monitor compliance by the Bondholder Agent with its duties and obligations under the Greek Bond Finance Documents and to give instructions and directions to the Bondholder Agent on behalf of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee, as applicable.

### **Servicing Standard**

The Servicer will be required to perform its duties in accordance with the Servicing Standard.

The "**Servicing Standard**" means all of the following requirements:

- (a) all applicable laws and regulations;
- (b) the terms of the Greek Bond Finance Documents;
- (c) the terms of the Servicing Agreement; and
- (d) the same manner and with the same skill, care and diligence it applies to servicing commercial mortgage loans for other third parties,

in each case giving due consideration to the customary and usual standards of practice of reasonably prudent commercial mortgage servicers servicing commercial mortgage instruments with a view to the timely collection of all scheduled payments of principal, interest and other amounts due in respect of the Greek Bonds and the Greek Bond Security and the maximisation of recoveries in respect of the Greek Bonds by:

- (i) the Issuer for the purposes of enabling the Issuer to satisfy to the fullest extent possible the Issuer's payment obligations to Noteholders in respect of the Notes on or before the Final Maturity Date taking into account the obligations of the Issuer ranking ahead of Noteholders; and
- (ii) the Second Greek Bondholder for the purposes of enabling the Second Greek Bondholder to satisfy to the fullest extent possible the Second Greek Bondholder's payment obligations to the Issuer in respect of the SGB Loan on or before the SGB Final Maturity Date taking into account the obligations of the Second Greek Bondholder ranking ahead of the Issuer.

In the event that there is a conflict between any of the requirements set forth in paragraphs (a) to (d) above or between the requirements set forth in paragraphs (i) and (ii) above, the Servicer shall apply such requirements in the order of priority in which they appear.

**Noteholder rights**

The holders of the Notes will be entitled, acting collectively following the passing of an Extraordinary Resolution, to enforce the rights the Noteholders are specified to have against the Servicer under the Servicing Agreement in the event that the Noteholders suffer a loss on the Notes as a result of a breach by the Servicer of its obligations under the Servicing Agreement.

**Amendments and waivers to Greek Bond Finance Documents**

The Servicer, on behalf of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee:

- will be responsible for responding to or otherwise considering requests by the Bondholder Agent for directions or instructions in relation to consents, modifications, waivers or amendments relating to the Greek Bond Finance Documents; and
- will be permitted to direct the Bondholder Agent to initiate a request for consents, modifications, waivers or amendments relating to the Greek Bond Finance Documents if it considers it appropriate to do so (acting in accordance with the Servicing Standard).

The Servicer will not be permitted to direct or instruct the Bondholder Agent to grant any such consents or to agree to any such modifications, waivers or amendments or to initiate any such requests unless the following conditions are satisfied:

- no Note Acceleration Notice has been delivered and the Issuer Security Trustee has not taken steps to enforce the Issuer Security;
- neither the Issuer nor the Second Greek Bondholder will be required to make a further advance of principal (except in connection with an issue of Further Notes or Additional Notes pursuant to Condition 18) and/or defer any interest because of the relevant consent, modification, waiver or amendment;
- the effect of such consent, modification, waiver or amendment would not be to extend the Greek Bond Final Maturity Date to a date falling less than five calendar years before the Final Maturity Date; and
- the Greek Bond Security will continue to include a full first-ranking legal mortgage or charge or equivalent over the Properties (except in respect of Properties to be disposed of as contemplated by such proposed consent, modification, waiver or amendment) or other security satisfactory to the Servicer has been obtained.

In directing the Bondholder Agent to issue any approval or consent or to agree to any waiver or amendment of the Greek Bond Finance Documents, or give any other direction to the Bondholder Agent, the Servicer must comply with the requirements described below under "*Operating Adviser*".

**Amendments and waivers to Transaction Documents**

The Servicer, on behalf of the Issuer and the Second Greek Bondholder will:

- be required to take all reasonable steps to facilitate the timely consideration by each relevant party to the Transaction Documents and/or the Noteholders of any request made by any party to a Transaction Document or any Noteholder for a consent, modification or waiver relating to a Transaction Document; and
- be permitted to make a request to any party to a Transaction Document and/or the Noteholders to give any waiver or consent or agree to any modification to such Transaction Document or the Notes if it considers it appropriate to do so in consequence of any proposed consent, waiver or modification to any Greek Bond Finance Document.

The Servicer will be responsible for proceeding with the relevant consent, waiver or modification process and, subject to obtaining the approval of each relevant party (if required), implementing such consent, waiver or modification provided that no such consent, waiver, modification will be permitted to be given or implemented unless:

- in the case of any action which constitutes a Basic Terms Modification, the terms of the Note Trust Deed and the Notes (including the Conditions) are complied with in relation to the sanction of such Basic Terms Modification; and
- in all other cases, the Servicer has given notice to the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and the Noteholders of the proposed action and the reasons therefor (in reasonable detail) and the Servicer has not received written objections to such action from (and has given notice to the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and the Noteholders that it has not received written objections to such action from) Noteholders holding 25 per cent. or more of the then Principal Amount Outstanding of the Notes within 21 days of publication of the relevant notice, unless the relevant action is subsequently approved by an Extraordinary Resolution of the Noteholders.

The rights, powers and discretions of the Servicer with respect to modifications, waivers or consents in relation to Transaction Documents will not include the right to agree to or execute, on behalf of the Issuer or the Second Greek Bondholder, any such modification, waiver or consent.

**Operating Adviser**

It will be a condition to the valid and effective appointment of an Operating Adviser pursuant to Condition 15 (*Operating*

Adviser) under "Terms and Conditions of the Notes" that such Operating Adviser accedes to the Servicing Agreement.

Any Operating Adviser so appointed will have the benefit of certain rights set forth in the Servicing Agreement, including, but not limited to:

- the right to direct or instruct the Servicer in relation to any direction or instruction that the Servicer gives to the Bondholder Agent or any other action taken by the Servicer in connection with the Greek Bonds that it is not expressly obliged to take pursuant to its duties and obligations under the Servicing Agreement, including (without limitation) in relation to any modifications and waivers with respect to the Greek Bond Finance Documents; and
- certain rights in relation to the appointment and termination of the appointment of the Servicer.

### **Termination of Appointments**

The appointment of the Servicer will be terminable by the Issuer Security Trustee upon the occurrence of certain events (each a "**Servicer Event of Default**"), including:

- the occurrence of insolvency related events in relation to the Servicer;
- non-performance of the obligations of the Servicer which in the opinion of the Issuer Security Trustee or the Operating Adviser (if appointed) is materially prejudicial to the interests of the Noteholders (subject to a grace period of 30 days or such longer time (but no longer than 90 days) as may reasonably be necessary to cure the relevant breach, provided that the Servicer is proceeding with all due diligence required to cure such breach);
- representations or warranties made by the Servicer being incorrect or misleading (subject to a 30 day grace period); and
- default in the payment of any amount due by the Servicer (subject to a five business day grace period).

In addition, the appointment of the person then acting as Servicer may also be terminated following written notice from the Operating Adviser (if appointed) or the Noteholders (if no Operating Adviser has been appointed) to the Issuer notifying it that it requests the termination of the appointment of the person then acting as Servicer and its replacement by a nominated replacement Servicer. In such case, the Servicer will be entitled to receive the fees described in "*The Servicing Arrangements – General right to replace Servicer*" on the date of termination of its appointment.

The Servicer will also be permitted to resign upon giving not less than three months' written notice of termination provided, among other things, a replacement servicer has been appointed.

## OVERVIEW OF ROLE OF BONDHOLDER AGENT

See the sections entitled "The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement" and "The Greek Bonds and the Greek Bond Security – Bondholder Agent Agreement" for more detail in respect of the role of the Bondholder Agent.

### Appointment of Bondholder Agent

Alpha Bank AE has been appointed as Bondholder Agent by the Greek Bond Issuer, pursuant to an agency agreement dated the Greek Bond Documentation Date (the "**Bondholder Agent Agreement**") to act as representative of the holders of the Greek Bonds from time to time (the "**Greek Bondholders**") in accordance with the provisions of, among other things:

- (a) Greek law 3156/2003; and
- (b) the Greek Bond Programme Agreement.

### Fees and expenses

Pursuant to the terms of the Bondholder Agent Agreement, the Greek Bond Issuer is required to pay to the Bondholder Agent an agency fee in the amount of €40,000 per annum.

In addition, the Greek Bond Issuer is required, pursuant to the Bondholder Agent Agreement, to pay to the Bondholder Agent a supplemental agency fee in the amount of €1,500 upon the occurrence of any of the following events, among others:

- (a) an amendment of the Greek Bond Programme Agreement or of the terms of the Greek Bonds;
- (b) a transfer of the Greek Bonds; and
- (c) a meeting of the holders of the Greek Bonds.

In addition, the Greek Bond Issuer is required, promptly, to reimburse the Bondholder Agent for all reasonable costs and expenses incurred or to be incurred by the Greek Bond Issuer under the Greek Bond Finance Documents.

### Greek Bondholder instructions

Pursuant to the Greek Bond Programme Agreement, the Bondholder Agent will be fully protected if it acts on the instructions of the Majority Greek Bondholders or, as the case may be, the Enhanced Majority Greek Bondholders in the exercise of any right, power or discretion or any matter not expressly provided for in the Greek Bond Finance Documents.

"**Majority Greek Bondholders**" means, at any time, Greek Bondholders holding more than 66 2/3% of the nominal amount of all the Greek Bonds then outstanding.

"**Enhanced Majority Greek Bondholders**" means, at any time, Greek Bondholders holding more than 95% of the nominal amount of all the Greek Bonds then outstanding.

### Appointment of Servicer

The Greek Bond Programme Agreement contains provisions pursuant to which the Greek Bondholders, by written resolution signed by all Greek Bondholders, may appoint a servicer as their representative to represent the Greek Bondholders collectively in all their dealings with the Bondholder Agent in

relation to the Greek Bonds and the Greek Bond Finance Documents.

Following their acquisition of Greek Bonds on the Closing Date, each of the Issuer and the Second Greek Bondholder, as the only Greek Bondholders, will appoint Situs Asset Management Limited, as Servicer, to perform this role, pursuant to the Servicing Agreement (see section entitled "*The Servicing Arrangements*").

The Greek Bond Programme Agreement provides that the Servicer, to the extent so appointed, will have full power and authority to represent the Greek Bondholders collectively in relation to the Greek Bonds and the Greek Bond Finance Documents and to exercise all discretions and take all decisions in relation to the Greek Bonds and the Greek Bond Finance Documents to be exercised or taken by the Greek Bondholders in relation thereto and to give or withhold all instructions, approvals and consents to the Bondholder Agent in relation thereto on behalf of the Greek Bondholders collectively.

The Greek Bond Programme Agreement further provides that any instruction, approval or consent given to the Bondholder Agent by the Servicer, if so appointed, in relation to the Greek Bonds or the Greek Bond Finance Documents will have the same effect as if it had been made pursuant to a meeting of the Greek Bondholders.

The Bondholder Agent, pursuant to the Greek Bond Programme Agreement, is required to deal directly with the Servicer as the representative of the Greek Bondholders and to copy all communications to Greek Bondholders to the Servicer simultaneously with the transmission of such communications to the Greek Bondholders.

## **Reliance**

The Greek Bond Programme Agreement contains provisions entitling the Bondholder Agent to, among other things:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
- (c) engage, pay for and rely on professional advisers selected by it (including those representing the Greek Bond Issuer or any Greek Bondholder).

## **Indemnity**

Each Greek Bondholder is, pursuant to the Greek Bond Programme Agreement, required to indemnify the Bondholder Agent for that Greek Bondholder's *pro rata* share of any loss or liability incurred by the Bondholder Agent arising out of its acting as the Bondholder Agent, except to the extent that the loss or liability is caused by the Bondholder Agent's negligence or wilful misconduct.

**Resignation**

As described in more detail in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Bondholder Agent – Replacement and removal*", the Bondholder Agent is permitted to resign without cause by giving notice to the Greek Bondholders and the Greek Bond Issuer, in which case the Majority Greek Bondholders (or the Servicer on its behalf) may appoint a successor Bondholder Agent (provided that such successor satisfies the requirements of law 3156/2003 of the Hellenic Republic as to bondholder agents).

**Removal**

The Majority Greek Bondholders may replace the Bondholder Agent by a written resolution, a copy of which will be sent to the Bondholder Agent and appoint a successor Bondholder Agent (provided that such successor satisfies the requirements of law 3156/2003 of the Hellenic Republic as to bondholder agents).

The Majority Greek Bondholders may not appoint a successor Bondholder Agent without the prior written consent of the Greek Bond Issuer, such consent not to be unreasonably withheld or delayed and deemed given if not expressly refused within five Business Days of the date of receipt by the Greek Bond Issuer of such request for consent.

## OVERVIEW OF THE TERMS AND CONDITIONS OF THE NOTES

See the section entitled "Terms and Conditions of the Notes" for more detail in respect of the terms of the Notes.

<b>Currency</b>	Euro
<b>Initial Principal Amount</b>	€237,500,000
<b>Issue Price</b>	98.91%
<b>Interest Rate</b>	3-month EURIBOR (or, in the case of the first Note Interest Period, a linear interpolation of 1-month and 2-month EURIBOR) plus 4.85 per cent. per annum
<b>Note Payment Dates</b>	20 January, 20 April, 20 July and 20 October in each year
<b>Business Day Convention</b>	Modified/following
<b>Interest Determination Dates</b>	Second TARGET2 Business Day before the beginning of each Note Interest Period
<b>First Note Payment Date</b>	The Note Payment Date falling in October 2014
<b>First Note Interest Period</b>	The period from (and including) the Closing Date to (but excluding) the First Note Payment Date.
<b>Final Maturity Date</b>	The Note Payment Date falling in July 2026.
<b>Form of the Notes</b>	Registered
<b>Rule 144A ISIN</b>	XS1084946620
<b>Rule 144A Common Code</b>	108494662
<b>Reg S ISIN</b>	XS1084945739
<b>Reg S Common Code</b>	108494573
<b>Minimum Denomination</b>	€100,000
<b>Ranking</b>	The Notes will rank <i>pari passu</i> and without preference or priority among themselves as to payments of interest and principal at all times.
<b>Security</b>	The Notes will be secured and will share the Issuer Security with the other Issuer Secured Liabilities of the Issuer as set out in the Issuer Security Documents described in Condition 3 ( <i>Status, Security and Priority</i> ) under "Terms and Conditions of the Notes". Some of the other Issuer Secured Liabilities will rank senior to the Issuer's obligations under the Notes in respect of the allocation of proceeds as set out in the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments.
<b>Interest Provisions</b>	Please see Condition 5 ( <i>Interest</i> ) under "Terms and Conditions of the Notes".



**No gross-up**

Neither the Issuer nor any Paying Agent will be obliged to gross-up if there is any withholding or deduction in respect of the Notes on account of taxes as described in Condition 8 (*Taxation*) under "*Terms and Conditions of the Notes*".

**Redemption**

The Notes are subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the Final Maturity Date, as fully set out in Condition 6(a) (*Final Redemption*) under "*Terms and Conditions of the Notes*";
- mandatory redemption in whole on any Note Payment Date subject to availability of Principal Distribution Amounts as fully set out in Condition 6(b) (*Mandatory Redemption from Principal Distribution Amounts*) under "*Terms and Conditions of the Notes*";
- optional redemption exercisable by the Issuer in whole on any Note Payment Date for tax reasons, as fully set out in Condition 6(c) (*Optional Redemption for Tax and other Reasons*) under "*Terms and Conditions of the Notes*"; and
- optional redemption exercisable by the Issuer in whole on any Note Payment Date where it has become or will become unlawful for the Issuer to make, lend or allow to remain outstanding the Issuer Greek Bonds or the SGB Loan, as fully set out in Condition 6(c) (*Optional Redemption for Tax and other Reasons*) under "*Terms and Conditions of the Notes*".

Any Note redeemed pursuant to the above redemption provisions will be redeemed at an amount equal to the Principal Amount Outstanding of the relevant Note to be redeemed together with accrued (and unpaid) interest on the Principal Amount Outstanding of the relevant Note up to (but excluding) the date of redemption.

**Events of Default**

As fully set out in Condition 10 (*Note Events of Default*) under "*Terms and Conditions of the Notes*", which broadly include (where relevant, subject to the applicable grace period):

- non-payment of interest and/or principal and/or any other amount in respect of the Notes;
- material misrepresentation by the Issuer under the Transaction Documents;
- material breach of contractual obligations by the Issuer under the Transaction Documents;
- illegality; and
- the occurrence of certain insolvency related events (excluding balance sheet insolvency) in relation to the Issuer.

## **Enforcement**

If a Note Event of Default has occurred and is continuing, the Note Trustee may, and shall, if so requested (i) in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Notes or (ii) by an Extraordinary Resolution of the Noteholders deliver a Note Acceleration Notice and direct the Issuer Security Trustee to institute such proceedings as may be required in order to enforce the Issuer Security.

## **Note Maturity Report**

On or before the date falling twelve months prior to the Final Maturity Date, the Servicer will, where:

- the Greek Bonds remain outstanding; and
- in the opinion of the Servicer, all recoveries then anticipated by the Servicer with respect to the Greek Bonds are unlikely to provide funds sufficient to pay all outstanding amounts in respect of the Notes on or before the Final Maturity Date,

be required to deliver a report (the "**Note Maturity Report**") in draft form to, *inter alios*, the Issuer, the Second Greek Bondholder, the Noteholders, the Issuer Security Trustee, the SGB Security Trustee, the Note Trustee and the Operating Adviser (if appointed) as to its proposed strategy to enable the maximisation of recoveries in respect of the Greek Bonds.

Upon receipt of the Note Maturity Report, the Note Trustee will, at the cost of the Issuer, be required to convene a meeting of the Noteholders at which the Noteholders will have the opportunity to discuss the proposals contained in the Note Maturity Report with the Servicer.

Following such meeting, the Servicer will be required promptly to finalise the Note Maturity Report (taking into account the discussions at such meeting in relation thereto) and after delivery of such final Note Maturity Report to, *inter alios*, the Issuer, the Second Greek Bondholder, the Noteholders, the Issuer Security Trustee, the SGB Security Trustee, the Note Trustee and the Operating Adviser, the Note Trustee will then be required to convene a meeting of the Noteholders at which the Noteholders will be requested to approve, by Ordinary Resolution, the proposed strategy of the Servicer as set forth in the final Note Maturity Report (subject to any adjustments thereto approved by the Noteholders).

If the Noteholders approve the final Note Maturity Report, the Servicer will be required to direct the Bondholder Agent to implement such strategy in accordance with its terms notwithstanding any requirements to act in accordance with the Servicing Standard, subject to the terms of the Greek Bond Finance Documents.

## **Limited Recourse**

The Notes will be limited recourse obligations of the Issuer, and, if not repaid in full, amounts outstanding are subject to a final write-off, which is described in more detail in Condition 12 (*Limited Recourse and Non Petition*) under "*Terms and Conditions of the Notes*".

## **Non petition**

The Noteholders will not be entitled to take any steps (otherwise than in accordance with the Note Trust Deed, the Conditions and the other Transaction Documents):

- to enforce the Issuer Security other than when expressly permitted to do so under Condition 11 (*Enforcement*) under "*Terms and Conditions of the Notes*";
- to take or join in any steps against the Issuer to obtain payment of any amount due from the Issuer to it; or
- to initiate or join in initiating any Insolvency Proceedings in relation to the Issuer.

## **ERISA considerations**

The Notes which are sold in reliance on Rule 144A will be eligible for purchase by employee benefit and other plans subject to Section 406 of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") and by governmental or church plans that are subject to any state, local or other federal law of the United States that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (each, a "**Similar Law**"), subject to consideration of the issues described in this Prospectus under the section entitled "*ERISA Considerations*". Each purchaser of any such Notes (and all subsequent transferees thereof) will be deemed to have represented and warranted that its purchase, holding and disposition of such Notes will not result in a non-exempt prohibited transaction under ERISA or the Code (or in the case of any governmental or church plan, a violation of a Similar Law). In addition, any fiduciary of a plan subject to the fiduciary responsibility provisions of ERISA or similar provisions of Similar Laws should consult with their counsel to determine whether an investment in such Notes satisfies the prudence, investment diversification and other applicable requirements of those provisions.

## **Governing Law**

The Note Trust Deed, the Notes, the Issuer Deed of Charge and Assignment, the Agency Agreement, the Servicing Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Subscription Agreement, the Settlement Agency Agreement and the Master Definitions Schedule will be governed by English law.

The Issuer Parallel Debt Agreement and the Issuer Bond Pledge Agreement will be governed by the laws of the Hellenic Republic.

## OVERVIEW OF THE SGB LOAN AGREEMENT

<b>Currency</b>	Euro
<b>Initial Principal Amount</b>	€100,000
<b>Interest Rate</b>	3-month EURIBOR (or, in the case of the first SGB Interest Period, a linear interpolation of 1-month and 2-month EURIBOR) plus 4.85 per cent. per annum
<b>SGB Payment Dates</b>	16 January, 16 April, 16 July and 16 October in each year.
<b>Business Day Convention</b>	Modified/following
<b>Interest Determination Dates</b>	Second TARGET2 Business Day before the beginning of each SGB Interest Period
<b>First SGB Payment Date</b>	The SGB Payment Date falling in October 2014
<b>First SGB Interest Period</b>	The period from (and including) the Closing Date to (but excluding) the first Note Payment Date.
<b>SGB Final Maturity Date</b>	The SGB Payment Date falling in July 2019.
<b>Security</b>	The SGB Loan will be secured and will share the SGB Security with the other SGB Secured Liabilities of the Second Greek Bondholder as set out in the SGB Security Documents. Some of the other SGB Secured Liabilities will rank senior to the Second Greek Bondholder's obligations under the SGB Loan in respect of the allocation of proceeds as set out in the Pre-Enforcement SGB Priority of Payments and the Post-Enforcement SGB Priority of Payments.
<b>Interest Provisions</b>	<p>The interest rate for each SGB Interest Period will be equivalent to EURIBOR (as determined by the Facility Agent in accordance with the provisions described below) plus 4.85 per cent. per annum (the "<b>SGB Loan Interest Rate</b>").</p> <p>Pursuant to the SGB Loan Agreement, the Facility Agent will be required to determine EURIBOR on the following basis:</p> <p>(a) at or about 11.00 a.m. (Brussels time) on the second TARGET2 Business Day before the beginning of each SGB Interest Period (each such date, a "<b>EURIBOR Determination Date</b>") the Facility Agent will determine the Euro zone Interbank Offered Rate ("<b>EURIBOR</b>") for three-month Euro deposits or, in the case of the first SGB Interest Period, a linear interpolation of EURIBOR for one month Euro deposits and EURIBOR for two month Euro deposits (rounded in each case to five decimal places with the mid-point rounded up), by reference to the display administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) (the "<b>EURIBOR Screen Rate</b>"). If such service ceases to be available, the Facility Agent</p>

may specify another service displaying the appropriate rate after consultation with the SGB Security Trustee; or

- (b) if the EURIBOR Screen Rate is not then available or is not then available for the relevant SGB Interest Period, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Facility Agent at its request by the principal Eurozone office of each of certain European banks (being at least three in number) which the Facility Agent (in consultation with the SGB Security Trustee) may appoint from time to time (which shall, for long as the Greek Bonds are outstanding, be the same banks as are the reference banks pursuant to the Greek Bond Programme Agreement) (the "**Reference Banks**") at or about 11.00 a.m. (Brussels time) on the EURIBOR Determination Date for the offering of deposits to the leading banks in the Eurozone interbank market for a period comparable to the SGB Interest Period for the SGB Loan. If on any EURIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Facility Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such EURIBOR Determination Date, only one quotation is provided as requested, the rate for that EURIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in the Eurozone selected by the Facility Agent (which bank or banks is or are in the opinion of the SGB Security Trustee suitable for such purpose).

The Facility Agent will be required, on each EURIBOR Determination Date, to calculate and notify the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee in writing of the Euro amount payable in respect of interest on the SGB Payment Date in respect of the relevant SGB Interest Period.

The amount of interest payable in respect the SGB Loan on any SGB Payment Date shall be calculated by applying the SGB Loan Interest Rate for the relevant SGB Interest Period to the principal amount outstanding of the SGB Loan immediately prior to the relevant SGB Payment Date and multiplying the result by the actual number of days in the relevant SGB Interest Period divided by 360, and rounding the result to the nearest full cent, all as determined by the Facility Agent.

#### **Gross-up**

Pursuant to the SGB Loan Agreement, all payments made by the Second Greek Bondholder shall be made in full, without set-off, counterclaim or condition and free and clear of and without any deduction or withholding, provided that, if the Second Greek Bondholder is required by law or regulation to make such deduction or withholding, it will be required to pay to the Issuer such additional amount as is necessary to ensure that the net full

amount received by the Issuer after the required deduction or withholding is equal to the amount that the Issuer would have received had no such deduction or withholding been made.

## **Redemption**

The SGB Loan is subject to the following optional or mandatory redemption events:

- mandatory redemption in whole on the SGB Final Maturity Date;
- mandatory redemption in whole on any SGB Payment Date subject to availability of SGB Principal Distribution Amounts (as defined in the section entitled "*Overview of Credit Structure and Cashflows – SGB Priorities of Payment*");
- optional redemption exercisable by the Second Greek Bondholder in whole on any SGB Payment Date for tax reasons; and
- optional redemption exercisable by the Second Greek Bondholder in whole on any SGB Payment Date where it has become or will become unlawful for the Second Greek Bondholder to make, lend or allow to remain outstanding the SGB Greek Bonds.

The SGB Loan, if redeemed pursuant to the above provisions described above, will be repaid at an amount equal to the principal amount outstanding of the SGB Loan together with accrued (and unpaid) interest thereon up to (but excluding) the date of repayment.

## **SGB Events of Default**

The events of default under the SGB Loan (the "**SGB Events of Default**") include:

- non-payment of interest and/or principal and/or any other amount in respect of the SGB Loan;
- material misrepresentation by the Second Greek Bondholder under the Transaction Documents;
- material breach of contractual obligations by the Second Greek Bondholder under the Transaction Documents;
- illegality; and
- the occurrence of certain insolvency related events (excluding balance sheet insolvency) in relation to the Second Greek Bondholder.

## **Enforcement**

If an SGB Event of Default has occurred and is continuing, the SGB Security Trustee may, and shall, if instructed by the Issuer Security Trustee (itself acting on the instructions of the Note Trustee), deliver a notice (the "**SGB Acceleration Notice**") to the Second Greek Bondholder declaring the SGB Loan (and all other amounts accrued or outstanding under the SGB Loan Agreement) to be immediately due and payable and the Issuer

Security Trustee (itself acting on the instructions of the Note Trustee) may direct the SGB Security Trustee to institute such proceedings as may be required in order to enforce the SGB Security.

In such circumstances, the Note Trustee may give the instructions referred to in the previous paragraph to the Issuer Security Trustee (to instruct the SGB Security Trustee) at its discretion and the Note Trustee will be obliged to do so if so requested (i) in writing by the holders of at least 25 per cent. of the Principal Amount Outstanding of the Notes or (ii) by an Extraordinary Resolution of the Noteholders.

**Limited Recourse**

The SGB Loan will be limited recourse obligations of the Second Greek Bondholder, and, if not repaid in full, amounts outstanding are subject to a final write-off.

**Non petition**

The SGB Secured Creditors will not be entitled to take any steps (otherwise than in accordance with the SGB Deed of Charge and Assignment and the other Transaction Documents):

- to enforce the SGB Security other than when expressly permitted to do so;
- to take or join in any steps against the Second Greek Bondholder to obtain payment of any amount due from the Second Greek Bondholder to it; or
- to initiate or join in initiating any Insolvency Proceedings in relation to the Second Greek Bondholder.

**Facility Agent**

Pursuant to the terms of the SGB Loan Agreement, each of the Issuer, the Issuer Security Trustee and the SGB Security Trustee will appoint the Facility Agent to act as its agent under and in connection with the SGB Transaction Documents (as defined below under "*General Information*") and those parties will authorise the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the SGB Transaction Documents, together with any other incidental rights, powers, authorities and discretions.

The SGB Loan Agreement will provide that, unless a contrary indication appears in any SGB Transaction Document, the Facility Agent will:

- (a) exercise any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by the Issuer (or a duly authorised agent (other than the Facility Agent) on its behalf) or the Issuer Security Trustee in relation to any SGB Transaction Document, as the case may be, (or, if so instructed by the Issuer (or a duly authorised agent (other than the Facility Agent) on its behalf) or Issuer Security Trustee in relation to any SGB Transaction Document, as the case may be, refrain from exercising

any right, power, authority or discretion vested in it as Facility Agent); and

- (b) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Issuer (or a duly authorised agent (other than the Facility Agent) on its behalf) or the Issuer Security Trustee in relation to any SGB Transaction Document, as the case may be.

The Facility Agent will not be liable for any action taken by it under or in connection with any SGB Transaction Document, unless directly caused by its gross negligence or wilful misconduct.

Nothing in the SGB Loan Agreement will constitute the Facility Agent as a trustee or fiduciary of any other person

### **Governing Law**

The SGB Loan Agreement, the SGB Deed of Charge and Assignment, the SGB Cash Management Agreement and the SGB Corporate Services Agreement will be governed by English law.

The SGB Parallel Debt Agreement and the SGB Bond Pledge Agreement will be governed by the laws of the Hellenic Republic.



## **OVERVIEW OF RIGHTS OF NOTEHOLDERS AND RELATIONSHIP WITH OTHER ISSUER SECURED CREDITORS**

*Please refer to the section entitled "Terms and Conditions of the Notes" for further detail in respect of the rights of Noteholders, conditions for exercising such rights and relationship with other Issuer Secured Creditors.*

### **Convening a Meeting**

Noteholders holding no less than 10% of the Principal Amount Outstanding of the Notes then outstanding will be entitled to require the Issuer to convene a Noteholders' meeting.

The Issuer, the Servicer or the Note Trustee may also convene a Noteholders' meeting to consider any matter affecting the interests of Noteholders.

### **Following a Note Event of Default**

All Notes will become immediately due and payable and the Issuer Security will become enforceable upon the service on the Issuer by the Note Trustee of a Note Acceleration Notice. The Note Trustee will be entitled to serve a Note Acceleration Notice after the occurrence of a Note Event of Default which is continuing and it will be required to do so (i) on the written instructions of the holders of at least 25 per cent. of the Principal Amount Outstanding of the Notes, or (ii) if directed to do so by an Extraordinary Resolution of the holders of the Notes.

### **Noteholder Meeting provisions**

#### ***Notice Periods***

Initial meeting: at least 21 clear days

Adjourned meeting: not less than 10 clear days (exclusive of the day on which the notice is given and the day on which the Meeting is to be resumed)

#### ***Quorum – Ordinary Resolution***

Initial meeting: one or more persons present holding or representing in the aggregate more than one half of the Principal Amount Outstanding of the Notes.

Adjourned meeting: one or more persons present holding or representing Notes whatever the Principal Amount Outstanding.

#### ***Quorum – Extraordinary Resolution***

Initial meeting: one or more persons present holding or representing in the aggregate more than one half of the Principal Amount Outstanding of Notes.

Adjourned meeting: one or more persons present holding or representing Notes whatever the Principal Amount Outstanding Notes.

***Quorum - Extraordinary Resolution including a Basic Terms Modification***

Initial meeting: one or more persons present holding or representing in the aggregate not less than 75 per cent. of the Principal Amount Outstanding of the Notes.

Adjourned Meeting: one or more persons present holding or representing in the aggregate not less than 33 ⅓ per cent. of the Principal Amount Outstanding of the Notes.

***Required Majority***

Ordinary Resolution: simple majority of the votes cast by the persons voting at the relevant meeting or the votes cast on a poll or (in relation to (a) the appointment of an Operating Adviser by the Noteholders in accordance with Condition 15(a) or (b) the approval of a Note Maturity Report by the Noteholders, more than one half of the Principal Amount Outstanding of the Notes.

Written Ordinary Resolution: More than one half of the Principal Amount Outstanding of the Notes. A Written Ordinary Resolution will have the same effect as an Ordinary Resolution.

Extraordinary Resolution: 75 per cent. of the votes cast by the persons voting at the relevant meeting or the votes cast on a poll for matters requiring an Extraordinary Resolution.

Written Extraordinary Resolution: 90 per cent. of the Principal Amount Outstanding of the Notes. A Written Extraordinary Resolution will have the same effect as an Extraordinary Resolution.

**Matters requiring Extraordinary Resolution**

Broadly, the following matters, among other things, will require an Extraordinary Resolution:

- sanctioning a Basic Terms Modification;
- sanctioning any compromise or arrangement proposed to be made between the Issuer, the Note Trustee, any appointee of the Note Trustee and the Noteholders or any of them;
- sanctioning any abrogation, modification, compromise, variation or arrangement in respect of the rights of the Note Trustee, any appointee of the Note Trustee, the Noteholders or the Issuer against any other or others of them or against any other party to the Transaction Documents or against any of their property whether such rights shall arise under the Note Trust Deed, any other Transaction Document or otherwise;
- assenting to any modification of the provisions contained in the Note Trust Deed, the other Transaction Documents or the Conditions or the Notes;
- appointing any persons (whether Noteholders or not) as a committee or committees to represent the interests of

the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

- approving the appointment of a person to be appointed as trustee and power to remove any trustee or trustees for the time being of the Note Trust Deed or the Issuer Security Documents;
- discharging or exonerating the Note Trustee and/or any appointee of the Note Trustee from all liability in respect of any act or omission for which the Note Trustee and/or any appointee of the Note Trustee may have become responsible under the Note Trust Deed;
- directing the Note Trustee to serve a Note Acceleration Notice following the occurrence of a Note Event of Default;
- at any time after the Issuer Security has become enforceable, directing the Issuer Security Trustee to take such proceedings and/or other action or steps as it may think fit to enforce the Issuer Security; and
- at any time after the SGB Security has become enforceable, directing the Issuer Security Trustee to direct the SGB Security Trustee to take such proceedings and/or other action or steps as it may think fit to enforce the SGB Security.

An Extraordinary Resolution of the holders of the Notes shall be binding on all Noteholders.

**Greek Bond Issuer Group/ Servicer/  
Bondholder Agent/ Second Greek  
Bondholder as Noteholder**

As described in Condition 13 (*Meetings of the Noteholders, Modification, Waiver and Substitution*) under "*Terms and Conditions of the Notes*", for the purposes of determining:

- the quorum at any meeting of Noteholders considering an Extraordinary Resolution or any other matter or the majority of votes cast or to be cast at such meeting;
- the holders of Notes for the purposes of giving any direction to the Issuer Security Trustee, the Note Trustee or any other party; or
- the majority required for any Written Resolution,

the voting or directing rights attaching to the Notes which are held beneficially by or for the account of (or in relation to which the exercise of the right to vote is directed or otherwise controlled by) (i) the Greek Bond Issuer or any Affiliate of the Greek Bond Issuer and (ii) the Servicer, the Bondholder Agent, the Second Greek Bondholder or, in each case, any Affiliate thereof, shall not be exercisable and such Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum, direction or majority.

## **Operating Adviser**

Pursuant to Condition 15 (*Operating Adviser*) under "*Terms and Conditions of the Notes*", the Noteholders will be entitled to appoint an Operating Adviser. It will be a condition to the appointment of any Operating Adviser that it accedes to the Servicing Agreement.

The Operating Adviser will, among other things, have the benefit of certain rights set forth in the Servicing Agreement, including, but not limited to:

- the right to direct or instruct the Servicer in relation to any direction or instruction that the Servicer gives to the Bondholder Agent or any other action taken by the Servicer in connection with the Greek Bonds that it is not expressly obliged to take pursuant to its duties and obligations under the Servicing Agreement, including (without limitation) in relation to any modifications and waivers with respect to the Greek Bond Finance Documents; and
- certain rights in relation to the appointment and termination of the appointment of the Servicer.

See Condition 15 (*Operating Adviser*) under "*Terms and Conditions of the Notes*" and the section entitled "*The Servicing Arrangements*" for more detail.

Where an Operating Adviser has not been appointed, the Noteholders will have certain rights in relation to the appointment and termination of the appointment of the Servicer.

## **Relationship between Noteholders and other Issuer Secured Creditors**

For so long as any Notes are outstanding and there is a conflict between the interests of the Noteholders and other Issuer Secured Creditors, the Note Trustee will be required to take into account the interests of the Noteholders only in the exercise of its powers, trusts, authorities, and discretions. While any Notes are outstanding, the Issuer Security Trustee will be required to act only at the direction of the Note Trustee. While the SGB Loan is outstanding, the SGB Security Trustee will be required to act only at the direction of the Issuer Security Trustee.

## **Provision of Information to the Noteholders**

Information in respect of the Greek Bonds, the Greek Bond Security and the payment obligations of the Issuer will be provided to the investors on a quarterly basis in the Servicer Quarterly Report. See the sections entitled "*The Servicing Arrangements – The Servicing Agreement – Reporting*" and "*Reports to Noteholders*" for more details.

## **Communication with Noteholders**

Any notice to be given by the Issuer, the Servicer, the Cash Manager, the Issuer Security Trustee or the Note Trustee to the Noteholders will be required to be given in accordance with Condition 17 (*Notice to Noteholders*) under "*Terms and Conditions of the Notes*".

## OVERVIEW OF RELEVANT DATES AND PERIODS

<b>Greek Bond Documentation Date</b>	The date on which the Greek Bond Programme Agreement was entered into, being 11 August 2014.
<b>Closing Date</b>	22 August 2014, being: <ul style="list-style-type: none"><li>(a) the date on which the Issuer Greek Bonds are issued by the Greek Bond Issuer to the Issuer and the SGB Greek Bonds are issued by the Greek Bond Issuer to the Second Greek Bondholder; and</li><li>(b) the date of the issuance of the Notes.</li></ul>
<b>Business Day</b>	A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Athens and Dublin and which is a TARGET2 Business Day.
<b>TARGET2 Business Day</b>	Any day on which the TARGET2 System is open for business.
<b>Greek Bond Payment Date</b>	The 15th day of January, April, July and October of each year, provided that if any such day is not a Business Day, the relevant Greek Bond Payment Date will instead be the immediately preceding Business Day.
<b>Greek Bond Final Maturity Date</b>	Unless previously redeemed in full, the Greek Bond Issuer must repay the then outstanding amount of the Greek Bonds in full together with accrued interest and any other sum due and payable under the Greek Bond Finance Documents on the Greek Bond Payment Date falling in July 2019.
<b>Greek Bond Interest Period</b>	Each successive period commencing on (and including) a Note Payment Date (or, in respect of the first Greek Bond Interest Period, the Closing Date) and ending on (but excluding) the next following Note Payment Date.
<b>SGB Payment Date</b>	The 16th day of January, April, July and October of each year (each, an " <b>SGB Payment Date</b> "), provided that if any such day is not a Business Day, the relevant SGB Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).
<b>Expected SGB Maturity Date</b>	The SGB Payment Date falling in July 2019, which is the SGB Payment Date immediately

following the Greek Bond Final Maturity Date and, therefore, the date by which it is expected that the SGB Loan will be repaid in full.

**SGB Final Maturity Date:**

Unless previously redeemed in full, the Second Greek Bondholder must repay the then outstanding amount of the SGB Loan in full, together with accrued interest and any other sum due and payable under the SGB Loan Agreement, on the SGB Payment Date falling in July 2019.

**SGB Interest Period**

Each successive period commencing on (and including) a Note Payment Date (or, in respect of the first Greek Bond Interest Period, the Closing Date) and ending on (but excluding) the next following Note Payment Date.

**SGB Determination Date**

With respect to an SGB Payment Date, the Business Day immediately prior to such date.

**SGB Determination Period**

The period beginning on (but excluding) an SGB Determination Date and ending on (and including) the next following SGB Determination Date.

**Note Payment Date**

The 20th day of January, April, July and October of each year, provided that if any such day is not a Business Day, the relevant Note Payment Date will instead be the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

**Expected Maturity Date**

The Note Payment Date falling in July 2019, which is the Note Payment Date immediately following the Greek Bond Final Maturity Date and, therefore, the date by which it is expected that the Notes will be repaid in full.

**Final Maturity Date**

Unless previously redeemed in full, the Issuer will be required to redeem the Notes at their Principal Amount Outstanding together with accrued interest on the Note Payment Date falling in July 2026.

**Note Interest Period**

Each successive quarterly period commencing on (and including) a Note Payment Date (or, in the case of the first Note Interest Period, the Closing Date) and ending on (but excluding) the next following Note Payment Date.

**Collection Period**

With respect to a Note Payment Date, the "**Collection Period**" begins on but excludes the last day of the immediately preceding Collection Period and ends on (and includes) the SGB Payment Date immediately preceding such Note Payment Date provided that the first Collection Period shall commence on (but

exclude) the last SGB Payment Date that would have occurred prior to the Closing Date had the SGB Loan then been in existence.

**Determination Date**

With respect to a Note Payment Date, the last day of the Collection Period ending immediately prior to such Note Payment Date.

## OVERVIEW OF CREDIT STRUCTURE AND CASHFLOW

See the section entitled "Cashflows and Payment Priorities of the Issuer" and "Second Greek Bondholder Cashflows and Payment Priorities" for more detail in respect of the credit structure and cash flow of the transaction

### Available Funds of the Issuer

The repayment of principal and the payment of interest by the Greek Bond Issuer in respect of the Issuer Greek Bonds and repayment of principal and the payment of interest by the Second Greek Bondholder on the SGB Loan will provide the principal source of funds for the Issuer to make payments in respect of the "**Issuer Secured Liabilities**", being the moneys, obligations and liabilities (present, future, actual or contingent) due, owing, incurred or otherwise payable by or on behalf of the Issuer under the Notes, any Further Notes, any Additional Notes and the Transaction Documents.

On any Note Payment Date prior to the service of a Note Acceleration Notice, the Issuer expects to have Available Funds for the purposes of making payments under the Notes and the Transaction Documents.

"**Available Funds**" will constitute all amounts standing to the credit of the Issuer Transaction Account at the end of the preceding Collection Period, including Revenue Receipts and Principal Receipts received during the immediately preceding Collection Period.

"**Revenue Receipts**" will include:

- all monies (not falling within the definition of Principal Receipts) paid to the Issuer in respect of the Issuer Greek Bonds (including any Make-Whole Amount and any default interest received with respect to the Greek Bonds ("**Greek Bond Default Interest**"));
- all monies (not falling within the definition of Principal Receipts) paid to the Issuer under or in respect of the SGB Loan (including any SGB Make-Whole Payment and any SGB Default Interest);
- to the extent not included in the items above, all monies paid to the Issuer in relation to the Issuer Facility Fee pursuant to the Greek Bond Finance Documents; and
- any interest accrued on the Issuer Transaction Account and paid to the Issuer in respect of amounts standing to the credit of the Issuer Transaction Account,

in each case deposited into the Issuer Transaction Account.

"**Principal Receipts**" will include:

- (a) all payments in respect of principal allocated by the Servicer (based on information provided by the Bondholder Agent) as principal receipts in respect of the Issuer Greek Bonds (including scheduled repayments, voluntary prepayments, mandatory



prepayments and enforcement proceeds allocated to principal) received by the Issuer and deposited into the Issuer Transaction Account (but excluding any Make-Whole Amount) and the proceeds of any sale, transfer or other disposal of the Issuer Greek Bonds and the Issuer's interest in the Greek Bond Security allocated by the Servicer as principal receipts received by the Issuer and deposited into the Issuer Transaction Account; and

- (b) all repayments of principal received by the Issuer from the Second Greek Bondholder under the SGB Loan Agreement and deposited in the Issuer Transaction Account.

### **Issuer Priorities of Payments**

As described in more detail in the section entitled "*Cashflows and Payment Priorities of the Issuer*", prior to the service of a Note Acceleration Notice or the Notes otherwise becoming due and payable in full, the Cash Manager (on behalf of the Issuer) will be required, among other things, on each Determination Date to calculate all amounts due in accordance with the Pre-Enforcement Priority of Payments on the forthcoming Note Payment Date and the amounts available to make such payments.

On each Note Payment Date prior to the service of a Note Acceleration Notice or the Notes otherwise becoming due and payable in full, the Cash Manager will be required to apply the Principal Distribution Amounts (if any) allocated to the Notes in redemption of the Notes in accordance with the Pre-Enforcement Priority of Payments (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**Principal Distribution Amount**" for any Note Payment Date will be the Principal Receipts received by the Issuer by way of repayment or prepayment of the Issuer Greek Bonds and the SGB Loan in the Collection Period ending immediately prior to such Note Payment Date.

On each Note Payment Date prior to the service of a Note Acceleration Notice or the Notes otherwise becoming due and payable in full, the Cash Manager will be required to apply any Make-Whole Amounts received by the Issuer in relation to the Issuer Greek Bonds and any SGB Make-Whole Payments received by Issuer in relation to the SGB Loan in the Collection Period ending immediately prior to such Note Payment Date to make payment of the Make-Whole Payment due for the Notes (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**Make-Whole Payment**" for the Notes for any Note Payment Date will be:

- (a) any Make-Whole Amount received by the Issuer from the Greek Bond Issuer with respect to the Issuer Greek Bonds, during the Collection Period ending immediately prior to such Note Payment Date; plus

- (b) any SGB Make-Whole Payment received from Second Greek Bondholder with respect to the SGB Loan, during the Collection Period ending immediately prior to such Note Payment Date; less
- (c) to the extent that any amount of the Issuer Greek Bonds is redeemed during such Collection Period on a date other than a Greek Bond Payment Date, an amount equal to the Margin accruing on Notes of the same principal amount as the Issuer Greek Bonds so redeemed from (and including) the date of such prepayment to (but excluding) the last day of the Note Interest Period in which such redemption took place.

On each Note Payment Date prior to the service of a Note Acceleration Notice or the Notes otherwise becoming due and payable in full, the Cash Manager will be required to apply any Greek Bond Default Interest received by the Issuer in relation to the Issuer Greek Bonds and any SGB Default Interest received by the Issuer in relation to the SGB Loan in the Collection Period ending immediately prior to such Note Payment Date to make payment of the Note Default Interest due for the Notes (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**Note Default Interest**" for the Notes for any Note Payment Date will be the aggregate of:

- (a) the Greek Bond Default Interest received by the Issuer from the Greek Bond Issuer, with respect to the Issuer Greek Bonds; and
- (b) the SGB Default Interest received from Second Greek Bondholder, with respect to the SGB Loan,

in each case during the Collection Period ending immediately prior to such Note Payment Date.

Following the service of a Note Acceleration Notice or the Notes otherwise becoming due and payable in full, the Issuer Security Trustee will be required to apply all moneys and receipts received by the Issuer and/or the Issuer Security Trustee or (with respect to any assets secured pursuant to the Issuer Deed of Charge and Assignment) a receiver appointed by it (whether of principal or interest or otherwise) in the manner and order of priority set out in the Post-Enforcement Priority of Payments (in each case only if and to the extent that payments or provisions of a higher priority have been made in full).

*Pre-Enforcement Priority of Payments:*

*Post-Enforcement Priority of Payments:*

- |  |   |
|--|---|
| 1. Amounts due to the Note Trustee, the Issuer Security Trustee and the SGB Security Trustee   | 1. Amounts due to the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and any Receiver appointed by the Issuer Security Trustee or the SGB Security Trustee |
| 2. Amounts due to the Paying Agents, the Registrar, the Agent Bank, the Facility Agent, the Cash Manager, the Account Bank, the Corporate Services Provider and the Servicer | 2. Amounts due to the Paying Agents, the Registrar, the Agent Bank, the Facility Agent, the Cash Manager, the Account Bank, the Corporate Services Provider and the Servicer    |
| 3. Payments due to third party creditors of the Issuer   | 3. Interest and other amounts due or overdue on, and principal of, the Notes  |
| 4. Interest due or overdue on the Notes, then other amounts (other than principal) due or overdue on the Notes   | 4. Surplus to the Issuer  |
| 5. Principal due on the Notes  |   |
| 6. €500 to be retained by the Issuer as profit   |   |
| 7. Surplus to be retained in the Issuer Transaction Account  |   |

**SGB Priorities of Payment:**

Prior to the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and payable in full, the Cash Manager (on behalf of the Second Greek Bondholder) will be required, among other things, on each SGB Determination Date to calculate all amounts due in accordance with the Pre-Enforcement SGB Priority of Payments on the forthcoming SGB Payment Date and the amounts available to make such payments.

On each SGB Payment Date prior to the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and payable in full, the Cash Manager will be required to apply the SGB Principal Distribution Amounts (if any) in accordance with the Pre-Enforcement SGB Priority of Payments (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**SGB Principal Distribution Amount**" for any SGB Payment Date will be the SGB Principal Receipts received by the Second Greek Bondholder by way of repayment or prepayment of the SGB Greek Bonds in the SGB Determination Period immediately prior to such SGB Payment Date.

On each SGB Payment Date prior to the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and payable in full, the Cash Manager will be required to apply any Make-Whole Amounts received by the Second Greek Bondholder in relation to the SGB Greek Bonds in the SGB Determination Period immediately prior to such SGB Payment Date to make payment of the SGB Make-Whole Payment due on the SGB Loan (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**SGB Make-Whole Payment**" for the SGB Loan for any SGB Payment Date will be:

- (a) any Make-Whole Amount received by the Second Greek Bondholder from the Greek Bond Issuer with respect to the SGB Greek Bonds, during such SGB Determination Period ending immediately prior to such SGB Payment Date; less
- (b) to the extent that any amount of the SGB Greek Bonds is redeemed during such SGB Determination Period on a date other than a Greek Bond Payment Date, an amount equal to the Margin accruing on a principal amount of the SGB Loan equal to the principal amount of the SGB Greek Bonds so redeemed from (and including) the date of such prepayment to (but excluding) the last day of the SGB Interest Period in which such redemption took place.

On each SGB Payment Date prior to the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and payable in full, the Cash Manager will be required to apply any Greek Bond Default Interest received by the Second Greek Bondholder in relation to the SGB Greek Bonds in the SGB Determination Period immediately prior to such SGB Payment Date to make payment of the SGB Default Interest due on the SGB Loan (in each case, only if and to the extent that payments or provisions of a higher priority have been made in full).

The "**SGB Default Interest**" for the SGB Loan for any SGB Payment Date will be in an amount equal to the Greek Bond Default Interest received by the Second Greek Bondholder from the Greek Bond Issuer, with respect to the SGB Greek Bonds in the SGB Determination Period ending immediately prior to such SGB Payment Date.

Following the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and payable in full, the SGB Security Trustee will be required to apply all moneys and receipts received by the Second Greek Bondholder and/or the SGB Security Trustee or (with respect to any assets secured

pursuant to the SGB Deed of Charge and Assignment) a receiver appointed by it (whether of principal or interest or otherwise) in the manner and order of priority set out in the Post-Enforcement SGB Priority of Payments (in each case only if and to the extent that payments provisions of a higher priority have been made in full).

<i>Pre-Enforcement SGB Priority of Payments:</i>	<i>Post-Enforcement SGB Priority of Payments:</i>
1. Amounts due to the SGB Security Trustee	1. Amounts due to the SGB Security Trustee and any Receiver appointed by the SGB Security Trustee
2. Amounts due to the Facility Agent	2. Amounts due to the Facility Agent
3. Amounts due to the Cash Manager, the Account Bank and the Corporate Services Provider	3. Amounts due to the Cash Manager, the Account Bank and the Corporate Services Provider
4. Payments due to third party creditors of the Second Greek Bondholder	4. Interest and other amounts due or overdue on, and principal of, the SGB Loan
5. Interest due or overdue on the SGB Loan, then other amounts (other than principal) due or overdue on the SGB Loan	5. Surplus to the Second Greek Bondholder
6. Principal due on the SGB Loan	
7. €125 to be retained by the Second Greek Bondholder as profit	
7. Surplus to be retained in the SGB Transaction Account	

## TRIGGERS TABLES

### Rating Triggers Table

Transaction Party	Required Ratings/Triggers	Possible effects of Trigger being breached include the following
<b>Account Bank:</b>	<p>In relation to the Issuer Transaction Account or the SGB Transaction Account, where the long or short term (as appropriate) unsecured debt instruments in issue which are neither subordinated nor guaranteed cease to meet the following requirements:</p> <ul style="list-style-type: none"><li>(a) BBB/F3 (or better) by Fitch Ratings Inc, any affiliate thereof or any successor to its ratings business;</li><li>(b) Baa2/P-3 (or better) by Moody's Investors Service Inc, any affiliate thereof or any successor to its ratings business; and</li><li>(c) BBB/A-3 (or better) by Standard &amp; Poor's Financial Services LLC, any affiliate thereof or any successor to its ratings business.</li></ul>	<p>Upon the Account Bank ceasing to have the required ratings, the Account Bank will be required to obtain a guarantee of its obligations in relation to the Issuer Transaction Account and the SGB Transaction Account from a financial institution that satisfies the required ratings or establish a replacement bank account with a new bank, failing which the appointment of the Account Bank may be terminated by the Issuer or, as applicable, the Second Greek Bondholder (acting by the Servicer in accordance with the terms of the Servicing Agreement).</p>

The consequences of the relevant required rating being breached are set out in more detail in the section entitled "*Cash Management for the Issuer – Rating criteria of the Account Bank*".

## Non-Rating Triggers Table

Nature of Trigger	Description of Trigger	Consequence of Trigger
Servicer Termination Events	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>• certain insolvency related events in relation to the Servicer;</li> <li>• non-performance of the obligations of the Servicer (subject to a 30 day grace period or such longer grace period (but no longer than 90 days) as may reasonably be necessary to cure the relevant breach, provided that the Servicer is proceeding with all due diligence required to cure such breach) which in the opinion of the Issuer Security Trustee or the Operating Adviser (if appointed) is materially prejudicial to the interests of the Noteholders;</li> <li>• representations or warranties made by the Servicer being incorrect or misleading (subject to a 30 day grace period); or</li> <li>• default in the payment of any amount due by the Servicer (subject to a five business day grace period).</li> </ul>	The appointment of Servicer may be terminated.
Cash Manager Termination Events	<p>The occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>• certain insolvency related events in relation to the Cash Manager;</li> <li>• non-performance of the obligations, other than as set out below, of the Cash Manager (subject to a ten Business Day grace period);</li> <li>• representations or warranties made by the Cash Manager being incorrect or misleading (subject to a ten Business Day grace period);</li> <li>• failure by the Cash Manager to make when due a payment required to be made by it on behalf of the Issuer or, as applicable, the Second Greek Bondholder (subject to a three Business Day grace period (other than in the case of payments which are to be made on a Note Payment Date or, as applicable, an SGB</li> </ul>	The appointment of Cash Manager may be terminated under the Issuer Cash Management Agreement and the SGB Cash Management Agreement.

Payment Date)); or

- the Cash Manager fails to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and any registrations with, governmental and other regulatory authorities required by it.

Account Bank  
Termination Events

The occurrence of any of the following:

- certain insolvency related events in relation to the Account Bank;
- non-performance of the obligations, other than as set out below, of the Account Bank (subject to a ten Business Day grace period);
- representations or warranties made by the Account Bank being incorrect or misleading (subject to a ten Business Day grace period);
- failure by the Account Bank to make when due a payment required to be made by it on behalf of the Issuer or, as applicable, the Second Greek Bondholder (subject to a three Business Day grace period (other than in the case of payments which are to be made on a Note Payment Date or, as applicable, an SGB Payment Date));
- the Account Bank fails to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and any registrations with, governmental and other regulatory authorities required by it.

The appointment of the Account Bank may be terminated under the Issuer Cash Management Agreement and the SGB Cash Management Agreement.



## FEES

The following table sets out the ongoing fees to be paid by the Issuer to the transaction parties.

### Ongoing Fees

Type of Fee	Amount of Fee	Priority in Cashflow	Frequency
Servicing Fees	<p>€87,500 per annum, if no Greek Bond Event of Default is outstanding (plus any applicable value added tax)</p> <p>€375,000 per annum, if a Greek Bond Event of Default is outstanding (plus any applicable value added tax)</p>	Ahead of Notes	Each Note Payment Date
<p>Combined fees of Note Trustee, Issuer Security Trustee, SGB Security Trustee, Agent Bank, Facility Agent, Registrar, Principal Paying Agent, Common Depositary, Account Bank, Cash Manager and Corporate Services Provider</p>	<p>Estimated at approximately €50,000 per annum (plus any applicable value added tax)</p>	Ahead of Notes	Each Note Payment Date, semi-annually or annually, as applicable

## THE ISSUER

The Issuer was incorporated in England and Wales on 5 June 2014 (registered number 9073391) as a public company with limited liability under the Companies Act 2006, as amended. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP and its contact telephone number is +44 20 7398 6300. The Issuer is organised as a special purpose vehicle and its activities are limited accordingly. The Issuer has no subsidiaries. Pursuant to a declaration of trust (the "**Share Declaration of Trust**") given by SFM Corporate Services Limited (the "**Share Trustee**"), a company established under the laws of England, having its registered office at 35 Great St. Helen's, London EC3A 6AP, the entire issued share capital of the Issuer (being 50,000 shares of £1, each of which is fully paid up) is held by or on behalf of Share Trustee on trust for Charities and bodies from time to time included in the list set out in Schedule 3 to the Inheritance Tax Act 1984 or any statutory modification or re-enactment thereof, where "**Charity**" means any trust, foundation, institution or other organisation whatsoever established only for purposes regarded as charitable under the laws of either England and Wales, Northern Ireland or Scotland. Neither the Greek Bond Issuer, nor the Second Greek Bondholder, nor NBG or any of their affiliates owns, directly or indirectly, any of the share capital of the Issuer.

### Principal Activities

The articles of association of the Issuer do not restrict it from, among other things, lending money and giving credit, secured and unsecured, borrowing or raising money and securing the payment of money and granting security over its property for the performance of its obligations or the payment of money. The Issuer was established for the limited purposes of subscribing for the Issuer Greek Bonds, making the SGB Loan to the Second Greek Bondholder, issuing the Notes and certain related transactions described elsewhere in this Prospectus.

Since its incorporation, the Issuer has not engaged in any material activity other than those incidental to its incorporation and registration as a public limited company under the Companies Act 2006.

The activities of the Issuer will, on and from the Closing Date, be restricted by the Conditions and will be limited to the issue of the Notes, the purchase of the Issuer Greek Bonds, the advance to the Second Greek Bondholder of the SGB Loan, the exercise of related rights and powers and the other activities described in this Prospectus. See further Condition 4 (*Covenants*) under "*Terms and Conditions of the Notes*".

Pursuant to the terms of the corporate services agreement dated the Closing Date between the Corporate Services Provider and the Issuer (the "**Issuer Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide certain corporate services in relation to the Issuer. The Issuer Corporate Services Agreement may, on the occurrence of certain default events, be terminated by either the Issuer or the Corporate Services Provider delivering notice to that effect to the other. Furthermore, the Corporate Services Provider will be permitted to retire at any time from its duties under the Issuer Corporate Services Agreement on giving not less than three months' prior written notice to the Issuer. In the event of delivery of a termination notice or resignation notice, as applicable, the Issuer and the Corporate Services Provider are required to use best efforts to replace the Corporate Services Provider. The outgoing Corporate Services Provider will continue to provide the corporate services to the Issuer until a successor corporate services provider is appointed. In some circumstances and subject to certain conditions, if a successor provider is not found within two months of delivery of the relevant notice, the outgoing Corporate Services Provider will be permitted to appoint a replacement corporate services provider, provided that such replacement is a reputable corporate services provider and agrees to provide the relevant services at the then market rate for corporate services providers performing similar duties to the Corporate Services Provider.

## Directors and Secretary

The directors of the Issuer and their respective business addresses and principal activities or business occupations as at the date of this Prospectus are:

<i>Name</i>	<i>Address</i>	<i>Principal Activities</i>
SFM Directors Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
SFM Directors (No. 2) Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
Claudia Wallace	35 Great St. Helen's London EC3A 6AP	Director

The company secretary of the Issuer is SFM Corporate Services Limited, a company incorporated in England and Wales (registered number 3920255), whose business address is 35 Great St. Helen's, London EC3A 6AP. The directors of SFM Directors Limited (registered number 3920254) and SFM Directors (No. 2) Limited (registered number 4017430) as at the date of this Prospectus and their principal activities are as follows:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Jonathan Keighley	35 Great St. Helen's London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's London EC3A 6AP	Director
John Paul Nowacki	35 Great St. Helen's London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's London EC3A 6AP	Director
Susan Abrahams	35 Great St. Helen's London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's London EC3A 6AP	Director

## Capitalisation Statement

The capitalisation of the Issuer as at the date of this Prospectus is as follows:

### Share Capital

<b>Issued Share Capital</b>	<b>Value of each Share</b>	<b>Share Fully</b>	<b>Paid-up Share Capital</b>
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£	£	Paid-up	£
50,000	1	50,000	50,000

All of the issued shares (being 50,000 shares of £1 each, each of which is fully paid-up) in the Issuer are held by the Share Trustee.

The Issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Issuer has not created any mortgages or charges nor has it given any guarantees as at the date of this Prospectus.

### **Financial Information**

Each financial period of the Issuer will end on 30 June of each year, with the current financial period of the Issuer ending on 30 June 2015. The auditors of the Issuer are expected to be Deloitte LLP, chartered accountants and statutory auditors, whose registered office is at 2 New Street Square, London EC4A 3BZ. Deloitte LLP is a member of the Institute of Chartered Accountants in England and Wales.

The Issuer will publish annual reports and accounts. The Issuer has not prepared audited financial statements as of the date of this Prospectus.

## THE SECOND GREEK BONDHOLDER

The Second Greek Bondholder was incorporated in England and Wales on 5 June 2014 (registered number 9073393) as a private company with limited liability under the Companies Act 2006, as amended. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP and its contact telephone number is +44 20 7398 6300. The Second Greek Bondholder is organised as a special purpose vehicle and its activities are limited accordingly. The Second Greek Bondholder has no subsidiaries. Pursuant to a declaration of trust (the "**SGB Share Declaration of Trust**") given by the Share Trustee, the entire issued share capital of the Second Greek Bondholder (being one share of £1, which is fully paid up) is held by or on behalf of the Share Trustee on trust for Charities and bodies from time to time included in the list set out in Schedule 3 to the Inheritance Tax Act 1984 or any statutory modification or re-enactment thereof. Neither the Greek Bond Issuer, nor the Issuer, nor NBG or any of their affiliates owns, directly or indirectly, any of the share capital of the Second Greek Bondholder.

### Principal Activities

The articles of association of the Second Greek Bondholder do not restrict it from, among other things, lending money and giving credit, secured and unsecured, borrowing or raising money and securing the payment of money and granting security over its property for the performance of its obligations or the payment of money. The Second Greek Bondholder was established for the limited purposes of subscribing for the SGB Greek Bonds, incurring borrowing from the Issuer pursuant to the SGB Loan, granting security for the SGB Loan (the "**SGB Security**") and certain related transactions described elsewhere in this Prospectus.

Since its incorporation, the Second Greek Bondholder has not engaged in any material activity other than those incidental to its incorporation and registration as a private limited company under the Companies Act 2006.

The activities of the Second Greek Bondholder will, on and from the Closing Date, be restricted by the SGB Loan and will be limited to the borrowing of the SGB Loan, the purchase of the SGB Greek Bonds, the exercise of related rights and powers and the other activities described in this Prospectus.

Pursuant to the terms of the corporate services agreement dated the Closing Date between the Corporate Services Provider and the Second Greek Bondholder (the "**SGB Corporate Services Agreement**"), the Corporate Services Provider has agreed to provide certain corporate services in relation to the Second Greek Bondholder. The SGB Corporate Services Agreement may, on the occurrence of certain default events, be terminated by either the Second Greek Bondholder or the Corporate Services Provider delivering notice to that effect to the other. Furthermore, the Corporate Services Provider will be permitted to retire at any time from its duties under the SGB Corporate Services Agreement on giving not less than three months' prior written notice to the Second Greek Bondholder. In the event of delivery of a termination notice or resignation notice, as applicable, the Second Greek Bondholder and the Corporate Services Provider are required to use best efforts to replace the Corporate Services Provider. The outgoing Corporate Services Provider will continue to provide the corporate services to the Second Greek Bondholder until a successor corporate services provider is appointed. In some circumstances and subject to certain conditions, if a successor provider is not found within two months of delivery of the relevant notice, the outgoing Corporate Services Provider will be permitted to appoint a replacement corporate services provider, provided that such replacement is a reputable corporate services provider and agrees to provide the relevant services at the then market rate for corporate services providers performing similar duties to the Corporate Services Provider.

## Directors and Secretary

The directors of the Second Greek Bondholder and their respective business addresses and principal activities or business occupations as at the date of this Prospectus are:

<i>Name</i>	<i>Address</i>	<i>Principal Activities</i>
SFM Directors Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
SFM Directors (No. 2) Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
Claudia Wallace	35 Great St. Helen's London EC3A 6AP	Director

The company secretary of the Second Greek Bondholder is SFM Corporate Services Limited

## Capitalisation Statement

The capitalisation of the Second Greek Bondholder as at the date of this Prospectus is as follows:

### Share Capital

<b>Issued Share Capital</b> <b>£</b>	<b>Value of each Share</b> <b>£</b>	<b>Share Fully</b> <b>Paid-up</b>	<b>Paid-up Share Capital</b> <b>£</b>
1	1	1	1

The issued share (being one of £1, which is fully paid-up) in the Second Greek Bondholder is held by the Share Trustee.

The Second Greek Bondholder has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Second Greek Bondholder has not created any mortgages or charges nor has it given any guarantees as at the date of this Prospectus.

## Financial Information

Each financial period of the Second Greek Bondholder will end on 30 June of each year, with the current financial period of the Second Greek Bondholder ending on 30 June 2015.

The Second Greek Bondholder will publish annual reports and accounts. The Second Greek Bondholder has not prepared audited financial statements as of the date of this Prospectus.

## THE GREEK BOND ISSUER

The Greek Bond Issuer is a Greek société anonyme established in accordance with the laws of the Hellenic Republic on 30 March 2010, pursuant to decision of the Athens Prefecture number 5941/2010, published in the Government Gazette issue 2541/14.04.2010 (sociétés anonymes registration number 69474/01/B/10/128 and General Commercial Registry No. 009313201000). The Greek Bond Issuer was established following a spin-off and contribution in kind of the commercially exploitable real estate properties of NBG. The Greek Bond Issuer is scheduled to remain in existence until 31 December 2110. Its registered office is at Karageorgi Servias 6, Athens, Greece and its contact telephone number is +30 210 3340103.

The Greek Bond Issuer is organised as a real estate investment company ("**REIC**") under the special provisions of Greek law 2778/1999 regarding "real estate mutual funds and real estate investment companies" (the "**REIC Law**") (as amended and currently in force) and, to the extent not covered by the REIC Law, by Greek codified law 2190/1920 regarding "special provisions on sociétés anonymes" (the "**C.I. 2190**", as amended and currently in force).

The Greek Bond Issuer is supervised by the Hellenic Capital Markets Commission (the "**HCMC**"), which granted its operation licence under number 9/544/18.3.2010.

Additionally, the regulatory framework of the Greek Bond Issuer was recently complemented by the provisions of articles 1 to 53 of Greek Law 4209/2013 (the "**AIFM Law**") which, among other things, has transposed into Greek law EU Directive No. 2011/61/EU regarding the Alternative Investment Fund Managers ("**AIFMs**") responsible for administering or commercially promoting Alternative Investment Funds ("**AIFs**"). Pursuant to the latter law (in particular, but without limitation, article 53 paragraph 5 of the same), all REICs regulated by the REIC Law are required, by 22 July 2014, to have taken all necessary actions to comply with the provisions of the AIFM law and, more specifically, to have submitted an application to the HCMC (being the competent regulatory authority) regarding the issuance of a special license to operate as AIFMs. The Greek Bond Issuer submitted such application to HCMC prior to the deadline specified above.

Moreover, the Greek Bond Issuer is obliged under the REIC Law (article 24 para. 4) to abide by special corporate governance rules which are provided by Greek law 3016/2002 (the "**Corporate Governance Law**", as amended and currently in force). The Corporate Governance Law generally applies to listed companies in a regulated market. However, the REIC Law provides that its provisions shall be also applied to REICs.

The Greek Bond Issuer is not currently listed on the Athens Exchange. However, under the REIC Law, Greek REICs are obliged to list their shares within two years following their incorporation. This time-period may be extended by two more years following a request by the REIC to the HCMC. The Greek Bond Issuer was granted an extension in relation to the listing of its shares to April 2014, which has been further extended by virtue of Greek law 4141/2013 for a period of thirty months from entry into force of such law. Following the above extensions, the deadline for listing of the Greek Bond Issuer's shares has been extended to October 2015.

### Subsidiaries

The Greek Bond Issuer has the following holdings of shares:

- (a) 100% of the shares in KARELA S.A. ("**KARELA**"), a Greek société anonyme;
- (b) 100% of the quotas in Nash S.r.L. ("**NASH**"), an Italian limited liability company; and
- (c) 100% of the units in Picasso (the "**Picasso Fund**"), an Italian closed-end real estate investment fund reserved to qualified investors.

## Principal Activities

Under article 3 of the Greek Bond Issuer's articles of association, the Greek Bond Issuer's exclusive scope is to make and engage in investments in accordance with the REIC Law.

In particular, the available funds of a REIC must be invested exclusively as follows:

- (a) 80 per cent. of the REIC's total assets must be invested in rights, shares, or participations in real estate property located in Greece or in another member state of the European Union and the European Economic Area ("**EEA**") or in a third country;
- (b) in deposits and money market instruments, subject to the applicable law regime;
- (c) in moveable or immovable assets that serve the REIC's operational needs, provided that such assets do not exceed, on a cumulative basis, 10 per cent. of the REIC's assets;
- (d) in shares or units in companies (excluding partnerships) that are at least 80 per cent. owned by the REIC, provided that such companies engage exclusively in real estate activities and have invested their entire fixed capital in real estate in accordance with the REIC Law;
- (e) in shares in holding companies that are at least 80 per cent. owned by the REIC, provided that such companies invest exclusively in those companies described under paragraph (d) above;
- (f) in shares in companies that are at least 25 per cent. owned by the REIC such that the REIC and each such company are in a parent-subsidiary relationship and provided that:
  - (i) such subsidiary companies are engaged in the acquisition, management and exploitation of real estate property; and
  - (ii) the REIC's participation in the aforementioned subsidiaries' share capital is part of a common business strategy for the development of property or properties of at least €10,000,000 in value, according to the detailed plan drafted by the board of the relevant subsidiary company, approved by the board of the REIC and notified to the HCMC;
- (g) in shares or stocks that are at least 80 per cent. owned by the REIC, in:
  - (i) undertakings for collective investment in transferable securities ("**UCITS**") under law 4099/2012 or Directive 2009/65/EC, provided that such UCITS invest their assets, exclusively or mainly, in securities issued by companies investing in real estate or companies managing and developing real estate assets;
  - (ii) REICs or other real estate mutual funds established under the REIC Law or in other companies or mutual funds or equity funds of other EU member states; and
  - (iii) AIFs under the AIFM Law, or Directive 2011/61/EC, under the conditions:
    - (A) that such AIFs have acquired an operational licence from an EU member state;
    - (B) that the governing law of such AIFs is that of an EU member state and that they are regulated by a competent regulatory authority of an EU member state; and
    - (C) that the AIFs' available funds are to be invested, exclusively or mainly, according to the REIC Law.

Since its incorporation, the Greek Bond Issuer has not been engaged in any material activity other than those incidental to its status as a REIC, in accordance with the REIC Law and C.I. 2190.



## Board of Directors

In accordance with the articles of association of the Greek Bond Issuer, its board of directors consists of nine members, elected by general meeting of its shareholders, which also determines the term of office of each such director. On 30 December 2013, pursuant to a decision of the general meeting of shareholders, the Greek Bond Issuer elected a new board of directors. The new board of directors was incorporated by a resolution of the Greek Bond Issuer's board of directors dated 30 December 2013. Following the resignation of Mr. Nikolaos Papapolitis from the board of directors, a new member was elected as his replacement by virtue of a resolution of the board of directors dated 17 April 2014. The directors of the Greek Bond Issuer and their respective business addresses and business occupations as at the date of this Prospectus are:

<b>Name/Surname</b>	<b>Address</b>	<b>Business Occupations</b>
Christos Protopapas	6, Karageorgi Servias Str, Athens	Chairman (Non-Executive Member)
Paula Hadjisotiriou	86, Aiolou Str, Athens	Vice-Chairman A (Non-Executive Member)
Christophoros Papachristophorou	6, Karageorgi Servias Str, Athens	Vice-Chairman B (Executive Member)
Aristotelis Karytinis	6, Karageorgi Servias Str, Athens	Chief Executive Officer (Executive Member)
Thiresia Messari	6, Karageorgi Servias Str, Athens	Executive Member
Akbar Abdul Aziz Rafiq	85, Carlton Hill, London	Non-Executive Member
David Netser	Hadarim street, Israel	Non-Executive Member
Spyridon Makrydakis	6, Karageorgi Servias Str, Athens	Independent, Non-Executive Member
Prodromos Vlamis	6, Karageorgi Servias Str, Athens	Independent, Non-Executive Member

According to the resolution of the shareholders' general meeting that elected the board of directors with the above composition, the term of office of the above directors will last until the first semester of the year 2017.

The Greek Bond Issuer is generally lawfully and validly represented by the joint signatures of any two of Aristotelis Karytinis, Thiresia Messari and Anna Chalkiadaki.

## Capitalisation and Indebtedness

The capitalisation and indebtedness of the Greek Bond Issuer as at the date of this Prospectus is as follows:

	<b>As at 31 December 2013</b> <b>(€1,000s)</b>
Long-term borrowings	51,390
Shareholders' equity:	
Share capital	735,712
Reserves	326,973
Retained earnings / (losses)	(26,502)
Total shareholders' equity	1,036,183
<b>Total capitalisation</b>	<b>1,087,573</b>

Under the REIC Law, the share capital of a REIC must be at least €25,000,000. The entire issued share capital of the Greek Bond Issuer is €735,712,000.00, paid in full, and is divided into 183,928,000 shares with a nominal value of €4 each, each corresponding to one vote in the general meeting of shareholders of the Greek Bond Issuer. All shares must be registered in accordance with REIC Law. As at the date of this Prospectus, National Bank of Greece S.A. ("**NBG**"), a Greek credit institution, holds 34 per cent of the Greek Bond Issuer's share capital and Invel Real Estate (Netherlands) II B.V. ("**Invel**"), a Dutch private limited liability company ("*Besloten Vennootschap*", in Dutch), holds 66 per cent of the Greek Bond Issuer's share capital.

## Financial Information

Each financial period of the Greek Bond Issuer will end on 31 December of each year, with the current financial period of the Greek Bond Issuer ending on 31 December 2014. The auditors of the Greek Bond Issuer are Deloitte, Hadjipavlou Sofianos & Cambanis S.A., chartered accountants and statutory auditors, whose registered office is at 3a Fragoklissias & Granikou Str., 151 25 Marousi, Attica, Greece.

Deloitte, Hadjipavlou Sofianos & Cambanis S.A. is registered with the Hellenic Accounting and Auditing Standards Oversight Board ("**ELTE**"). ELTE was established in 2003 by virtue of Law 3148/2003 and its role was further enhanced in 2008 with the adoption into Greek law 3693/2008 of EC Directive 2006/43/EC.

The Greek Bond Issuer prepares its consolidated and company financial statements in accordance with International Financial Reporting Standards ("**IFRS**"). The last prepared audited financial statements of the Greek Bond Issuer are as at 31 December 2013. Furthermore, the Greek Bond Issuer is obliged to publish at the end of each calendar semester a six-month statement of investments, which shall be based on a report by an independent valuer. The last prepared investment statement of the Greek Bond Issuer is as at 30 June 2014.

The 2012 Greek Bond Issuer Financial Statements and the 2013 Greek Bond Issuer Financial Statements of the Greek Bond Issuer have previously been published on the website of the Irish Stock Exchange at <http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/> and are deemed to be incorporated in, and to form part of, this Prospectus (see above under "*Documents Incorporated by Reference*").

During the financial period of the Greek Bond Issuer ending on 31 December 2012, the Greek Bond Issuer did not have any investments in subsidiaries. Accordingly, no subsidiaries are included in the 2012 Greek

Bond Issuer Financial Statements. During the financial period of the Greek Bond Issuer ending on 31 December 2013, the Greek Bond Issuer made investments in certain subsidiaries. Those subsidiaries are included in the 2013 Greek Bond Issuer Financial Statements.

For the avoidance of doubt, no information from the investment statement of the Greek Bond Issuer as at 30 June 2014 is included in this Prospectus.

More information is provided under the section headed "*Documents Incorporated by Reference*" regarding how to access the 2012 Greek Bond Issuer Financial Statements and the 2013 Greek Bond Issuer Financial Statements on the website of the Irish Stock Exchange.

## **THE SERVICER**

Situs Asset Management Limited ("**Situs**") is a limited liability company incorporated under the laws of England and Wales with its offices at 10<sup>th</sup> Floor, 155 Bishopsgate, London EC2M 3TQ, United Kingdom.

Situs is part of the Situs Holdings, LLC group. In October 2011, Helios AMC, LLC acquired The Situs Companies, LLC. Shortly thereafter, the name of Helios AMC, LLC changed to Situs Holdings, LLC.

Since 1985, Situs has provided commercial real estate advisory, due diligence and business solutions to the lending and real estate industries. Situs has offices located across the United States of America and Europe (including San Francisco, New York, Houston, London, Copenhagen, Frankfurt and Dublin).

Situs currently services and asset manages in excess of €21 billion of commercial real estate debt through its European platform. Situs also provides real estate advisory, due diligence and underwriting services to clients in Europe.

**THE NOTE TRUSTEE, THE ISSUER SECURITY TRUSTEE, THE SGB SECURITY TRUSTEE  
AND THE GREEK BOND ISSUER SECURITY TRUSTEE**

U.S. Bank Trustees Limited is a limited liability company incorporated under the laws of England and Wales with its office at 125 Old Broad Street, London, EC2N 1AR, United Kingdom.

U.S. Bank Trustees limited, as part of the U.S. Bancorp group and in combination with Elavon Financial Services Limited (the legal entity through which European agency and banking appointments are conducted) and U.S. Bank National Association (the legal entity through which the Corporate Trust Division conducts business in the United States), is one of the world's largest providers of trustee services with more than \$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with \$364 billion in assets as of 31 December 2013, is the parent company of U.S. Bank, the 5th largest commercial bank in the United States. The company operates 3,081 banking offices in 25 states and 4,906 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

## THE BONDHOLDER AGENT

Alpha Bank AE ("**Alpha Bank**") is incorporated with limited liability and domiciled in Greece as a public company under Codified Law 2190/20 of the Hellenic Republic. Alpha Bank's group (the "**Alpha Bank Group**") is one of the leading groups of the financial sector in Greece, with a strong presence in the Greek and international banking market. It offers a wide range of high-quality financial products and services, including retail banking, SMEs and corporate banking, asset management and private banking, the distribution of insurance products, investment banking, brokerage and real estate management. Alpha Bank is both the parent company and the main bank in the Alpha Bank Group, which was founded in 1879 by J.F. Costopoulos. The Alpha Bank Group operates a network that includes, as at 31 March 2014, approximately 613 branches, 9 corporate (commercial) centres, 9 private banking (customer service centres) and over 1,200 ATMs in Greece plus telephone and electronic banking channels. Internationally, the Alpha Bank Group is present via a network of 430 branches as at 31 March 2014 in Cyprus, Romania, Bulgaria, Serbia, Albania and the Former Yugoslav Republic of Macedonia. The Alpha Bank Group also has a presence in the United Kingdom and in the Channel Islands.

Significant recent milestones in relation to the Alpha Bank Group are:

- (a) the acquisition of the entire share capital of Emporiki Bank on 1 February 2013;
- (b) the recapitalisation of Alpha Bank by Euro 4,571 million, on 31 May 2013, with oversubscription of the required private sector participation in the rights issue, which resulted in the preservation of Alpha Bank's private character;
- (c) the completion of the legal merger by absorption of Emporiki Bank on 28 June 2013 and the creation of the integrated Alpha Bank; and
- (d) the successful capital increase of Euro 1.2 billion through a private placement with international institutional investors in March 2014 and the subsequent full redemption of the Hellenic Republic's preference shares of Euro 940 million in April 2014.

## **THE AGENTS, THE FACILITY AGENT, THE CASH MANAGER AND THE ACCOUNT BANK**

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services Limited (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U. S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services Limited from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services Limited is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services Limited is authorised by the Central Bank of Ireland and the activities of its U.K. Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services, in combination with U. S. Bank National Association (the legal entity through which the Corporate Trust Division conducts business in the United States), is one of the world's largest providers of trustee services with more than \$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with \$364 billion in assets as of 31 December 2013, is the parent company of U.S. Bank, the 5th largest commercial bank in the United States. The company operates 3,081 banking offices in 25 states and 4,906 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

## DESCRIPTION OF THE PORTFOLIO

The Greek Bond Issuer has entered into a number of lease agreements with NBG and certain of its subsidiaries (the "**NBG Group**", which term shall not include National Insurance Brokers S.A.) relating to a portfolio of properties owned by the Greek Bond Issuer (the "**Total NBG Portfolio**"). Of those properties that are included within the Total NBG Portfolio, 76 Properties are included in the Portfolio. In addition, one Property (being at 19 Ermou street, Athens), which is currently vacant, is also included in the Portfolio. Of the 77 Properties comprised within the Portfolio, 15 are partially leased to third parties outside the NBG Group (including National Insurance Brokers S.A. and Hellenic Electricity Distribution Network Operator S.A. ("**HEDNO**")). However, in the case of each of such 15 Properties, the part that is leased to such third parties is immaterial when compared to the part of such Properties that is leased to NBG Group.

More specifically, the Greek Bond Issuer leases to the NBG Group 225,320 square metres out of the 228,761 square metres comprising the Gross Leasable Area of the Portfolio. By way of contrast, 907.76 square metres of the Gross Leasable Area is leased to third parties.

"**Gross Leasable Area**" means, for the purposes of this Prospectus, the aggregate gross leasable area and is based on the total area that: (a) is allocated for use as rental space in a building, including parking spaces and storage space; and (b) generates rental revenue. It includes Properties that are currently fully or partially vacant and Properties that are partly occupied by the Greek Bond Issuer, such as 6, Karageorgi Servias Str, where the Greek Bond Issuer occupies 387 square metres.

Moreover, a total of 1,693 square metres of two plots of land comprised within the Portfolio (and not included within the Gross Leasable Area) are leased to a natural person and to HEDNO.

The Portfolio had, as at the dates specified in the Portfolio Valuation, an appraised value of approximately €476.36 million, as determined by the Greek Bond Issuer's independent statutory valuer.

All the Properties are located in Greece, with 39 Properties located in Attica and the remaining 38 Properties located in other major cities in Greece (including, without limitation, Thessaloniki, Heraklion and Patra).

Table A below summarises the Portfolio by geographic area as at 31 March 2014.

**Table A**

	Number of Properties	Gross Leasable Area  (square meters)	Occupancy  (%)	Percentage of Annualised Passing Rent
Attica	39	171,002	99.1% (1)	73.3%
Thessaloniki	5	8,428	100.0%	5.1%
Other	33	49,331	98.1%	21.6%
Total	77	228,761	98.9% (2)	100.0%

Notes to Table A:

- (1) This includes the part of Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer (and not leased to a tenant). By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer, the occupancy rate increases from 99.1% to 99.3%.
- (2) This includes the part of Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer (and not leased to a tenant). By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer, the occupancy rate increases from 98.9% to 99.1%.



The Portfolio is diversified by property type, with 55.1% of the Gross Leasable Area of the Portfolio consisting of office space, 42.9% consisting of retail space (mainly branches of banks) and 2.0% that is represented by an archive building.

Table B below summarises the Portfolio by market sector as at 31 March 2014:

**Table B**

	Number of Properties (1)	Gross Leasable Area  (square meters)	Occupancy  (%)	Percentage of Annualised Passing Rent
Office	25	126,176	99.0% (3)	41.9%
Retail	51	98,049	98.7%	56.9%
Other (2)	1	4,536	100.0%	1.2% (5)
Total	77	228,761	98.9% (4)	100.0%

Notes to Table B:

- (1) Properties that are mixed use properties (for example, office-retail) have been counted based on their primary use.
- (2) "Other" includes an archives building.
- (3) This includes the part of Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer (and not leased to a tenant). By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer, the occupancy rate increases from 99.0% to 99.3%.
- (4) This includes the part of Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer (and not leased to a tenant). By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer the occupancy rate increases from 98.9% to 99.1%.
- (5) The Annualised Passing Rent includes rent received from open air parking spaces, which is not included in the Gross Leasable Area.

### General overview of the Portfolio Leases

At 31 March 2014, the Portfolio was leased to 14 different tenants under 99 lease agreements. Substantially all of the revenues consist of rents received under long-term leases. The Annualised Passing Rent, as at 31 March 2014, amounted to €43.83 million, out of which 99.8% is generated by the NBG Group. No other tenant accounts for more than 10% of the Annualised Passing Rent.

Table C below contains information regarding lease expirations for the Portfolio as at 31 March 2014:

**Table C**

	Number of Leases Expiring (1)	Annualised Passing Rent (€) (1)	Percentage of Annualised Passing Rent
2014-2016	9	198,187	0.4%
2020	1	434	0.0%
2025	1	2,259	0.0%
2032	1	37,170	0.1%
2038	77	43,584,994	99.5%
	89	43,823,044	100.0%

Notes to Table C:

(1) The table does not include obligatory leases (where a power station is in place) with HEDNO.

Table D below describes the annual re-adjustment rates of the portfolio leases, based on the Greek consumer price index.

**Table D**

	Number of Leases	Annualised Passing Rent (€)	Percentage of Annualised Passing Rent
Without indexation(1)	10	5,631	0.0%
75% of CPI	2	5,606	0.0%
CPI	13	9,113,873	20.8%
CPI + 1.0%	74	34,703,565	79.2%
	99	43,828,675	100.0%

Notes to Table D:

(1) The majority of the leases relate to obligatory leases (where a power station is in place) with HEDNO.

The leases with members of the NBG Group (each an "**NBG Group Tenant**") also contain guaranteed tenancy provisions (whereby the relevant NBG Group Tenant agrees not to terminate the relevant lease for a period ranging between fifteen and twenty five years). As at 31 March 2014, the total "**Guaranteed Annualised Passing Rent**" (being the Annualised Passing Rent for leases with tenancy provisions pursuant to which the tenant agrees not to terminate the lease for a period ranging between 15 and 25 years) accounted for 99.8 per cent of the Annualised Passing Rent of the Portfolio.

Table E below presents information, as at 31 March 2014, regarding potential lease expirations based on guaranteed tenancy provisions contained in the leases. It does not take into account the Flexibility Mechanism, as defined below under "*Description of the leases with NBG Group Tenants*".

**Table E**

	Number of Leases Expiring	Guaranteed Annualised Passing Rent (€)	Percentage of Guaranteed Annualised Passing Rent
2028	74 (1)	34,801,440	79.4%
2038	4	8,918,880	20.3%
	78	43,720,320	99.8%

Notes to Table E:

(1) The table does not take into consideration the Flexibility Mechanism (including the 35% threshold) referred to in section "*Description of the leases with NBG Group Tenants*" below.

#### **Description of the leases with NBG Group Tenants**

The following description (including provisions on the vacation flexibility, termination rights and termination penalties) relates to all lease agreements between the Greek Bond Issuer and an NBG Group Tenant and not exclusively to lease agreements relating to the Portfolio.

The lease agreements relating to all of the 76 Properties that are comprised within both the Portfolio and the Total NBG Portfolio are entered into pursuant to an agreement dated 30 December 2013 between the Greek Bond Issuer (as lessor) and NBG (as lessee) (the "**Codified Lease**") and are for a 25-year term, expiring on 29 December 2038. Each NBG Group Tenant has the right to renew its lease twice, each time for a period of five years (hence, for ten years in total). If any NBG Group Tenant exercises the right to renew the lease both times, then it has the right to submit a new offer for the re-leasing of the leased property, such offer to be presented during the revised second renewed term, no later than six months before the lease expires.

For the majority of the leases with members of the NBG Group Tenants, the rent is adjusted annually, based on the Greek consumer price index, plus a spread of one per cent. For the majority of the remaining leases, the rent is adjusted annually based on the Greek consumer price index without any spread.

The leases with NBG Group Tenants contain provisions requiring the relevant tenant to bear all existing and future rates, taxes, duties, liabilities, costs, governmental or local or other charges attributable or relating to the leased properties (including utility charges), except for corporate income tax and property tax. In addition, NBG Group Tenants bear insurance and maintenance costs. Such tenants also bear stamp duty (currently 3.6 per cent.).

Aside from the Flexibility Mechanism described below, for a period of 15 years starting from 30 December 2013, each NBG Group Tenant has waived its statutory right deriving from presidential decree 34/1995 on commercial leases to terminate the majority of the leases. However, with respect to certain leases, the relevant NBG Group Tenant has agreed to waive its termination right for a period of 25 years. Nevertheless, each such NBG Group Tenant will have the right to terminate any of the leases for good cause (as described under "*Risk Factors – E. Risk Factors relating to the Properties - Statutory Termination Rights relating to Commercial Lease Agreements*").

After the lapse of 15 years, starting from 30 December 2013, the NBG Group Tenants will be entitled to terminate a certain number of leases, provided that after the fifteenth year following 30 December 2013, leases corresponding to 35 per cent of €64.1 million (the "**Total Base Rent**") shall be maintained. Regarding those leases corresponding to 35 per cent. of the Total Base Rent, after the lapse of 15 years, the rent will be readjusted annually by an amount equal to the change in the Greek consumer price index. For the purposes of calculation of the Total Base Rent, monthly rents are calculated as at 1 January 2015. The above termination rights relate to the majority of the leases included within the Total NBG Portfolio; therefore, the percentage of the leases within the Portfolio that are maintained may be lower, if NBG Group Tenants elect to apply their termination right primarily to leases included in the Portfolio.

For the majority of the leases included within the Total NBG Portfolio, the NBG Group Tenants will have the right, from the beginning of the fourth until the fifteenth year after 30 December 2013, to withdraw, on an annual basis, from a certain number of leaseholds corresponding to up to 0.83% annually of the Total Base Rent, following twelve months' advance written notice each time (the "**Flexibility Mechanism**"). The NBG Group Tenants have the right to roll over the unused percentages to subsequent lease years for a maximum of three years for each annual unused percentage. The above percentage of 0.83% covers the entire Total NBG Portfolio; therefore, if NBG Group Tenants choose to exercise their above vacation right mainly with regard to leases included in the Portfolio, the vacation percentage in relation to the Portfolio may be higher than 0.83% of the total Annualised Passing Rent.

The NBG Group Tenants are, pursuant to the leases, responsible for maintenance and repair of the leaseholds.

Assignment and/or transfer of the leases is permitted only between entities within the NBG Group, subject to a guarantee by NBG.

Each NBG Group Tenant has the right to sub-let all or part of the Properties, upon prior written notice to the Greek Bond Issuer, subject to certain conditions as to the terms of the sub-lease. The relevant NBG Group Tenant will be required to take reasonable steps and proceedings to remedy any breach by any sub-lessee of the covenants, conditions, agreements and provisions contained in the lease agreements and to enforce the performance and observance of the covenants by the sub-lessee and will not be permitted to waive any of its rights in the event of any breach thereof. Upon the termination of any sub-lease,

howsoever occurring, the relevant NBG Group Tenant will be required to take all requisite steps forthwith at its own expense to secure the return of the underlet premises.

If an NBG Group Tenant sub-leases the Properties with a rent higher to the rent to be paid to the Greek Bond Issuer, then such NBG Group Tenant will be obliged to pay 90 per cent of the premium on the rent to the Greek Bond Issuer. The same applies if the sub-lessee pays any money or other incentives (including, for example, key money).

Each NBG Group Tenant covenants to indemnify and hold harmless the Greek Bond Issuer in respect of any costs arising directly or indirectly from the use or occupation of any of the Properties, or any accidental injury or damage to any person or property occurring in any of the Properties, including reasonable judicial costs and related taxes.

The Greek Bond Issuer is required to insure the Properties in accordance with Hellenic Capital Market Commission decision no. 7/259/19.12.2002. The NBG Group Tenants are responsible for paying the costs of insurance. For as long as NBG holds the majority of shares and voting rights in NBG Insurance S.A., NBG Group Tenants will be entitled to insure all Properties with NBG Insurance S.A., provided such insurance is on commercially reasonable terms, conditions and pricing.

The Greek Bond Issuer may terminate each lease on the occurrence of any of the following:

- (a) the relevant NBG Group Tenant being in default of payment of the rent or other sums payable under the relevant lease for at least ten business days after it becomes payable, irrespective of whether a due payment is agreed or not, and, following a written notice of the Greek Bond Issuer, it fails to remedy the relevant default within 15 business days of receipt of such notice;
- (b) breach of any other obligation of the relevant NBG Group Tenant which is incapable of remedy or has not been remedied within 30 business days after written notice has been served; or
- (c) any other relevant due reason (good cause, as described under "*Risk Factors – E. Risk Factors relating to the Properties - Statutory Termination Rights relating to Commercial Lease Agreements*"), excluding the insolvency of the relevant NBG Group Tenant.

In the event that the Greek Bond Issuer terminates a lease as set out above, the relevant NBG Group Tenant will be required to pay the Greek Bond Issuer a termination penalty equal to the net present value of the rent that would otherwise have been payable up to the end of the term of the relevant lease, payable at a discount rate of five per cent.

Finally, if an NBG Group Tenant is in payment default or has not paid monthly rents at a rate equal to or greater than ten per cent of monthly rents corresponding to the active leases included within the Total NBG Portfolio, the Greek Bond Issuer will be entitled to extend its termination right with regard to the particular lease to the active leases included within the Total NBG Portfolio through a cross-default. In this case, compensation is due (as a penalty) for termination of all the active leases in the Total NBG Portfolio. More specifically, the penalty will be equal to the net present value of the total amount of the payable rents until the end of the term of the lease, with a five per cent discount rate.

## THE GREEK BONDS AND THE GREEK BOND SECURITY

The following section describes the material terms of the Greek Bond Finance Documents. The section does not purport to be complete and is subject to the terms of the Greek Bond Finance Documents.

### Greek Bond Finance Documents

The principal documentation entered into by the Greek Bond Issuer in relation to the Greek Bonds (the "**Greek Bond Finance Documents**") comprises:

- (a) the Greek Bonds;
- (b) the document entitled "The Programme" dated the Greek Bond Documentation Date between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Greek Bond Programme Agreement**"), as described in more detail in the section entitled "*- Greek Bond Programme Agreement*";
- (c) the agency agreement with respect to the Greek Bonds dated the Greek Bond Documentation Date between the Greek Bond Issuer and the Bondholder Agent (the "**Bondholder Agent Agreement**");
- (d) the purchase agreement with respect to the Greek Bonds dated the Greek Bond Documentation Date between the Greek Bond Issuer, the Issuer and the Second Greek Bondholder, as amended on or about 20 August 2014 (the "**Greek Bond Purchase Agreement**"), as described in more detail in the section entitled "*- Greek Bond Purchase Agreement*";
- (e) the account security deed relating to the Sweep Account and the Disposals Account dated on or about 20 August 2014 between the Greek Bond Issuer, the Bondholder Agent and the Greek Bond Issuer Security Trustee (the "**Account Security Deed**"), as described in more detail in the section entitled "*- Greek Bond Security Documents – Account Security Deed*";
- (f) the insurance pledge dated 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Insurance Pledge**"), as described in more detail in the section entitled "*- Greek Bond Security Documents – Insurance Pledge*";
- (g) the pledge and security assignment of the Commercial Lease Agreements with NBG or any member of the NBG Group or any tenant of the Property with address Ermou 19, Athens, dated 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Commercial Lease Agreements Pledge**"), as described in more detail in the section entitled "*- Greek Bond Security Documents – Commercial Lease Agreements Pledge*";
- (h) the pledge over the net proceeds from certain disposals of all or part of any Property (the "**Disposal Proceeds**") dated 12 August 2014 between the Greek Bond Issuer and the Bondholder Agent, as amended on or about 20 August 2014 (the "**Disposal Proceeds Pledge**"), as described in more detail in the section entitled "*- Greek Bond Security Documents – Disposals Pledge*";
- (i) the notarial mortgage deeds between the Greek Bond Issuer and the Bondholder Agent (the "**Mortgage Deeds**"), in some cases dated on or about the Greek Bond Documentation Date and, in the case of the Prenotation Properties, the Required Transfer Property and the Property with address Akadimias 68, Charilaou Trikoupi and Zoodoxou Pigis, Athens (the "**Akadimias Property**"), to be entered into after the Closing Date, as described in more detail in the section entitled "*- Greek Bond Security Documents - Mortgage Deeds*";
- (j) the mortgage prenotations to be entered into as described in the section entitled "*- Greek Bond Programme Agreement – Property undertakings – Prenotation/Required Transfer Properties*" (together with the Mortgage Deeds, the Account Security Deed, the Insurance Pledge, the Commercial Lease Agreements Pledge and the Disposal Proceeds Pledge, the "**Greek Bond Security Documents**"); and

- (j) the Facility Fee Letter, as described in more detail in the section entitled "*Greek Bond Programme Agreement – Facility Fee*".

The Bondholder Agent and the Bondholders together comprise the "**Finance Parties**".

### **Greek Bond Programme Agreement**

The Greek Bond Programme Agreement was entered into on the Greek Bond Documentation Date between the Greek Bond Issuer and the Bondholder Agent and was amended on or about 20 August 2014.

### ***Constitution of Greek Bonds and Greek Bond Loan***

The provisions of the Greek Bondholder Programme Agreement constitute the terms and conditions of the Greek Bonds and will be applicable to the Greek Bonds as if set out in full therein.

The Greek Bonds will constitute a loan to the Greek Bond Issuer (the "**Greek Bond Loan**"). The aggregate nominal amount of all Greek Bonds constituting the Greek Bond Loan will be €237,500,000.

Pursuant to the Greek Bond Purchase Agreement, subject to the conditions set out therein (as described in more detail in the section entitled "*- Greek Bond Purchase Agreement*"):

- (a) the Issuer has agreed to subscribe and pay for the Issuer Greek Bonds; and
- (b) the Second Greek Bondholder has agreed to subscribe and pay for the SGB Greek Bonds,

in each case in their entirety on the Closing Date.

### ***Use of Greek Bond proceeds***

The proceeds of each Greek Bond may only be used for:

- (a) the acquisition by the Greek Bond Issuer of any assets which the Greek Bond Issuer may acquire in accordance with the REIC Law, together with all primary and secondary legislation regulating the establishment and/or operation of REICs in Greece, each as amended and/or replaced from time to time (together, the "**REIC Legislation**"); and
- (b) payment of fees, costs and expenses incurred by the Greek Bond Issuer in relation to the Greek Bond Loan.

The Bondholder Agent will not be bound to monitor or verify the application of the proceeds of the Greek Bonds.

### ***Repayment and prepayment of the Greek Bonds***

#### ***Greek Bond Final Maturity Date***

Unless previously repaid, the Greek Bond Issuer will be required to repay the then outstanding amount of the Greek Bonds in full and all other amounts outstanding thereon on the "**Greek Bond Final Maturity Date**", being the Greek Bond Payment Date falling in July 2019.

#### ***Voluntary prepayment***

The Greek Bond Programme Agreement permits the Greek Bond Issuer, by giving not less than five Business Days prior notice to the Bondholder Agent, to prepay the Greek Bonds in whole or in part on any day.

In the event that the Greek Bond Issuer voluntarily prepays the whole or any part of the Greek Bonds, the Greek Bond Issuer will be required to pay to the Bondholder Agent on the date of such prepayment, for the account of the Greek Bondholders, an additional amount, being equal to the aggregate amount that would, but for the relevant prepayment, have been paid to Greek Bondholders by way of Margin on the principal amount of Greek Bonds as at the relevant prepayment date (or, in the event of a partial repayment, the principal amount of the Greek Bonds prepaid) from (and including) the date of prepayment to (but excluding) the Greek Bond Final Maturity Date (a "**Make-Whole Amount**").

*Mandatory prepayment on compulsory purchase*

In the event that any competent authority makes an order for the compulsory purchase of a Property, then the Greek Bond Issuer will be required promptly to give notice of the same to the Bondholder Agent and, within ten Business Days of the making of the relevant order, either:

- (a) to prepay the Greek Bonds by an amount equal to the Release Price of the relevant Property; or
- (b) to pay an amount equal to the Release Price of the relevant Property into the Disposals Account and give notice to the Bondholder Agent of its intention to add one or more additional properties (each, an "**Additional Property**"), each of which satisfies the Additional Property Criteria and the aggregate Valuation of which is at least equal to the Valuation of the Property subject to the compulsory purchase order, as described in more details under "*– Procedure for addition of Properties to the Portfolio*" below, in which case the Greek Bond Issuer will be required to complete the addition of the relevant Additional Property/ies within 60 days of confirming its intention to take such action.

Pursuant to the terms of the Greek Bond Programme Agreement, any amount paid into the Disposals Account as described in paragraph (b) above:

- (i) in the event that the Greek Bond Issuer fails to add such Additional Properties as are referred to in paragraph (b) above in accordance with the provisions described in such paragraph, will be applied in prepayment of the Greek Bonds as described above under "*– Voluntary prepayment*" on the Business Day following the expiry of the 60 day period referred to in paragraph (b) above; or
- (ii) in the event that the Greek Bond Issuer completes the addition of such Additional Properties as are referred to in paragraph (b) above in accordance with the provisions described in such paragraph, will be released to the Greek Bond Issuer on the next following Business Day.

If the Greek Bond Issuer has notified the Bondholder Agent of its intention, as described in paragraph (b) above, to add more than one Additional Property to the Portfolio and, within 60 days of giving such confirmation, has completed the addition of some but not all of such intended Additional Properties, then the amount applied in prepayment of the Greek Bonds shall be an amount equal to the hypothetical Release Price attributed to the intended Additional Properties that have not been added to the Portfolio and any excess amount paid into the Disposals Account as described in paragraph (b) above shall be released to the Greek Bond Issuer on the next following Business Day.

For the avoidance of doubt, a Property that is subject to a compulsory purchase order will no longer be deemed to form part of the Portfolio from the date the Greek Bond Issuer either prepays the Greek Bonds pursuant to paragraph (a) above or pays the relevant Release Price into the Disposals Account pursuant to paragraph (b) above.

The Bondholder Agent will, at the request and expense of the Greek Bond Issuer, take any steps necessary or desirable to release any Mortgage Deed or mortgage prenotation registered in respect of any Property deemed not to form part of the Portfolio, as described in this section "*– Mandatory prepayment on compulsory repurchase*".

The "**Allocated Loan Amount**", with respect to a Property, means:

- (a) in the case of a Property in the initial Portfolio, 50 per cent. of the Initial Valuation of such Property;
- (b) in the case of an Additional Property added to the Portfolio as described in this section "*Mandatory prepayment on compulsory purchase*" or the section below entitled "*Mandatory prepayment on major damage*", 50 per cent. of the Initial Valuation of the Property being replaced; and
- (c) in the case of an Additional Property added to the Portfolio as described in the sections headed "*Property undertakings - Loan to Value*", "*Property undertakings – Prenotation/Required Transfer Properties*", "*Property undertakings – Athinon Ave Property*" or "*Property undertakings – Rhodes Property*", 50 per cent. of the Valuation of such Additional Property on the date on which it was added to the Portfolio.

The "**Additional Property Criteria**" are, in relation to a proposed Additional Property, that:

- (a) the proposed Additional Property is located in Greece;
- (b) the Valuation of the proposed Additional Property is not less than three months old and was prepared on the same instructions as for the Initial Valuation; and
- (c) the proposed Additional Property is leased to NBG (and/or one or more of its subsidiaries) on the terms of the Codified Lease or is leased to NBG (and/or one or more of its subsidiaries) or another tenant under a separate commercial lease agreement on terms approved by the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders).

The "**Initial Valuation**" means the independent valuation of the Properties dated 31 May 2014, as set out in a report prepared by Maria N. Vlachogianni MRICS-REV (certified valuer) (based on the valuation of all but one of the Properties as at 31 December 2013 and the remaining Property in Ermou Street, Athens as at 31 May 2014) and supplied to the Bondholder Agent on or before the Closing Date.

"**Release Premium**" means:

- (a) with respect to a Property included in the Portfolio on the Closing Date that is leased to NBG or its subsidiaries and subject to a break right after 15 years, 115 per cent.; and
- (b) in respect of any other Property, 120 per cent.

"**Release Price**" means, with respect to a Property, an amount equal to:

- (a) the Allocated Loan Amount of such Property; multiplied by
- (b) the Release Premium applicable to such Property.

A "**Valuation**" means a valuation of the Greek Bond Issuer's interest in the relevant Properties and/or any Additional Property or proposed Additional Property, as applicable, by the Valuer, addressed to the Finance Parties and prepared in accordance with the REIC Law (or any replacement of such law) provided that the basis of the market value will always be determined on the same basis as that term is defined in the Royal Institution of Chartered Surveyors Valuation Standards – Professional Standards 2012 (or any replacement thereof) and provided further that the scope and format of any Valuation subsequent to the Initial Valuation will be substantially similar to the scope and format of the Initial Valuation (and will be consistent with the disclosure requirements outlined in Article 25 of the REIC Law and the decisions of the Hellenic Capital Markets Commission in relation to Greek REICs, i.e. 10/566 – 26.10.2010 and 8/259 – 19.12.2002), unless otherwise agreed by the Greek Bond Issuer and the Bondholder Agent.

"**Valuer**" means the Initial Valuer, Savills Hellas Ltd, Geoaxis, Proprius Ltd (Cushman & Wakefield), American Appraisal (Hellas) Ltd, GLP, Redvis, Solum, L.P. Ellinas Ltd, Arbitrage Real Estate, Dorian,



Danos BNP Paribas Real Estate, Avent (Nai Hellas) , Ioannis Stournaras, Pavlos Kanellakis, Nikolaos Protonotarios, Theodoros Konstantakopoulos or any other surveyor or valuer appointed by:

- (a) the Greek Bond Issuer and approved by the Bondholder Agent; or
- (b) the Bondholder Agent,

in either case in accordance with the provisions of the Greek Bond Programme Agreement.

*Mandatory prepayment on major damage*

In the event that any Property or any part thereof is damaged and such damage constitutes an actual or constructive total loss of such Property, then the Greek Bond Issuer will be required promptly to give notice of the same to the Bondholder Agent and, within ten Business Days of the determination that the damage constitutes an actual or constructive total loss, give notice to the Bondholder Agent of the same and either:

- (a) prepay the Greek Bonds by an amount equal to the Release Price of the relevant Property;
- (b) pay an amount equal to the Release Price of the relevant Property into the Disposals Account and give notice to the Bondholder Agent of its intention to add one or more Additional Properties, each of which satisfies the Additional Property Criteria and the aggregate Valuation of which is at least equal to the Valuation of the Property subject to the major damage, as described in more detail under "*– Procedure for addition of Properties to the Portfolio*" below, in which case the Greek Bond Issuer will be required to complete the addition of the relevant Additional Property or Additional Properties within 60 days of confirming its intention to take such action; or
- (c) pay an amount equal to the Release Price of the relevant Property into the Disposals Account and request that the Greek Bond Issuer be entitled to apply the proceeds of any relevant Insurance held in respect of that Property in the rebuilding or reconstruction of the relevant Property (so as to restore it to substantially the same use as that for which the Property was used prior to the occurrence of the relevant damage) in place of either prepaying the Greek Bonds, as described in paragraph (a) above, or adding one or more Additional Properties to the Portfolio, as described in paragraph (b) above. For the avoidance of doubt, any such right of the Greek Bond Issuer so to rebuild or reconstruct the Property shall be subject to the approval of the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) and the requirements set out below under "*- Reconstruction Plan*").

Pursuant to the terms of the Greek Bond Programme Agreement, any amount paid into the Disposals Account as described in paragraph (b) above:

- (i) in the event that the Greek Bond Issuer fails to add such Additional Properties as are referred to in paragraph (b) above in accordance with the provisions described in such paragraph, will be applied in prepayment of the Greek Bonds as described above under "*– Voluntary prepayment*" on the Business Day following the expiry of the 60 day period referred to in paragraph (b) above; or
- (ii) in the event that the Greek Bond Issuer completes the addition of such Additional Properties as are referred to in paragraph (b) above in accordance with the provisions described in such paragraph, will be released to the Greek Bond Issuer on the next following Business Day.

If the Greek Bond Issuer has notified the Bondholder Agent of its intention, as described in paragraph (b) above, to add more than one Additional Property to the Portfolio and, within 60 days of giving such confirmation, has completed the addition of some but not all of such intended Additional Properties, then the amount applied in prepayment of the Greek Bonds shall be an amount equal to the hypothetical Release Price attributed to the intended Additional Properties that have not been added to the Portfolio and any excess amount paid into the Disposals Account as described in paragraph (b) above shall be released to the Greek Bond Issuer on the next following Business Day.

For the avoidance of doubt, a Property that has been damaged in whole or in part such that such damage constitutes an actual or constructive total loss of such Property will no longer be deemed to form part of the Portfolio, unless the Greek Bond Issuer has requested permission to rebuild or reconstruct that Property in place of prepaying the Greek Bonds, as described in paragraph (a) above, or adding one or more Additional Properties to the Portfolio, as described in paragraph (b) above, and for so long as such permission has not been denied or the 60 day period described in paragraph (b) above has not elapsed without a Reconstruction Plan being approved.

The Bondholder Agent will, at the request and expense of the Greek Bond Issuer, take any steps necessary or desirable to release any Mortgage Deed or mortgage prenotation registered in respect of any Property deemed not to form part of the Portfolio, as described in this section "*Mandatory prepayment on major damage*".

#### *Reconstruction Plan*

In the event that the Greek Bond Issuer makes a request, as described in paragraph (c) of the section entitled "*Mandatory prepayment on major damage*", then the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) may either:

- (a) confirm that the Majority Greek Bondholders are willing to consider such request, in which case the Greek Bond Issuer may (subject as described in the rest of this section "*Reconstruction Plan*") spend up to 60 days from the date of such confirmation seeking approval from the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) to a rebuilding or reconstruction plan (the "**Reconstruction Plan**") (including a schedule for the completion of the relevant rebuilding or reconstruction work and such other matters as the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) may deem relevant in order to give its approval to such Reconstruction Plan). If, within such 60 day period, the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) confirms that the Greek Bond Issuer may rebuild or reconstruct the relevant Property pursuant to the proposed Reconstruction Plan (without prepaying the Greek Bonds or adding any Additional Property to the Portfolio) then the amount paid into the Disposals Account by the Greek Bond Issuer as described in paragraph (c) of the section entitled "*Mandatory prepayment on major damage*" above shall be retained in the Disposals Account and released to the Greek Bond Issuer on the Business Day following the date on which the Reconstruction Plan has been completed (to the satisfaction of the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders, acting reasonably)) and the relevant Property is re-occupied pursuant to a Commercial Lease Agreement. If the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) does not approve a Reconstruction Plan within such 60 day period, the amount paid into the Disposals Account, as described above, will be applied in prepayment of the Greek Bonds on the next Greek Bond Payment Date in accordance with the provisions described in the section entitled "*Voluntary prepayment*"; or
- (b) reject such request, in which case the Greek Bond Issuer may elect either to prepay the Greek Bonds, as described in paragraph (a) of the section entitled "*Mandatory prepayment on major damage*" or add one or more Additional Properties to the Portfolio in accordance with paragraph (b) of such section (in which latter case the rest of the provisions described in that section will also take effect accordingly, provided that, for the avoidance of doubt, the Greek Bond Issuer will not be required to pay any additional amount into the Disposals Account, and the time period permitted to the Greek Bond Issuer to add any Additional Property to the Portfolio shall be no longer than that which would have been permitted if the Issuer had not made any request pursuant to paragraph (c) of such section).

For the purposes of the above two paragraphs, the Majority Greek Bondholders may give or withhold their approval in their sole discretion, except where expressly provided otherwise.

*Mandatory prepayment for change of control*

The Greek Bond Issuer will be required promptly to notify the Bondholder Agent if it becomes aware of any Change of Control.

For the purposes, a "**Change of Control**" occurs if, prior to the shares in the capital of the Greek Bond Issuer becoming listed on a recognised exchange in compliance with the REIC Legislation, Invel ceases to control (directly or indirectly) at least 35 per cent. of the shares in the capital of the Greek Bond Issuer without the prior consent of the Bondholder Agent (acting on the instruction of the Enhanced Majority Greek Bondholders), such consent not to be unreasonably withheld.

Upon a Change of Control, the Bondholder Agent will be required, if so directed by the Enhanced Majority Greek Bondholders, by notice served as soon as practically possible to the Greek Bond Issuer, to declare all Greek Bonds then outstanding, together with accrued interest and all other amounts accrued under the Greek Bond Finance Documents, to be due and payable on the next Greek Bond Payment Date.

In the event that the Greek Bond Issuer is required to prepay the Greek Bonds upon a Change of Control, the Greek Bond Issuer will also be required to pay a Make-Whole Amount to the Bondholder Agent on the date of such prepayment, for the account of the Greek Bondholders.

*Mandatory prepayment – illegality*

Pursuant to the Greek Bond Programme Agreement, each Greek Bondholder is required to notify the Greek Bond Issuer promptly if it becomes aware that it is unlawful in any jurisdiction applicable to that Greek Bondholder to fund or continue to hold any Greek Bonds subscribed or purchased by it.

Upon receipt of any such notification, the Greek Bond Issuer will be required to prepay all Greek Bonds held by such Greek Bondholder on:

- (a) the Greek Bond Payment Date relating to the current Greek Bond Interest Period; or
- (b) if earlier, the date specified by the Greek Bondholder in such notification, which may not be earlier than the last day of any applicable grace period allowed by law.

*Involuntary prepayment for taxation or increased costs*

In the event that the Greek Bond Issuer is, or will be, required to pay to a Greek Bondholder a Tax Payment or an Increased Cost, the Greek Bond Issuer may, while the requirement continues, give notice to the Bondholder Agent requesting early prepayment in respect of that Greek Bondholder.

Upon making such a notification, the Greek Bond Issuer will be required to prepay Greek Bonds held by the relevant Greek Bondholder on the Greek Bond Payment Date relating to the current Greek Bond Interest Period or, if earlier, the date specified by the Greek Bond Issuer in such notification.

For the purposes of this Prospectus:

**"Increased Cost"** means:

- (a) an additional or increased cost;
- (b) a reduction in the rate of return from a Greek Bond or on its overall capital; or
- (c) a reduction of an amount due and payable under any Greek Bond Finance Document,

which is incurred or suffered by a Greek Bondholder or any of its affiliates but only to the extent attributable to that Greek Bondholder having entered into any Greek Bond Finance Document or funding or performing its obligations under any Greek Bond Finance Document;

**"Tax Payment"** means a payment made by Greek Bond Issuer to a Greek Bondholder in any way relating to a deduction or withholding for or on account of Tax from a payment under a Greek Bond Finance Document or under any indemnity given by Greek Bond Issuer in respect of Tax under any Greek Bond Finance Document; and

**"Taxes"** means all present and future taxes, levies, imposts, duties, stamp taxes or duties, charges and fees whatsoever in any jurisdiction (including, without limitation, any value added tax or any contribution or levy payable or withheld under Greek law 128/1975 or any other laws or regulations of Greece (if any)) and any interest, penalties, additions, fines or surcharges payable on any of the foregoing imposed by any taxing or other governmental authority.

*Procedure for addition of Properties to the Portfolio*

In the context of compulsory purchase (as described above under " - *Mandatory prepayment for compulsory purchase*"), major damage (as described above under " - *Mandatory prepayment for major damage*"), curing a breach of the Loan to Value Test (as described below under " - *Property undertakings – Loan to Value*") or the circumstances described under " - *Property undertakings – Prenotation/Required Transfer Properties*"), the procedure for adding an Additional Property to the Portfolio will be as follows.

In order to add an Additional Property, the Greek Bond Issuer will be required to:

- (a) provide notice to the Bondholder Agent of the following details and/or documents relating to such proposed Additional Property, including (without limitation): the address; the tenant(s); the most recent Valuation, as required by the Additional Property Criteria; a certified copy of the relevant Commercial Lease Agreement(s); all certificates and other documents required for the execution and registration of a first-ranking mortgage over such proposed Additional Property; title deed(s); and a title diligence report (an "**Additional Property Title Report**") regarding such proposed Additional Property, confirming that such Additional Property is not subject to any existing security interest or third party rights and that it is duly registered with the competent land registry and cadastre, where applicable, in the name of the Greek Bond Issuer as 100 per cent. owner thereof;
- (b) establish a first ranking mortgage over the Additional Property on substantially the same terms and conditions as the mortgages granted over the Properties included in the Portfolio on the Closing Date; and register such mortgage with the competent land registry and cadastre (where applicable);
- (c) extend the Commercial Lease Agreements Pledge and the Disposal Proceeds Pledge to the rights of the Greek Bond Issuer (in its capacity as lessor) arising from or relating to the Commercial Lease Agreement referred to in paragraph (a) above;
- (d) extend the Insurance Pledge to the Commercial Lease Agreement referred to in paragraph (a) above;
- (e) effect service of the amendment to the Commercial Lease Agreements Pledge, the Disposal Proceeds Pledge and the Insurance Pledge (as provided under paragraphs (c) and (d) above) to the parties indicated in each such document; and
- (f) register the amendments to the Commercial Lease Agreement Pledge, the Disposal Proceeds Pledge and the Insurance Pledge (as provided under paragraphs (d) and (e) above) with the pledge registry of Greek law 2844/2000.

With effect on and from the date on which the Bondholder Agent notifies the Greek Bond Issuer and the Greek Bondholders that it has received the following documents (and the Bondholder Agent will agree to provide such confirmation promptly upon receipt of the following documents to its reasonable satisfaction):

- (i) certificates by the relevant land registry (or a legal opinion, at the discretion of the Bondholder Agent) confirming: (A) due registration of a mortgage as a first ranking mortgage over the relevant Additional Property; (B) no security interests or third party claims are registered on the Additional Property (other than the relevant mortgage referred to in (A)); (C) the Greek Bond Issuer is registered as the 100 per cent. owner of the Additional Property; and (D) certificate of registration of the competent cadastre (where applicable);
- (ii) copies of reports of service by the competent service agent confirming the service of the amendment to the Commercial Lease Agreements Pledge, the Disposal Proceeds Pledge and the Insurance Pledge (as described in paragraphs (c) and (d) above) to the parties indicated therein; and
- (iii) certificates of registration by the relevant pledge registry of the amendment to the Commercial Lease Agreements Pledge, the Disposal Proceeds Pledge and the Insurance Pledge (as described in paragraphs (d) and (e) above) with the pledge registry of Greek law 2844/2000,

such proposed Additional Property will be included in the Portfolio and be treated as a Property for the purposes of the Greek Bond Finance Documents.

*Prepayment not on a Greek Bond Payment Date*

If any prepayment is made on a day that is not a Greek Bond Payment Date:

- (a) the Greek Bond Issuer will be required to pay an amount equal to the amount of interest (excluding Margin if a Make-Whole Amount is also payable in respect of the amount prepaid) that would have been payable on the whole of the amount prepaid on the next following Greek Bond Payment Date;
- (b) if the prepayment is in whole, the Greek Bond Issuer will be required to pay an amount equal to the Estimated Facility Fee applicable to the current Greek Bond Interest Period; and
- (c) if the prepayment is in part but not in whole, no amount in respect of the Facility Fee shall be payable on the date of such prepayment.

*Interest on the Greek Bonds*

Interest under the Greek Bonds is required to be paid quarterly in arrear on each "**Greek Bond Payment Date**", being 15 January, 15 April, 15 July and 15 October in each year, provided that, if any such day is not a Business Day, the relevant Greek Bond Payment Date will instead be the immediately preceding Business Day.

"**Greek Bond Interest Period**" means each successive period commencing on (and including) a Note Payment Date (or, in respect of the first Greek Bond Interest Period, the Closing Date) and ending on (but excluding) the next following Note Payment Date.

The Note Interest Periods and Greek Bond Interest Periods are aligned in order to avoid potential mismatches between the interest payable on the Greek Bonds and the interest payable on the Notes.

The rate of interest payable on each Greek Bond for each Greek Bond Interest Period is the percentage rate per annum equal to the aggregate of the applicable:

- (a) Margin;
- (b) EURIBOR; and
- (c) Mandatory Cost (if applicable).

For the purposes of such interest rate determination:

"**EURIBOR**" means, for any Greek Bond Interest Period:

- (a) the Euro zone Interbank Offered Rate for three-month Euro deposits or, in the case of the first Greek Bond Interest Period, a linear interpolation of the Euro zone Interbank Offered Rate for one month Euro deposits and the Euro zone Interbank Offered Rate for two month Euro deposits (rounded in each case to five decimal places with the mid-point rounded up), by reference to the Screen Rate; or
- (b) if the Screen Rate is not then available or is not then available for the relevant Greek Bond Interest Period, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Bondholder Agent at its request by the principal Eurozone office of each of the Reference Banks at or about 11.00 a.m. (Brussels time) on the Rate Fixing Day for the offering of deposits to the leading banks in the Eurozone interbank market for a period comparable to the relevant Greek Bond Interest Period for the Greek Bonds,

provided that:

- (i) if, on any Rate Fixing Day, only two of three of the Reference Banks provide such offered quotations to the Bondholder Agent, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations; and
- (ii) if, on any such Rate Fixing Day, only one quotation is provided as requested, the rate for that Rate Fixing Day will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in the Eurozone selected by the Bondholder Agent (in consultation with the Servicer);

"**Mandatory Cost**" means, in respect of a Greek Bondholder (other than the Issuer and the Second Greek Bondholder), the cost of such Greek Bondholder complying with certain regulatory requirements, expressed as a percentage rate per annum and calculated by the Bondholder Agent in accordance with the provisions of the Greek Bond Programme Agreement;

"**Margin**" means 4.85 per cent. per annum;

"**Rate Fixing Day**" means the second TARGET2 Business Day before the Closing Date and each Note Payment Date;

"**Reference Banks**" means Alpha Bank S.A. and such other banks (being at least three in number) which the Bondholder Agent (in consultation with any Servicer) may select from time to time;

"**Screen Rate**" means the euro interbank offered rate administered by the Euribor, Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period on page EURIBOR01 of the Reuters screen service (or any replacement Reuters page which displays that rate), provided that if such service ceases to be available, the Bondholder Agent may specify another service displaying the appropriate rate after consultation with the Servicer;

"**TARGET2 Business Day**" means any day on which the TARGET2 System is open for business; and

"**TARGET2 System**" means the Trans European Automated Real Time Gross Settlement Express Transfer Payment System which utilises a single shared platform which was launched on 19 November 2007 (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Bondholder Agent (in consultation with any Servicer) to be a suitable replacement).

## **Facility Fee**

### *Greek Bond Issuer obligation to pay Facility Fee*

On the Closing Date and each Greek Bond Payment Date, the Greek Bond Issuer is also required to pay to the Bondholder Agent, for the account of the Greek Bondholders (for so long as one or more of the Issuer and the Second Greek Bondholder is a Greek Bondholder, the Facility Fee (if any)).

The "**Facility Fee**" payable by the Greek Bond Issuer:

- (a) on the Closing Date shall be an amount equal to the fees, costs and expenses payable by the Issuer and the Second Greek Bondholder on or about the Closing Date; and
- (b) on each Greek Bond Payment Date (including the Greek Bond Payment Date on which the Greek Bonds are repaid in full) shall be in an amount equal to the aggregate of the Issuer Facility Fee and the SGB Facility Fee (as defined below).

The "**Issuer Facility Fee**" will, with respect to each Greek Bond Payment Date, pursuant to a side letter dated on the Closing Date from the Issuer and the Second Greek Bondholder to (and acknowledged by) the Greek Bond Issuer, the Bondholder Agent and the Servicer (the "**Facility Fee Letter**"), be determined by the Cash Manager pursuant to the Issuer Cash Management Agreement as the amount (without double counting) equal to the aggregate of the amounts (to the extent known at the time of determination of the Issuer Facility Fee (and, if not known, as estimated by or on behalf of the Issuer, acting reasonably)):

- (a) payable (or to be provided for) by the Issuer on the Note Payment Date immediately following such Greek Bond Payment Date in accordance with paragraphs (a), (b), (c) and (f) of the Pre-Enforcement Priority of Payments less (by way of rebate of the Issuer Facility Fee) the surplus retained in the Issuer Transaction Account on the Note Payment Date immediately preceding such Greek Bond Payment Date in accordance with paragraph (g) thereof (but only to the extent such surplus will form part of the Available Funds of the Issuer for the Note Payment Date immediately following such Greek Bond Payment Date); or
- (b) payable by the Issuer in accordance with paragraphs (a) or (b) of the Post-Enforcement Priority of Payments.

The "**SGB Facility Fee**" will, with respect to each Greek Bond Payment Date pursuant to the Facility Fee Letter, be determined by the Cash Manager pursuant to the SGB Cash Management Agreement as the amount (without double counting) equal to the aggregate of the amounts (to the extent known at the time of determination of the SGB Facility Fee (and, if not known, as estimated by or on behalf of the Second Greek Bondholder, acting reasonably)):

- (a) payable by the Second Greek Bondholder to the Issuer on the SGB Payment Date immediately following such Greek Bond Payment Date by way of any additional amount necessary to ensure that the net full amount received by the Issuer after any deduction or withholding required by law or regulation is equal to the amount that the Issuer would have received had no such deduction or withholding been made;
- (b) payable (or to be provided for) by the Second Greek Bondholder on the SGB Payment Date immediately following such Greek Bond Payment Date in accordance with paragraphs (a), (b), (c), (d), (e)(iv) and (g) of the Pre-Enforcement SGB Priority of Payments less (by way of rebate of the SGB Facility Fee) the surplus retained in the SGB Transaction Account on the SGB Payment Date immediately preceding such Greek Bond Payment Date in accordance with paragraph (h) thereof (but only to the extent such surplus will form part of the SGB Available Funds of the Second Greek Bondholder for the SGB Payment Date immediately following such Greek Bond Payment Date); or

- (c) payable by the Second Greek Bondholder in accordance with paragraphs (a), (b) and (c) of the Post-Enforcement SGB Priority of Payments and to the Issuer (other than by way of interest, principal, SGB Make-Whole Payments and SGB Default Interest on the SGB Loan).

*Exclusions from Facility Fee*

The Facility Fee will not include:

- (a) any costs, fees or expenses payable by the Issuer or the Second Greek Bondholder to any third party (not being a party to a Transaction Document or a Greek Bond Finance Document) that are outside the ordinary course of business of the Issuer or, as applicable, the Second Greek Bondholder (it being acknowledged by the parties to the Facility Fee Letter that the appointment by the Issuer or the Second Greek Bondholder of a financial adviser will not be considered to be in the ordinary course of business of, respectively, the Issuer or the Second Greek Bondholder) and are not contemplated in the Transaction Documents, unless the Greek Bond Issuer has given its prior written agreement to reimburse such amounts via the Facility Fee, such agreement not to be unreasonably withheld (and, for the avoidance of doubt, any amounts payable to an auditor of the Issuer shall be treated as being within the ordinary course of business of the Issuer);
- (b) any amounts that only became payable as a result of an amendment made to the Transaction Documents after the Closing Date (unless such amendment is to correct a manifest error or a proven error, is to comply with mandatory provisions of law or is of a formal, minor or technical nature or is to ensure that the Transaction Documents are consistent with the corresponding disclosure or description in this Prospectus) unless the Greek Bond Issuer has given its prior written agreement to reimburse such amounts via the Facility Fee, such agreement not to be unreasonably withheld;
- (c) any amounts arising as a result of or in connection with any securitisation or similar transaction pursuant to which securities are issued by a Greek Bondholder which are collateralised by the Greek Bonds owned by that Greek Bondholder (other than the transaction described in this Prospectus and documented in the Transaction Documents); or
- (d) save to the extent that the Greek Bond Issuer agrees otherwise in writing, costs and expenses incurred by the Servicer in relation to the appointment of any advisers by the Servicer to advise on matters that ought to be within the competence of the Servicer and with respect to which either the Operating Adviser (if appointed) or holders of more than 50 per cent. of the Principal Amount Outstanding of the Notes have given written notice to the Issuer and the Servicer, as described in the section entitled "*The Servicing Arrangements – The Servicing Agreement – Delegation*", of their consent to reimbursement by the Issuer.

*Determination and notification of Issuer Facility Fee*

The Cash Manager will be required, pursuant to the terms of the Issuer Cash Management Agreement, not later than each Facility Fee Notification Date, to calculate the Issuer Facility Fee payable by the Greek Bond Issuer under the terms of the Greek Bond Finance Documents and the Facility Fee Letter on the immediately following Greek Bond Payment Date and, promptly following such calculation (on such Facility Fee Notification Date), notify the amount of such Issuer Facility Fee in writing to each of the Issuer, the Servicer, the Bondholder Agent, the Greek Bond Issuer and the Issuer Security Trustee, where "**Facility Fee Notification Date**" means each 10 January, 10 April, 10 July and 10 October.

*Determination and notification of SGB Facility Fee*

The Cash Manager will be required, pursuant to the terms of the SGB Cash Management Agreement, not later than each Facility Fee Notification Date, to calculate the SGB Facility Fee payable by the Greek Bond Issuer under the terms of the Greek Bond Finance Documents and the Facility Fee Letter on the immediately following Greek Bond Payment Date and, promptly following such calculation (on such Facility Fee Notification Date), notify the amount of such SGB Facility Fee in writing to each of the



Second Greek Bondholder, the Servicer, the Bondholder Agent, the Greek Bond Issuer and the SGB Security Trustee.

### ***Greek Bond Issuer Accounts***

Pursuant to the terms of the Greek Bond Programme Agreement, the Greek Bond Issuer is required to maintain:

- (a) a rent collection account (the "**Rent Collection Account**"), to which the Greek Bond Issuer has sole signing rights;
- (b) a sweep account (the "**Sweep Account**"), to which the Bondholder Agent has signing rights; and
- (c) a disposals account (the "**Disposals Account**"), to which the the Bondholder Agent has sole signing rights.

Together, the Rent Collection Account, the Sweep Account and the Disposals Account are, for the purposes of this Prospectus, called the "**Greek Bond Issuer Accounts**".

The Greek Bond Programme Agreement requires that each of the Sweep Account and the Disposals Account must be opened and maintained in London.

As at the date of this Prospectus:

- (a) the Rent Collection Account is maintained by the Greek Bond Issuer with NBG's branch located at 6, Karageorgi Servias Str, Athens, GR 105-62; and
- (b) the Sweep Account and the Disposals Account are maintained by the Greek Bond Issuer with the London Branch of NBG.

As at the date of this Prospectus, the long term unsecured, unguaranteed and unsubordinated debt obligations of NBG are rated CCC+ (stable) by Fitch Italia SpA, Caa1 (stable) by Moody's Investors Service Cyprus Limited and B- (stable) by Standard & Poor's Credit Market Services Europe Limited.

### ***Rent Collection Account***

#### **Rental Income**

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to take all steps necessary to ensure that all Rental Income paid by a Tenant is paid into the Rent Collection Account on or before each Rent Payment Date, where:

**"Rent Payment Date"** means the 10th day of each calendar month;

**"Rental Income"** means the aggregate of all amounts paid or payable to or for the account of the Greek Bond Issuer on an after-tax basis in connection with the letting, licence or grant of other rights of use or occupation of all and any part of the Properties, including each of the following amounts:

- (a) rent, licence fees, rent adjustments and equivalent amounts paid or payable;
- (b) any sum received or receivable from any deposit held as security for performance of a tenant's rental payment obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Greek Bond Issuer;
- (d) any other moneys paid or payable in respect of occupation and/or usage of each Property and any fixture or fitting on that Property, including any fixture or fitting on that Property for display or advertisement, on licence or otherwise;

- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension, release or variation of any Tenancy Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Tenancy Document;
- (h) any Tenant Contribution; and
- (i) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above, less any related fees and expenses incurred (which have not been reimbursed by another person) by the Greek Bond Issuer;

**"Tenancy Document"** means, with respect to any Property:

- (a) any commercial lease agreement between the Greek Bond Issuer (as lessor) and a Tenant (as lessee) whereby the Greek Bond Issuer grants the Tenant the right to use and occupy the relevant Property (each, a **"Commercial Lease Agreement"**); or
- (b) any other document designated as such by the Bondholder Agent and the Greek Bond Issuer;

**"Tenant"** means NBG (and any of its subsidiaries) and/or any other tenant of the Properties; and

**"Tenant Contribution"** means any amount paid or payable to the Greek Bond Issuer by any tenant under a Tenancy Document or any other occupier of a Property, by way of:

- (a) contribution to:
  - (i) ground rent;
  - (ii) insurance premia;
  - (iii) the cost of an insurance valuation;
  - (iv) a service or other charge in respect of the Greek Bond Issuer's costs in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Property;
  - (v) a reserve or sinking fund; or
- (b) stamp duty or value added Tax.

*Transfers from Rent Collection Account (prior to a Greek Bond Event of Default)*

Pursuant to the Greek Bond Programme Agreement, prior to a Greek Bond Event of Default:

- (a) the Bondholder Agent is required, not later than five Business Days following each Greek Bond Payment Date, to notify the Greek Bond Issuer of the Required Transfer Amount with respect to the then current Greek Bond Interest Period; and
- (b) the Greek Bond Issuer is required, on each Rent Payment Date during such Greek Bond Interest Period, to transfer from the Rent Collection Account to the Sweep Account an amount equal to the lesser of:

- (i) the total amount standing to the credit of the Rent Collection Account on such Rent Payment Date (after receipt on such date of all monies paid to the Greek Bond Issuer under the Commercial Lease Agreements); and
- (ii) the Required Transfer Amount, less all transfers that have been made from the Rent Collection Account to the Sweep Account on each previous Rent Payment Date (if any) during such Greek Bond Interest Period.

For the purposes of this Prospectus, "**Required Transfer Amount**" means, with respect to a Greek Bond Interest Period, an amount equal to the aggregate of:

- (a) all amounts due, by way of interest, principal or otherwise, on the Greek Bonds on the Greek Bond Payment Date relating to such Greek Bond Interest Period; and
- (b) the Estimated Facility Fee with respect to such Greek Bond Interest Period.

The "**Estimated Facility Fee**":

- (a) with respect to the first Greek Bond Interest Period, will be €49,825; and
- (b) with respect to each subsequent Greek Bond Interest Period, will be an amount equal to the Facility Fee that was charged to the Greek Bond Issuer with respect to the immediately preceding Greek Bond Interest Period, plus an additional amount equal to 10 per cent. thereof.

Transfers from Rent Collection Account (following a Greek Bond Event of Default)

Pursuant to the Greek Bond Programme Agreement, following a Greek Bond Event of Default and for so long as that Greek Bond Event of Default is continuing, the Greek Bond Issuer will be required to transfer from the Rent Collection Account to the Sweep Account on each Rent Payment Date an amount equal to the lesser of:

- (i) all Rental Income received in respect of the Properties since the immediately preceding Rent Payment Date; and
- (ii) all amounts standing to the credit of the Rent Collection Account,

provided that, in the event that the Greek Bonds have been declared to be immediately due and payable and/or payable on demand by the Bondholder Agent (as described further below under "*Default, acceleration and Property management*"), the Greek Bond Issuer will be required, if so directed by the Bondholder Agent (acting on the directions of Majority Greek Bondholders) to direct the tenants under the Commercial Lease Agreements to pay Rental Income in respect of the Properties directly to the Sweep Account.

Sweep Account

On each Greek Bond Payment Date, the Bondholder Agent will be required, pursuant to the terms of the Greek Bond Programme Agreement, to withdraw from, and apply amounts standing to the credit of, the Sweep Account in the following order:

- (a) *first*, payment of any unpaid costs and expenses of the Bondholder Agent due but unpaid under the Greek Bond Finance Documents;
- (b) *secondly*, payment of any unpaid fees, costs, expenses or other amounts then due and payable by the Greek Bond Issuer to the Greek Bond Issuer Security Trustee pursuant to the Account Security Deed;

- (c) *thirdly*, in the event that the circumstances described in the section above headed "*Rent Collection Account - Transfers from Rent Collection Account (following a Greek Bond Event of Default)*" is applicable, payment of any unpaid cost or expense which, in the opinion of the Bondholder Agent, is required to be paid to preserve or protect any interest of the Greek Bond Issuer in a Property or any security interest granted by the Greek Bond Issuer pursuant to a Greek Bond Security Document (each, a "**Property Cost**"), in each case incurred during the preceding Greek Bond Interest Period;
- (d) *fourthly*, to the Bondholder Agent for the relevant Greek Bond Finance Parties in payment of any accrued interest, fees (including the Facility Fee) and other amounts (including, but not limited to, prepayments of principal as described above under "*- Repayment and prepayment of the Greek Bonds*") due but unpaid under the Greek Bond Finance Documents; and
- (e) *fifthly*, payment of any surplus to the Greek Bond Issuer.

In connection therewith, the Bondholder Agent will be required, two Business Days prior to the relevant Greek Bond Payment Date, to notify the Greek Bond Issuer of: (i) the interest amount due and payable on the forthcoming Greek Bond Payment Date; (ii) the Facility Fee due on such Greek Bond Payment Date; (iii) any amount by which such Facility Fee exceeds the Estimated Facility Fee with respect to the relevant Greek Bond Interest Period (which excess the Greek Bond Issuer will transfer to the Sweep Account on the Business Day immediately preceding the relevant Greek Bond Payment Date); and (iv) any other amount due and payable under the Greek Bond Programme Agreement on such Greek Bond Payment Date.

#### Disposals Account

The Greek Bond Issuer will be required to ensure that an amount equal to the Release Price of any Property disposed of as described in paragraph (a)(i) of the section entitled "*- Restrictions on activities*" is credited to the Disposals Account.

Pursuant to the terms of the Greek Bond Programme Agreement, the Bondholder Agent is required to open and maintain in the books of the Greek Bond Issuer the following ledgers with respect to the Disposals Account:

- (a) a ledger entitled the "**Compulsory Purchase Ledger**";
- (b) a ledger entitled the "**Major Damage Ledger**";
- (c) a ledger entitled the "**Loan-to-Value Cure Ledger**"; and
- (d) a ledger entitled the "**Prepayment Ledger**".

Pursuant to the Greek Bond Programme Agreement, the Bondholder Agent is required to ensure that:

- (a) with respect to the Compulsory Purchase Ledger:
  - (i) any amount that the Greek Bond Issuer pays to the Disposals Account as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on compulsory purchase*", where the Greek Bond Issuer gives notice to the Bondholder Agent of its intention to add one or more Additional Properties to the Portfolio, is credited to the Compulsory Purchase Ledger;
  - (ii) any amount that is released from the Disposals Account to the Greek Bond Issuer upon the addition of the relevant Additional Properties to the Portfolio as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on compulsory purchase*" and in accordance with the procedure described in section entitled "*Repayment and prepayment of the Greek Bonds - Procedure for addition of Properties to the Portfolio*" is debited from the Compulsory Purchase Ledger on the date of such addition; and

- (iii) in the event that the Greek Bond Issuer fails to add Additional Properties to the Portfolio as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on compulsory purchase*" within the 60 day period referred to therein, any amount that was credited to the Compulsory Purchase Ledger pursuant to paragraph (i) above shall be debited from the Compulsory Purchase Ledger on the Business Day immediately following such 60-day period;
- (b) with respect to the Major Damage Ledger:
- (i) any amount that the Greek Bond Issuer pays to the Disposals Account as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on major damage*", where the Greek Bond Issuer gives notice to the Bondholder Agent of its intention to add one or more Additional Properties to the Portfolio, is credited to the Major Damage Ledger;
  - (ii) any amount that is released from the Disposals Account to the Greek Bond Issuer upon the addition of the relevant Additional Properties to the Portfolio as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on major damage*" and in accordance with the procedure described in the section entitled "*Repayment and prepayment of the Greek Bonds - Procedure for addition of Properties to the Portfolio*" is debited from the Major Damage Ledger on the date of such addition; and
  - (iii) in the event that the Greek Bond Issuer fails to add Additional Properties to the Portfolio as described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory prepayment on major damage*" within the 60 day period referred to therein, any amount that was credited to the Major Damage Ledger pursuant to paragraph (i) above shall be debited from the Major Damage Ledger on the Business Day immediately following such 60-day period;
- (c) with respect to the Loan-to-Value Cure Ledger:
- (i) any amount which has been credited to the Disposals Account as described in the section entitled "*Property undertakings – Loan to Value*", in circumstances in which the Greek Bond Issuer notifies the Bondholder Agent that it intends to seek the consent of the Bondholder Agent to the addition of one or more Additional Properties to the Portfolio to cure a breach of the Loan to Value Test is credited to the Loan-to-Value Cure Ledger;
  - (ii) any amount that is released from the Disposals Account to the Greek Bond Issuer upon the addition of the relevant Additional Properties to the Portfolio as described in the section entitled "*Property undertakings – Loan to Value*" and in accordance with the procedure described in the section headed "*Repayment and prepayment of the Greek Bonds - Procedure for addition of Properties to the Portfolio*" is debited from the Loan-to-Value Cure Ledger on the date of such addition;
  - (iii) with respect to any amount that was credited to the Loan-to-Value Cure Ledger pursuant to paragraph (i) above, in the event that the Greek Bond Issuer does not seek and receive permission from the Bondholder Agent to add Additional Properties to the Portfolio within the ten Business Day period referred to in the section entitled "*Property undertakings – Loan to Value*", any such amount is debited from the Loan-to-Value Cure Ledger on the Business Day immediately following such ten Business Day period; and
  - (iv) with respect to any amount that was credited to the Loan-to-Value Cure Ledger pursuant to paragraph (i) above, in the event that the Greek Bond Issuer fails to add one or more Additional Properties to the Portfolio within the 60 day period referred to in the section entitled "*Property undertakings – Loan to Value*", the amount required to be prepaid, as

described in such section, is debited from the Loan-to-Value Cure Ledger on the Business Day immediately following such 60-day period; and

- (d) with respect to the Prepayment Ledger;
  - (i) any amount debited from the Compulsory Purchase Ledger pursuant to paragraph (a)(iii) is credited to the Prepayment Ledger and applied in immediate prepayment of the Greek Bonds;
  - (ii) any amount debited from the Major Damage Ledger pursuant to paragraph (b)(iii) above is credited to the Prepayment Ledger and applied in immediate prepayment of the Greek Bonds;
  - (iii) any amount debited from the Loan-to-Value Cure Ledger pursuant to paragraph (c)(iii) or (c)(iv) above is credited to the Prepayment Ledger;
  - (iv) any amount which has been credited to the Disposals Account as described in the section entitled "*Property undertakings – Loan to Value*", in circumstances in which the Greek Bond Issuer does not notify the Bondholder Agent that it intends to seek the consent of the Bondholder Agent to the addition of one or more Additional Properties to the Portfolio to cure a breach of the Loan to Value Test is credited to the Prepayment Ledger;
  - (v) any amount which has been credited to the Disposals Account upon a disposal of a Property in accordance with the provisions of the Greek Bond Programme Agreement described in paragraph (a)(iv) under the heading "*Restrictions on activities*" below is credited to the Prepayment Ledger; and
  - (vi) any amount that is applied in prepayment of the Greek Bonds, as described in the following paragraph, is debited from the Prepayment Ledger.

On each Greek Bond Payment Date, the Bondholder Agent will be required to apply the balance standing to the credit of the Prepayment Ledger in prepayment of the Greek Bonds. Each such prepayment shall constitute, in the case of amounts credited to the Prepayment Ledger as described in:

- (A) paragraph (d)(i) above, a prepayment in accordance with the provisions described in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory Prepayment on compulsory purchase*" (in respect of which no Make-Whole Amount will be payable);
- (B) paragraph (d)(ii) above, a prepayment in accordance with the provisions described in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory Prepayment on major damage*" (in respect of which no Make-Whole Amount will be payable);
- (C) paragraph (d)(iii) or (iv) above, a prepayment in accordance with the provisions described in the section entitled "*Property covenant – Loan to Value*" (in respect of which a Make-Whole Amount will be payable); and
- (D) paragraph (d)(v) above, a prepayment in accordance with the provisions described in the section entitled "*Repayment and prepayment of the Greek Bonds – Voluntary prepayment*" (in respect of which a Make-Whole Amount will be payable).

*Greek Bond Issuer Accounts - general*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to ensure that neither the Sweep Account nor the Disposals Account go into overdraft.

The Sweep Account and/or the Disposals Account will be required to be moved to another bank at any time if the Bondholder Agent, acting reasonably, so requests (with the Greek Bond Issuer's prior consent, not to be unreasonably withheld or delayed). In addition, the Sweep Account and the Disposals Account

may be moved to another bank in London at the request of the Greek Bond Issuer, with the prior approval of the Bondholder Agent.

A change of Sweep Account and/or Disposals Account will only become effective when:

- (a) the proposed new bank agrees with the Bondholder Agent and the Greek Bond Issuer, in a manner satisfactory to the Bondholder Agent, to fulfil the role of the bank holding the Sweep Account and/or the Disposals Account; and
- (b) a first ranking security interest is created over the new Sweep Account and/or the Disposals Account in favour of the Greek Bond Issuer Security Trustee pursuant to a new security document in a form satisfactory to the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders).

The Greek Bond Issuer will be required promptly to notify the Bondholder Agent upon becoming aware that a bank at which the Sweep Account and/or the Disposals Account is held does not have a Requisite Rating.

Without limiting the general right of the Bondholder Agent to require the Sweep Account and/or the Disposals Account to be moved to another bank at any time, if a bank at which the Sweep Account and/or the Disposals Account is held does not have a Requisite Rating, the Bondholder Agent may require that the Sweep Account and/or the Disposals Account be moved, within 20 Business Days, to another bank of its choice which does have a Requisite Rating.

**"Requisite Rating"** means, with respect to any person, that it has long or short term unsecured debt instruments in issue which are neither subordinated nor guaranteed and which meet the following requirements:

- (a) BBB/F3 (or better) by Fitch Italia SpA, any affiliate thereof or any successor to its ratings business;
- (b) Baa2/P-3 (or better) by Moody's Investors Service Inc, any affiliate thereof or any successor to its ratings business; and
- (c) BBB/A-3 (or better) by Standard & Poor's Credit Market Services Europe Limited, any affiliate thereof or any successor to its ratings business,

provided that at all times, NBG, Piraeus Bank SA, Alpha Bank S.A. and Eurobank Ergasias SA and their respective subsidiaries will be deemed to carry Requisite Ratings whatever their actual rating for the time being.

### ***Representations***

The representations given by the Greek Bond Issuer under the Greek Bond Programme Agreement, as at the Greek Bond Documentation Date (and, in some cases, on the date of each Request, on the Closing Date, on the first day of each Greek Bond Interest Period and/or on the date on which an Additional Property is included in the Portfolio, with respect to such Additional Property only) include, among other things, the following statements:

- (a) the Greek Bond Issuer is a company whose liability is limited to its share capital, duly incorporated and validly existing under the laws of Greece;
- (b) the Greek Bond Issuer has a valid licence to act as a REIC in accordance with the REIC Legislation;
- (c) the Greek Bond Issuer has the power to own its assets and carry on its business as it is being conducted;

- (d) the Greek Bond Issuer has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of the Greek Bond Finance Documents, the Tenancy Documents and any other document designated as an "Operative Document" by the Bondholder Agent and the Greek Bond Issuer (together, the "**Operative Documents**"), in each case to which the Greek Bond Issuer is or will be a party and the transactions contemplated by those Operative Documents;
- (e) no limits on the Greek Bond Issuer's powers will be exceeded as a result of the drawdown of the Greek Bonds, the grant of the security interests pursuant to the Greek Bond Security Documents or the giving of indemnities contemplated by the Operative Documents to which the Greek Bond Issuer is a party;
- (f) subject to certain reservations and, in relation to any Greek Bond Security Document, registration requirements, the obligations under each Operative Document to which the Greek Bond Issuer is a party are its legally binding, valid and enforceable obligations;
- (g) each Operative Document to which the Greek Bond Issuer is a party is in the proper form for its enforcement in Greece;
- (h) none of the entry into or performance by the Greek Bond Issuer of, nor the transactions contemplated by, the Operative Documents, nor the granting of the security interests conferred by the Greek Bond Security Documents, nor the giving of guarantees or indemnities contemplated by the Operative Documents to which the Greek Bond Issuer is a party, conflict with:
  - (i) the REIC Legislation or any other law or regulation applicable to the Greek Bond Issuer;
  - (ii) the Greek Bond Issuer's constitutional documents; or
  - (iii) any agreement or instrument which is binding upon the Greek Bond Issuer or any of its assets or constitutes a default or termination event (however described under such agreement or instrument), in each case to an extent that is reasonably likely to have a Material Adverse Effect.
- (i) as at the Greek Bond Documentation Date and the Closing Date, no Greek Bond Default is continuing or is reasonably likely to result from the execution of, or the performance of any transaction contemplated by, any Operative Document;
- (j) on each Greek Bond Payment Date, no Greek Bond Event of Default is continuing or is reasonably likely to result from the execution of or the performance of any transaction contemplated by the Operative Documents;
- (k) no other event or circumstance is outstanding, after the expiry of any applicable grace or cure period, which constitutes (or, with the giving of notice, the making of any determination or any combination of the foregoing, would constitute) a default or a termination event (howsoever described) under any agreement, instrument or document which is binding on the Greek Bond Issuer or to which any of its assets might be subject which has or is reasonably likely to have a Material Adverse Effect;
- (l) except for registration of the Greek Bond Security Documents (other than the Account Security Deed), all authorisations required by the Greek Bond Issuer in connection with its lawful entry into, exercise of its rights under, compliance with its obligations in, the performance, validity and enforceability (including admissibility in evidence) of, and the transactions contemplated by, the Operative Documents have been obtained or effected (as appropriate) and are in full force and effect, except where failure to do so would not have a Material Adverse Effect;
- (m) except for registration of each Greek Bond Security Document under relevant Greek legislation (namely, articles 3 and 11 of Greek Law 2844/2000 and articles 1260 and 1268 of the Greek Civil



Code), it is not necessary to file, register or record any Operative Document in any public place or elsewhere in order for any Operative Document to be valid and enforceable;

- (n) the financial statements most recently delivered to the Bondholder Agent (which, at the Greek Bond Documentation Date, are the 2013 Greek Bond Issuer Financial Statements):
  - (i) have been prepared in accordance with applicable law and generally accepted accounting principles pursuant to which Greek REICs are required to publish their financial statements from time to time (including IFRS) (the "**Accounting Principles**"), consistently applied (and, in respect of the 2013 Greek Bond Issuer Financial Statements only, unless expressly disclosed to the Bondholder Agent in writing to the contrary prior to the Greek Bond Documentation Date); and
  - (b) give a true and fair view of the financial condition of the Greek Bond Issuer (consolidated, if applicable) as at the date to which they were drawn up during the relevant financial year (and, in respect of the 2013 Greek Bond Issuer Financial Statements only, unless expressly disclosed to the Bondholder Agent in writing to the contrary prior to the Greek Bond Documentation Date);
- (o) no investigation, litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency (including, but not limited to, investigative proceedings) are current or, to the best of the Greek Bond Issuer's knowledge (having made due and careful enquiry), pending or threatened, which might reasonably be expected to be adversely determined and, if adversely determined, might reasonably be expected to have a Material Adverse Effect;
- (p) no proceedings of any nature are current, pending or, to the best of the Greek Bond Issuer's knowledge, threatened, for the winding-up or dissolution of, or in respect of any insolvency proceedings of any nature relating to the Greek Bond Issuer;
- (q) all factual information supplied by the Greek Bond Issuer or on its behalf to any Finance Party in connection with the Operative Documents (the "**Relevant Information**") was, to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given; any financial projections contained in the Relevant Information have been prepared, as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable; the factual information supplied by the Greek Bond Issuer or on its behalf to the lawyers who prepared any Diligence Report for the purpose of that Diligence Report (the "**Diligence Information**") was, to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given; the Relevant Information and the Diligence Information was, to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), at the date it was expressed to be given, complete and did not omit any information which, if disclosed, would make that Relevant Information or, as applicable, Diligence Information untrue or misleading in any material respect, provided that the Greek Bond Issuer's representation as to the accuracy of copies or originals of public records, public registries and public authorities' deeds, acts or other similar documents is provided to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry); and, as at the Closing Date, to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), nothing has occurred since the date Relevant Information or Diligence Information was supplied which, if disclosed, would make that information untrue or misleading in any material respect;
- (r) all factual information supplied by the Greek Bond Issuer or on its behalf to the Valuer for the purposes of each Valuation (the "**Valuation Information**") was, to the best of its knowledge and belief (having made due and careful enquiry), true and accurate in all material respects as at its date or (if appropriate) as at the date (if any) at which it is stated to be given; any financial projections contained in the Valuation Information have been prepared, as at their date, on the basis of recent historical information and assumptions believed by it to be fair and reasonable; to

the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), it has not omitted to supply any information which, if disclosed, would materially and adversely affect the Valuation; and, in the case of the Initial Valuation only, to the best of the Greek Bond Issuer's knowledge and belief (having made due and careful enquiry), nothing has occurred since the date the Valuation Information was supplied and the Closing Date which, if it had occurred prior to the Initial Valuation, would have materially and adversely affected the Initial Valuation;

(s) as at the Greek Bond Documentation Date and the Closing Date (or, in the case of an Additional Property, the date on which such Additional Property is included in the Portfolio), the Greek Bond Issuer:

- (i) is the legal owner of each Property comprising the Portfolio at the Closing Date (or, in the case of an Additional Property, the date on which such Additional Property is included in the Portfolio); and
- (ii) has the full right to dispose of and transfer any of its ownership rights in each such Property and to effect such disposals and transfers,

in each case free from security interests (other than those set out in the Greek Bond Security Documents) and restrictions and onerous covenants (other than those described in the Diligence Reports or, in the case of an Additional Property, in the relevant Additional Property Title Report);

(t) as at the Closing Date or, in the case of an Additional Property, the date on which such Additional Property is included in the Portfolio (except as disclosed in the relevant Diligence Report or, in the case of an Additional Property, as described in the relevant Additional Property Title Report):

- (i) no breach of any law, regulation or covenant is outstanding which materially and adversely affects or might materially and adversely affect the value, saleability or use of any Property, including building permit breaches or other breaches relating to the use of any Property;
- (ii) there is no covenant, agreement, stipulation, reservation, condition, interest, right, easement or other matter whatsoever materially and adversely affecting any Property;
- (iii) nothing has arisen or has been created or is outstanding which would be an overriding interest, or an unregistered interest which overrides first registration or registered dispositions, over any Property;
- (iv) all material facilities necessary for the enjoyment and use of each Property (including those necessary for the carrying on of its business at such Property) are enjoyed by such Property;
- (v) none of the facilities referred to in sub-paragraph (iv) above are enjoyed on terms:
  - (A) entitling any person to terminate or curtail the Greek Bond Issuer's use of any Property; or
  - (B) which conflict with or restrict the Greek Bond Issuer's use of any Property;
- (vi) the Greek Bond Issuer has not received any notice of any material and adverse claim by any person in respect of the ownership of any Property or any interest in it, nor has any acknowledgement been given to any person in respect of any Property; and
- (vii) each Property is held by the Greek Bond Issuer free from any lease or licence (other than those entered into in accordance with or permitted by the Greek Bond Programme Agreement);

- (u) subject to any registration or other perfection requirements, the security interests conferred by each Greek Bond Security Document constitutes a first priority secured interest of the type described (ignoring for these purposes, any description of a security interest as "fixed") over the assets referred to in that Greek Bond Security Document and those assets are not subject to any prior or *pari passu* security interest (except in relation to the Property with address Athinon Ave 128-132, Ifigeneias and Patili, Athens (the "**Athinon Ave Property**"), which is the subject of an existing mortgage prenotation prior to either: (i) the release or deletion of such mortgage prenotation; or (ii) the removal of the Athinon Ave Property from the Portfolio, in each case in accordance with the provisions described under "- *Property undertakings – Athinon Ave Property*");
- (v) as at the Closing Date:
  - (i) Invel directly or indirectly controls not less than 66 per cent. of the shares in the capital of the Greek Bond Issuer; and
  - (ii) NBG directly or indirectly controls not less than 34 per cent. of the shares in the capital of the Greek Bond Issuer.
- (w) the shares in the capital of the Greek Bond Issuer are fully paid;
- (x) all amounts payable by the Greek Bond Issuer under the Greek Bond Finance Documents may be made without any deduction or withholding for or on account of Tax, unless otherwise required by law;
- (y) except for fees and duties payable by the Greek Bond Issuer upon the creation and perfection of the security interests intended to be created by the Greek Bond Security Documents under Greek law, as at the Greek Bond Documentation Date, no stamp or registration duty or similar Tax or charge is payable in Greece in respect of any Greek Bond Finance Document;
- (z) the payment obligations of the Greek Bond Issuer under the Greek Bond Finance Documents rank at least *pari passu* with its present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally;
- (aa) the 2013 Greek Bond Issuer Financial Statements fully reflect the Tax position of the Greek Bond Issuer in respect of the fiscal year ending 31 December 2013;
- (bb) the Greek Bond Issuer has complied in all material respects with all Tax laws in all jurisdictions in which the Greek Bond Issuer is subject to Tax and, subject to paragraph (cc) below, has paid all Taxes due and payable by it where a failure to do so would have a Material Adverse Effect;
- (cc) no claims that would, if upheld, have a Material Adverse Effect are being asserted against the Greek Bond Issuer in respect of Taxes, other than those claims which it is disputing in good faith in appropriate proceedings and for which the Greek Bond Issuer can demonstrate that adequate provision has been made;
- (dd) the execution by the Greek Bond Issuer of each Greek Bond Finance Document constitutes, and the exercise by it of its rights and performance of its obligations under each Greek Bond Finance Document will constitute, private and commercial acts performed for private and commercial purposes;
- (ee) the Greek Bond Issuer will not be entitled to claim immunity for itself or any of its assets from suit, execution, attachment or other legal process in any proceedings taken in Greece in relation to any Greek Bond Finance Document;
- (ff) it is not necessary under Greek law:

- (A) in order to enable any Greek Bondholder or the Bondholder Agent to enforce its rights under any Greek Bond Finance Document; or
  - (B) by reason of the execution of any Greek Bond Finance Document or the performance by it of its obligations under any Greek Bond Finance Document,
- that any Greek Bondholder or the Bondholder Agent should be licensed, qualified or otherwise entitled to carry on business in Greece;
- (gg) neither any Greek Bondholder is or will be deemed to be resident, domiciled or carrying on business in Greece by reason only of the execution, performance and/or enforcement of any Greek Bond Finance Document;
  - (hh) the Greek Bond Issuer's:
    - (i) irrevocable submission under the Greek Bond Programme Agreement to the jurisdiction of the English courts;
    - (ii) agreement that the Greek Bond Programme Agreement (other than certain excluded provisions, which are governed by Greek law) is governed by English law; and
    - (iii) agreement not to claim any immunity to which it or its assets may be entitled,
 will be recognised and enforced under the laws of Greece;
  - (ii) any judgment obtained in England will be recognised and be enforceable by the courts of Greece in accordance with the terms of European Union Regulation 44/2001/EC or European Union Regulation 1215/2012/EC, as may be applicable;
  - (jj) the Greek Bond Issuer is not unable, nor does it admit nor has admitted its inability, to pay its debts nor has suspended making payments on any of its debts nor is it in a state of suspension of its payments, as defined under Greek bankruptcy law;
  - (kk) no moratorium has been, or may in the next three months be, declared in respect of any indebtedness of the Greek Bond Issuer;
  - (ll) none of the Greek Bond Issuer nor any of its affiliates, nor any person acting on behalf of any of them, has engaged or will engage in any directed selling efforts with respect to the Greek Bonds and each of them has complied and will comply with the offering restriction requirements of Regulation S;
  - (mm) none of the Greek Bond Issuer nor any of its subsidiaries nor any person acting on behalf of any of them has engaged or will engage in any "directed selling efforts" (within the meaning of Rule 902 under the United States Securities Act of 1933, as amended ("**Rule 902**")) with respect to the Greek Bonds and each of them has complied and will comply with the "offering restrictions" within the meaning of Rule 902;
  - (nn) the offer and sale of the Issuer Greek Bonds to the Issuer and of the SGB Greek Bonds to the Second Greek Bondholder pursuant to the Greek Bond Purchase Agreement will be exempt from: (i) the registration requirements of the Securities Act by reason of Section 4(a)(2) and Rule 144A thereof and Regulation S thereunder; and (ii) the need to qualify the Greek Bond Loan under the U.S. Trust Indenture Act of 1939, as amended;
  - (oo) all transactions which the Greek Bond Issuer has entered into in respect of the Properties and which are currently outstanding have been entered into in the ordinary course of business, on normal commercial terms and on the basis of arm's length arrangements;

- (pp) for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings, its centre of main interest (as that term is used in Article 3(1) of such Regulation) is situated in Greece; and
- (oo) it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction.

For the purposes of this Prospectus:

**"Diligence Reports"** means the reports delivered to, among others, the Bondholder Agent on or prior to the Closing Date with respect to the Commercial Lease Agreements, the title of the Greek Bond Issuer to the Properties and insurance and environmental matters in relation to the Properties;

**"Greek Bond Default"** means a Greek Bond Event of Default or any event which would, with the expiry of a grace period, the giving of notice or the making of any determination under the Greek Bond Finance Documents or any combination of them, be a Greek Bond Event of Default; and

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, operations, property or financial condition of the Greek Bond Issuer, including its licence to act as a REIC and to benefit from the Tax and other costs exemptions established for REICs in Greece under the REIC Legislation;
- (b) the ability of the Greek Bond Issuer to perform its payment obligations under any Greek Bond Finance Document;
- (c) the ability of the Greek Bond Issuer to comply with its obligations described below under "*Property Undertakings – Interest Cover*" and "*Property Undertakings – Loan to Value*"; or
- (d) the validity or enforceability of, or the effectiveness or ranking of, any security granted or purported to be granted pursuant to any of the Greek Bond Finance Documents; or
- (e) the rights or remedies of any Finance Party under the Greek Bond Finance Documents.

#### ***Information undertakings***

The Greek Bond Issuer gives various information undertakings under the Greek Bond Programme Agreement, which will remain in force for so long as any amount is outstanding under the Greek Bond Finance Documents. These undertakings include, without limitation, those described in this section "*Information Undertakings*".

#### ***Financial Statements***

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to supply to the Bondholder Agent in sufficient copies for all the Greek Bondholders:

- (a) its audited annual consolidated financial statements for each of its financial years;
- (b) its interim semi-annual financial statements (consolidated if applicable) for the first half of each of its financial years (save that the requirement that semi-annual financial statements be reviewed shall not apply in respect of any semi-annual financial statements in respect of a period prior to the six months ending on 30 June 2015); and
- (c) its quarterly condensed financial statements for each of its financial quarters,

to be supplied as soon as they are available and, in any event:

- (i) in the case of audited annual consolidated financial statements, within 120 days;

- (ii) in the case of interim semi-annual financial statements, within 60 days; and
- (iii) in the case of quarterly condensed financial statements, within 60 days.

of the end of the relevant financial period.

#### *Notification of litigation*

The Greek Bond Issuer is, pursuant to the Greek Bond Programme Agreement, required to supply to the Bondholder Agent, promptly upon becoming aware of the same, details of any litigation, arbitration or administrative proceedings which are current, threatened or pending which might reasonably be expected to be adversely determined and which might reasonably be expected, if adversely determined, to have a Material Adverse Effect.

#### *Notification of default*

The Greek Bond Issuer is required, pursuant to the Greek Bond Programme Agreement, to notify the Bondholder Agent of any Greek Bond Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

In addition, the Greek Bond Issuer is required to supply to the Bondholder Agent, promptly, at any other time, if the Bondholder Agent reasonably suspects that a Greek Bond Default has occurred and so requests, a certificate, duly signed by two of its authorised signatories on its behalf, certifying that, to the best of their knowledge and belief after due and careful enquiry, no Greek Bond Default is outstanding or, if a Greek Bond Default is outstanding, specifying the Greek Bond Default and the steps, if any, being taken to remedy it.

#### ***Restrictions on activities***

The Greek Bond Issuer is, pursuant to the terms of the Greek Bond Programme Agreement, restricted from carrying on certain activities. For example, the Greek Bond Issuer will not be permitted:

- (a) either in a single transaction or in a series of transactions and whether related or not and whether voluntary or involuntary, to dispose of any Property or any part of a Property or agree to dispose of a Property, provided however, that, so long as no Greek Bond Default is outstanding or might reasonably be expected to result from such disposal, the Greek Bond Issuer will be permitted to make a disposal:
  - (i) of a Property pursuant to a compulsory purchase order or that has been subject to major damage so as to fall within the scope of the section entitled "*Repayment and prepayment of the Greek Bonds – mandatory redemption on major damage*";
  - (ii) by way of lease, licence or other tenancy arrangement permitted under the Greek Bond Programme Agreement;
  - (iii) with the consent of the Enhanced Majority Greek Bondholders; or
  - (iv) where the following conditions are satisfied:
    - (A) that disposal is on arm's length terms; and
    - (B) the Disposal Proceeds that would be realised on such disposal are not less than the Release Price for that Property,

and the Greek Bond Issuer is required to ensure that an amount of the Disposal Proceeds equal to the Release Price of the Property disposed of in accordance with paragraph (iv) above is immediately paid directly into the Disposals Account by the relevant purchaser;

- (b) to enter into any transaction relating to the Properties with any person except in the ordinary course of business, on ordinary commercial terms and on the basis of arm's-length arrangements, or enter into any transaction relating to a Property whereby it might pay more than the ordinary commercial consideration for any purchase or acquisition or might receive less than the full commercial consideration for its services or products;
- (c) to create or allow to exist any security interest on all or part of any Property, save for:
  - (i) any security interest constituted by the Greek Bond Security Documents;
  - (ii) any lien arising by operation of law and in the ordinary course of trading; or
  - (iii) any security interest in respect of which the Greek Bondholders have given their prior written consent; or
- (d) to enter into any arrangement under which money credited to the Sweep Account or the Disposals Account may be applied, set-off or made subject to a combination of accounts or to enter into any other preferential arrangements having a similar effect, subject to the standard terms and conditions in operation from time to time in respect of such account.

### ***General undertakings***

The Greek Bond Issuer has given various undertakings under the Greek Bond Programme Agreement, which will remain in force for so long as any amount is outstanding under the Greek Bond Finance Documents, including (without limitation):

- (a) to promptly obtain, maintain and comply at all times with the terms of any authorisation required under any law or regulation applicable to it to:
  - (i) enable it to perform its obligations under, or (subject to certain reservations) for the legality, validity or enforceability of, or admissibility in evidence of, any Operative Document; and
  - (ii) own its assets and carry on its business as it is being conducted,
 and to ensure that it does all that is necessary to maintain such authorisation in full force and effect in each case where failure to obtain, maintain and/or comply with such authorisations would have a Material Adverse Effect;
- (b) to comply in all respects with all laws to which it is subject, including the REIC Legislation, where failure to do so has or is reasonably likely to have a Material Adverse Effect;
- (c) to ensure that its payment obligations under the Greek Bond Finance Documents rank at least *pari passu* with all its present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by law applying to companies generally;
- (d) to maintain its licence to act as a REIC and to carry on its business in accordance with the REIC Legislation and the relevant decisions of the Hellenic Capital Market Commission;
- (e) to ensure that it and any relevant third party is in compliance with:
  - (i) any applicable law or regulation which relates to the pollution or protection of the environment, the harm to or the protection of human health, the conditions of the workplace or any emission or substance capable of causing harm to any living organism or the environment (together, "**Environmental Law**"); and

- (ii) any authorisation and any filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Greek Bond Issuer conducted on or from properties owned or used by the Greek Bond Issuer applicable to it or to the Properties (each, an "**Environmental Approval**"), where failure to do so has or is reasonably likely to have a Material Adverse Effect,

and, promptly upon becoming aware thereof, to notify the Bondholder Agent of:

- (A) any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law ("**Environmental Claim**") current, or to its knowledge, pending or threatened;
- (B) any circumstances reasonably likely to result in an Environmental Claim; or
- (C) any suspension, revocation or notification of any Environmental Approval, which has or, if substantiated, is reasonably likely to result in any liability for a Finance Party;

- (f) to indemnify each Finance Party against any loss or liability which:

- (i) that Finance Party incurs as a result of any actual or alleged breach of any Environmental Law applicable to the Greek Bond Issuer or any of the Properties by any person; and
- (ii) would not have arisen if a Greek Bond Finance Document had not been entered into, unless it is caused by that Finance Party's gross negligence or wilful misconduct;

- (g) to procure that:

- (i) the two environmental irregularities identified under the Diligence Reports, where immediate removal of hazardous material is required, are rectified within three months of the Closing Date and a report from environmental consultants acceptable to the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders, acting reasonably) confirming such removal is delivered to the Bondholder Agent as soon as practicable following the removal of such hazardous material; and
- (ii) all other environmental issues that need be addressed according to the Diligence Reports are addressed within twelve months of the Closing Date and a report from environmental consultants acceptable to the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders, acting reasonably) confirming that such issues have been addressed is delivered to the Bondholder Agent as not later than twelve months after the Closing Date;

- (h) subject always to the terms of any lease granted over a Property, to procure that the Bondholder Agent and one or more representatives of the Bondholder Agent and/or accountants or other professional advisers appointed by the Bondholder Agent (including, without limitation, any valuer appointed by the Bondholder Agent in accordance with the Greek Bond Programme Agreement) be allowed (at the Bondholder Agent's risk and expense, other than when a Greek Bond Event of Default is outstanding, in which case such expenses shall be for the Greek Bond Issuer's account, and at a time or times agreed between the Greek Bond Issuer and the Bondholder Agent or, failing agreement within ten days, at such time or times as the Bondholder Agent specifies (acting reasonably)), access to inspect the Properties (or any of them), the technical and statistical data, accounting books, records and such other data in the possession or control of the Greek Bond Issuer relating to such Properties as the Bondholder Agent may reasonably require for any legitimate purposes relating to the Greek Bond Loan or the Greek Bond Finance Documents, and to take copies of any documents inspected, provided however that, for so long as there is no Greek Bond Default that has occurred and is continuing, the Bondholder Agent will be limited to



one inspection of each Property and one visit to the Greek Bond Issuer's premises to inspect such related books, records and data in any 12 month period;

- (i) to keep and maintain, in accordance with good business practice and all applicable laws, up-to-date statutory books, books of account, bank statements and other records;
- (j) to allow one or more representatives of a Greek Bondholder and/or professional advisers of a Greek Bondholder (including, without limitation, any valuer appointed by the Bondholder Agent in accordance with the Greek Bond Programme Agreement) to inspect copies of the Tenancy Documents (at the relevant Greek Bondholder's expense, other than when a Greek Bond Event of Default is outstanding, in which case such expenses shall be for the Greek Bond Issuer's account, and at a time or times agreed between the Greek Bond Issuer and the relevant Greek Bondholder or, failing agreement within ten days, at such time or times during business hours as the Greek Bondholder specifies (acting reasonably)) at the principal offices of the Greek Bond Issuer, provided that for so long as no Greek Bond Default has occurred which is continuing, no Greek Bondholder and its representatives or advisers will be entitled to more than one visit in any 12 month period;
- (k) to pay or procure the payment of all Taxes payable by or assessed upon it when due and shall file, and procure the filing of, all Tax and information returns that are required to be filed by it in any jurisdiction, other than for any Taxes which it is disputing in good faith in appropriate proceedings and for which the Greek Bond Issuer can demonstrate that adequate provision has been made where failure to do so would be reasonably likely to have a Material Adverse Effect; and
- (l) to promptly deliver to the Bondholder Agent certified copies of all deeds, documents and land registry or cadastre certificates necessary to show good and marketable title to its interests in the Properties, which are held at any land registry and/or cadastre, promptly upon receipt of the same from the relevant land registry and or cadastre.

### ***Property undertakings***

The Greek Bond Issuer gives various property-related undertakings under the Greek Bond Programme Agreement, which will remain in force for so long as any amount is outstanding under the Greek Bond Finance Documents. These undertakings include, without limitation, those described in this section "*Property undertakings*".

### ***Tenancies***

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer:

- (a) is not permitted, without the prior consent of the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders, provided that the Majority Greek Bondholders may not unreasonably direct the Bondholder Agent to withhold such consent and such consent will be deemed given if no response to the request for such consent is received within ten days of receipt of such request by the Bondholder Agent), with respect to any Property (but subject to its obligations described under paragraph (d) below):
  - (i) to enter into any new Commercial Lease Agreement;
  - (ii) to grant any licence or right to use or occupy any part thereof; or
  - (iii) to serve any notice on a tenant under any Tenancy Document (or any guarantor of such tenant) which would entitle such tenant to a new lease or tenancy,

where the cumulative annual rental income resulting from such actions taken since the Closing Date exceeds ten per cent. of the quarterly Rental Income for the Properties for the most recently ended calendar quarter multiplied by four;

(b) is not permitted, without the prior consent of the Bondholder Agent (acting on the directions of the Majority Greek Bondholders, provided that the Majority Greek Bondholders may not unreasonably direct the Bondholder Agent to withhold such consent and such consent will be deemed given if no response to the request for such consent is received within ten days of receipt of such request by the Bondholder Agent):

- (i) to agree to any amendment, supplement, extension, waiver or surrender in respect of any Tenancy Document;
- (ii) to exercise any right to break, determine or extend any Tenancy Document;
- (iii) to commence any forfeiture proceedings in respect of any Tenancy Document;
- (iv) to consent to any sublease or assignment of any tenant's interest under any Tenancy Document; or
- (v) to agree to any change or use or rent review in respect of any Tenancy Document,

where the cumulative annual rental income of the Tenancy Documents affected by such actions taken since the Closing Date in respect to those Properties let to NBG or its subsidiaries exceeds ten per cent. of the quarterly Rental Income for such Properties for the most recently ended calendar quarter multiplied by four and where the cumulative annual rental income of the Tenancy Documents affected by such actions taken since the Closing Date in respect of those Properties not let to NBG or its subsidiaries exceeds five per cent. of the quarterly Rental Income for such Properties for the most recently ended calendar quarter multiplied by four;

(c) is required:

- (i) to diligently collect or procure to be collected all Rental Income;
- (ii) as it considers appropriate in its reasonable commercial judgment, to comply with its obligations under each Tenancy Document; and
- (iii) to exercise its rights and use its reasonable endeavours:
  - (A) to ensure that each Tenant complies with its financial obligations; and
  - (B) as it considers appropriate in its reasonable commercial judgment, to ensure that each Tenant complies with its other obligations,

in each case under each Tenancy Document in a proper and timely manner,

provided that, for the purposes of paragraphs (ii) and (iii) above, the exercise of its reasonable commercial judgment must not adversely affect the value of the relevant Property or Properties; and

(d) is required to use its reasonable endeavours to find appropriate tenants for any vacant lettable space of more than 500 square metres in any Property with a view to granting an new Commercial Lease Agreement of that space.

#### *Monitoring of Property*

Pursuant to the Greek Bond Programme Agreement, on each Testing Date falling on 31 March of each year, the Greek Bond Issuer is required to supply to the Bondholder Agent a capex/repairs budget for the following four (4) calendar quarters, in form satisfactory to the Bondholder Agent (the "**Capex/Repairs Budget**") setting forth the following information:

- (a) the total amount budgeted for capex and repairs to the Properties during the relevant twelve (12) month period;
- (b) if the aggregate capex amount and/or repair amount budgeted for any Property within the relevant twelve (12) month period exceeds €150,000, a detailed description of such capex or repair, the amount budgeted to be spent in relation thereto and the anticipated disbursement dates; and
- (c) the proportion of the capex and repair amounts referred to in (a) and (b) above budgeted to be paid by NBG and the Greek Bond Issuer.

In addition, pursuant to the Greek Bond Programme Agreement, on each Testing Date, the Greek Bond Issuer is required to supply to the Bondholder Agent the following information, in form satisfactory to the Bondholder Agent, in respect of the quarterly period ending on the immediately preceding Testing Date (or, in respect of the first Testing Date, the calendar quarter ending three months prior to such Testing Date) (the "**Property Report**"):

- (i) a schedule of the existing occupational tenants of each Property, showing for each tenant the rent, and any other amounts paid and payable in that period by that tenant;
- (ii) copies of any condensed financial statements (including management cashflows) produced by, or for, the Greek Bond Issuer;
- (iii) details of any rent reviews with respect to any Tenancy Document in progress or agreed;
- (iv) to the extent not already provided, details of any Tenancy Document which has expired or been determined or surrendered and any new letting proposed;
- (v) copies of all material correspondence with insurance brokers handling the insurance of each Property;
- (vi) a comparison of actual spend against budgeted spend for each item in the Capex/Repairs Budget delivered on the previous Testing Date (or, in the case of the first two Testing Dates only, the actual expenditure in respect of the relevant capex and repairs for the relevant calendar quarter), together with an explanation if the actual spend was less than the budgeted spend and a description of any unexpected capex or repair in an aggregate amount exceeding €250,000 in respect of any Property during the previous calendar quarter;
- (vii) details of site visits made by the Greek Bond Issuer to the Properties during the previous three months and any maintenance matters noted by the Greek Bond Issuer in respect of such Properties which are not otherwise covered by paragraph (vi) above;
- (viii) if the Greek Bond Issuer is aware that any capex or repair amount in excess of €250,000 in respect of a Property (A) has become necessary unexpectedly or (B) that was budgeted but has become no longer necessary, a description and explanation of the same;
- (ix) details of:
  - (A) any amounts paid by Tenants other than rents;
  - (B) any arrears of rent; and
  - (C) any Property disposals;
- (x) copies of any insurance claim made or paid in respect of the Properties; and
- (xi) details of any changes to the Property Report since the last Property Report was supplied.

Within two Business Days of each Rent Payment Date, the Greek Bond Issuer is required to notify to the Bondholder Agent that the amount of Rental Income received from NBG and its subsidiaries in the period commencing on (but excluding) the immediately preceding Rent Payment Date and ending on (and including) the Rent Payment Date in respect of which the confirmation is being provided, and whether such amount represents the full amount due to the Greek Bond Issuer in respect of all NBG's (and its subsidiaries') lease obligations to the Greek Bond Issuer in such period.

For the purposes of this Prospectus, a "**Testing Date**" is the last day of each calendar quarter (ending in March, June, September and December), provided that the first Testing Date shall be 31 December 2014, and any date on which, according to a notification delivered to the Bondholder Agent (as described in the section entitled " - *Information undertakings – Notification of Default*") a Greek Bond Default is outstanding.

#### *Valuations*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required, at its own expense, to provide to the Bondholder Agent a Valuation on each date on which it publishes a semi-annual statutory valuation in accordance with the REIC Legislation.

The Bondholder Agent is permitted to request a Valuation:

- (a) at any time when a Greek Bond Event of Default is outstanding; or
- (b) at any time when a Greek Bond Event of Default is likely to occur as a result of the Valuation provided pursuant to the request by the Bondholder Agent,

and Greek Bond Issuer will be required, on demand by the Bondholder Agent, to pay the costs of any such Valuation (other than where a Greek Bond Event of Default does not occur as a result of a request under paragraph (b) above).

The Greek Bond Issuer is required to supply to the Bondholder Agent a copy of any valuation of any Property or the Properties it obtains, promptly upon obtaining it.

The Bondholder Agent may, if instructed to do so by the Majority Greek Bondholders and at their cost, appoint a Valuer acceptable to the Majority Greek Bondholders to prepare a Valuation of one or more of the Properties at any time.

#### *Insurances*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to ensure that at all times from the Greek Bond Documentation Date, the "**Insurances**" (being any contract or policy of insurance taken out by or on behalf of the Greek Bond Issuer or (to the extent of its interest) in which the Greek Bond Issuer has an interest in respect of the Properties):

- (a) insure each Property for the total cost of entirely rebuilding, reinstating or replacing the relevant asset if it is completely destroyed, together with all related fees and demolition costs, including cover:
  - (i) against all normally insurable risks of loss or damage;
  - (ii) for loss of rent insurance (in respect of a period of not less than twelve months), including provision for any increases in rent during the period of insurance;
  - (iii) against earthquakes and acts of sabotage and terrorism;
- (e) include property owners third party liability insurance; and

- (f) include such other insurances as a prudent REIC in the same business as the Greek Bond Issuer would buy.

All Insurances that the Greek Bond Issuer is required to maintain pursuant to the Greek Bond Programme Agreement are required to be in an amount and form acceptable to the Bondholder Agent and with an insurance company or underwriter that: (i) has a Requisite Rating (subject as described under below); and (ii) is otherwise acceptable to the Bondholder Agent.

The Greek Bond Issuer is required to promptly notify the Bondholder Agent upon becoming aware that any insurance company or underwriter ceases to have a Requisite Rating.

If an insurance company or underwriter does not have a Requisite Rating, the Greek Bond Issuer, on request by the Bondholder Agent, will be required to put in place replacement insurances with an insurance company or underwriter which: (i) does have a Requisite Rating; and (ii) is otherwise acceptable to the Bondholder Agent, by the date which is the earlier of the expiry date of the relevant policy and the date falling 60 days after the notification under the previous paragraph.

For the purposes of this section "*Insurances*", any insurance company or underwriter that is not rated but that is a subsidiary of a rated financial institution shall be deemed to have the rating given to that financial institution.

The Greek Bond Issuer is further required, among other things:

- (a) to procure that the Bondholder Agent (in its capacity as Bondholder Agent) is named as a loss payee on each Insurance (other than any third party liability Insurance);
- (b) to use its reasonable endeavours to ensure that the Bondholder Agent receives copies of the Insurances and any information in connection with the Insurances and claims under them which the Bondholder Agent may reasonably require;
- (c) to promptly notify the Bondholder Agent of:
  - (i) the proposed terms of any future renewal of any insurance policy;
  - (ii) any variation, termination, avoidance or cancellation of any insurance policy made or, to its knowledge, threatened or pending;
  - (iii) any claim, and any actual or threatened refusal of any claim greater than €500,000, under any insurance policy; and
  - (iv) any event or circumstance which has led or may lead to a breach by the Greek Bond Issuer of the provisions of the Greek Bond Programme Agreement relating to insurance.
- (d) to comply with the terms of all insurance policies;
- (e) not to do or permit anything to be done which may make void or voidable any insurance policy;
- (f) to comply with all reasonable risk improvement requirements of its insurers; and
- (g) to ensure that each premium for insurance is paid promptly and in any event at least five Business Days before the start of the period of insurance for which that premium is payable.

The Greek Bond Issuer is required to promptly notify the Bondholder Agent of any event or circumstance which has led or may lead to a breach by the Greek Bond Issuer of any provision of the Greek Bond Programme Agreement relating to Insurances.

If the Greek Bond Issuer fails to comply with any term of the Greek Bond Programme Agreement relating to Insurances, the Bondholder Agent will be entitled, at the expense of the Greek Bond Issuer, to effect any

insurance and generally do such things and take such other action as the Bondholder Agent may reasonably consider necessary or desirable to prevent or remedy such non-compliance.

Any proceeds of the Insurances (the "**Insurance Proceeds**") received by the Bondholder Agent as loss payee of the relevant Insurance will be applied by the Bondholder Agent as follows:

- (a) other than to the extent required by any Insurance or Tenancy Document, in case of any damage that does not constitute a major damage within the scope described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory redemption on major damage*", any Insurance Proceeds shall be paid to the Greek Bond Issuer (or as the Greek Bond Issuer may otherwise direct) within two Business Days of their receipt by the Bondholder Agent;
- (b) other than to the extent required by any Insurances or Tenancy Document, in case of major damage of a Property within the scope described above in the section entitled "*Repayment and prepayment of the Greek Bonds - Mandatory redemption on major damage*", any Insurance Proceeds will:
  - (i) if the Greek Bond Issuer has agreed a Reconstruction Plan with the Bondholder Agent as described under "*Repayment and prepayment of the Greek Bonds – Reconstruction Plan*" pursuant to which it may rebuild or reconstruct the relevant Property in place of prepaying the Bonds or adding one or more Additional Properties to the Portfolio, be applied in accordance with the relevant Reconstruction Plan; and
  - (ii) otherwise be paid to the Greek Bond Issuer (or as the Greek Bond Issuer may otherwise direct) within two Business Days of their receipt by the Bondholder Agent or, if later, the Business Day following the expiry of the 60 day period described in paragraph (a) under "*Greek Bond Programme Agreement - Repayment and prepayment of the Greek Bonds – Reconstruction Plan*".
- (c) The Insurance Proceeds of any loss of rent insurance will be treated as Rental Income and shall be deposited to the Rent Collection Account on the Business Day after receipt by the Bondholder Agent and further applied as described under the section entitled "*Greek Bond Issuer Accounts – Rent Collection Account - Transfers from Rent Collection Account (prior to a Greek Bond Event of Default)*", as if it were Rental Income received over the period of the loss of rent.

#### *Interest cover*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to ensure that Interest Cover is, on each Testing Date, at least 1.50 (the "**Interest Cover Test**").

On each Testing Date, the Bondholder Agent is required to calculate the Interest Cover and notify the same to the Greek Bond Issuer and the Greek Bondholders. Such notice shall specify whether the Interest Cover Test is passed or failed, and if it is failed, the amount required to be prepaid by the Greek Bond Issuer to ensure compliance with the Interest Cover Test.

If the notice from the Bondholder Agent referred to in the previous paragraph states that the Interest Cover Test is failed, the Greek Bond Issuer will be required, within five Business Days of that notification, to make a prepayment of the Greek Bonds in the amount specified in the aforementioned notification as required to ensure compliance with the Interest Cover Test. For so long as the Greek Bond Issuer has the right to make such payment, it will not be regarded as being in breach of the Interest Cover Test.

In the event that the Greek Bond Issuer is required to prepay the Greek Bonds upon a breach of the Interest Cover Test, the Greek Bond Issuer will also be required to pay a Make-Whole Amount to the Bondholder Agent on the date of such prepayment, for the account of the Greek Bondholders.

For the purposes of this Prospectus:

**"Finance Costs"** means, in respect of any period, the Bondholder Agent's calculation of the aggregate amount of interest and Facility Fees payable by the Greek Bond Issuer under the Greek Bond Finance Documents; and

**"Interest Cover"** means, on a Testing Date, quarterly rental as a percentage of quarterly finance costs, in each case as at that Testing Date, where:

- (a) **"quarterly finance costs"** means, on such Testing Date, Finance Costs paid on the Greek Bond Payment Date immediately preceding such Testing Date; and
- (b) **"quarterly rental"** means, on such Testing Date, the aggregate Rental Income received by the Greek Bond Issuer in the calendar quarter ending immediately prior to the Greek Bond Payment Date immediately preceding such Testing Date in respect of all Properties other than any Prenotation Property or Required Transfer Property in respect of which a first ranking full mortgage has not been granted as at the relevant Testing Date;

#### *Loan to Value*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to ensure that the Loan to Value does not, on any Testing Date, exceed 75% (the **"Loan to Value Test"**), where **"Loan to Value"** means, on any day, the aggregate outstanding nominal amount of all Greek Bonds (less any amount standing to the credit of the Disposals Account on that date which was deposited pending completion of a Reconstruction Plan) as a percentage of the aggregate value of the Properties comprising the Portfolio as at that date other than any Prenotation Property or Required Transfer Property in respect of which a first ranking full mortgage has not been granted as at that date (determined in accordance with the most recent Valuation of the Properties at that time).

On each Testing Date, the Bondholder Agent is required to calculate the Loan to Value and notify the same to the Greek Bond Issuer and the Bondholders. Such notice shall specify whether the Loan to Value Test is passed or failed, and if it is failed, the amount required to be prepaid by the Greek Bond Issuer to ensure compliance with the Loan to Value Test.

If the notice from the Bondholder Agent referred to in the previous paragraph states that the Loan to Value Test is failed (the **"LTV Breach Notification"**), the Greek Bond Issuer will be required, within ten Business Days of that notification, to pay into the Disposals Account the amount specified in the LTV Breach Notification as required to ensure the Greek Bond Issuer's compliance with the Loan to Value Test (the **"LTV Deposit Obligation"**).

Pursuant to the Greek Bond Programme Agreement, provided that the Greek Bond Issuer has complied with the LTV Deposit Obligation, the Greek Bond Issuer will be entitled, within five Business Days of the LTV Breach Notification, to seek the Bondholder Agent's approval (acting on the instructions of the Majority Greek Bondholders) to add one or more Additional Properties that satisfy the Additional Property Criteria to the Portfolio, the aggregate values of which (based on the most recent Valuation(s)) would, if added to the Portfolio, cause the Loan to Value to satisfy the Loan to Value Test (without any adjustment to account for amounts paid into the Disposals Account pursuant to the LTV Deposit Obligation) (the **"Additional Properties Request"**). The Majority Greek Bondholders will be required to act reasonably in considering any such Additional Properties Request.

If the Greek Bond Issuer and the Bondholder Agent reach agreement for the Greek Bond Issuer to add one or more Additional Properties to the Portfolio within ten Business Days of the Additional Properties Request, the Greek Bond Issuer will then be required to add to the Portfolio, in accordance with the procedure described in the section entitled *"Repayment and prepayment of the Greek Bonds - Procedure for addition of Properties to the Portfolio"*, such Additional Property or Additional Properties as have been agreed by the Bondholder Agent within 60 days of the Bondholder Agent confirming such agreement.

Any amount paid into the Disposals Account in satisfaction of the LTV Deposit Obligation:

- (a) in the event that the Greek Bond Issuer does not seek and receive permission to add an one or more Additional Properties to the Portfolio within ten Business Days of the Additional Properties Request, shall be applied in prepayment of the Greek Bonds, as described in the section entitled "*Repayment and prepayment of the Greek Bonds – Voluntary prepayment*", on the next Greek Bond Payment Date;
- (b) in the event that the Greek Bond Issuer receives permission to add one or more Additional Properties to the Portfolio but fails to do so within the 60 day period referred to above, shall be applied in prepayment of the Greek Bonds, as described in the section entitled "*Repayment and prepayment of the Greek Bonds – Voluntary prepayment*", on the next Greek Bond Payment Date following the expiry of such 60 day period; and
- (c) in the event that the Greek Bond Issuer adds, within the 60 day period referred to above, such Additional Property or Additional Properties to the Portfolio as are sufficient to ensure compliance with the Loan to Value Test, shall be released to the Greek Bond Issuer on the next following Business Day.

If the Greek Bond Issuer receives permission to add more than one Additional Property to the Portfolio and, within 60 days of receiving such permission has completed the addition of some but not all of such proposed Additional Properties, then the amount applied in prepayment of the Greek Bonds, as described above, will be only the amount required to ensure the Greek Bond Issuer's compliance with the Loan to Value Test and any excess amount paid into the Disposals Account pursuant to the LTV Deposit Obligation shall be released to the Greek Bond Issuer on the next following Business Day.

The Greek Bond Issuer shall not be regarded as being in breach of the Loan to Value Test for so long as it has the right and/or has taken steps to cure such breach pursuant to procedures described in the third paragraph of this section "*Loan to Value*" (whether or not it also takes actions described in the fourth and fifth paragraphs hereof).

#### *Property Title*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required, within three months from the Greek Bond Documentation Date, to make corrections in the competent cadastres of certain errors with respect to those Properties with addresses at: (i) Emm. Tsouderou and G. Tsagri, Rethimno; (ii) Ionos Dragoumi 1 and Megalou Alexandrou, Kavala; (iii) Komnion and Vazelonos 30, Kalamaria; and (iv) Plateia Ethnikis Antistaseos and Antonopoulou, Kalamata.

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required, within 24 months from the Greek Bond Documentation Date, to take all actions to procure the deletion from the books of the competent land registries of certain third party claims identified in respect of those Properties with addresses at: (i) Eirinis 5, Katerini; (ii) Epidamnou 34 & Ag. Paraskevis 37, Athens; (iii) Kifissias Ave 178 and Agisilaou, Chalandri; and (iv) Nikitara 2, Parkou and Vasileos Georgiou, Argos - Mikynes.

#### *Prenotation/Required Transfer Properties*

The Greek Bond Issuer and the Bondholder Agent are, pursuant to the Greek Bond Programme Agreement, required to take all steps necessary to grant mortgage prenotations in respect of the Prenotation Properties on 5 September 2014 or as soon as practicable thereafter based on appropriate petitions prepared by Kyriakides Georgopoulos Law Firm and delivered to the Greek Bond Issuer and the Bondholder Agent on 1 September 2014.

**"Prenotation Properties"** means the Properties with addresses at: (i) Topali, Iasonos and Dimitriadou, Volos; (ii) Thira Nisou Santorinis (Kentriki Odos), Thira; (iii) Aristomenous 25 and Nikitara, Kalamata; (iv) Plateia Nikis 1, Pavlou Mela and Tsontza, Kozani; (v) Ermou 19, Athens; (vi) Karageorgi Servias 6 (Syntagma Square), Athens; (vii) Leoforos Irakleiou 243 and Ag. Vasileiou, N. Ionia; (viii) Plateia Eleftheroton and Gini, Chalandri; and (ix) Agiou Meletiou 55 and Fokionos Negri, Athens.

The Greek Bond Issuer is required:



- (a) to use all reasonable efforts:
  - (i) to obtain the missing certificates relating to each of the Prenotation Properties within four months of the Closing Date; and
  - (ii) to register the Required Transfer Property in the name of the Greek Bond Issuer within one year of the Issue Date; and
- (b) to grant a first ranking full mortgage over each Prenotation Property and the Required Transfer Property within ten Business Days of receipt of the missing certificates (in the case of a Prenotation Property) or the registration of the transfer of ownership into the name of the Greek Bond Issuer (in the case of the Required Transfer Property)

(the "**Prenotation/Required Transfer Properties Undertaking**").

The "**Required Transfer Property**" is the Property with its address at Soutsou and Ieras Odou 310-312, Egaleo.

The Greek Bond Issuer is required to inform the Bondholder Agent promptly upon becoming aware of any reason why it may not, in its reasonable opinion, be able to obtain the required certificate(s) in respect of any Prenotation Property or the registration of the Required Transfer Property in its own name.

Provided that the Greek Bond Issuer has given such notice:

- (a) within two months of the Closing Date, in the case of a Prenotation Property; or
- (b) within nine months of the Closing Date, in the case of the Required Transfer Property,

then the Greek Bond Issuer may, with the prior consent of the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders), add one or more Additional Properties each of which satisfies the Additional Property Criteria to the Portfolio that together have an aggregate Valuation that is at least equal to the Valuation of the relevant Prenotation Property or the Required Transfer Property, as applicable, in accordance with the procedure detailed in the section entitled "*Repayment and prepayment of the Greek Bonds - Procedure for addition of Properties to the Portfolio*".

The Greek Bond Issuer will be required to complete the addition of any Additional Property to the Portfolio pursuant to the procedure described above within four months of the Closing Date (where the addition is due to an inability of the Greek Bond Issuer to obtain a required certificate in respect of any Prenotation Property) or within one year of the Closing Date (where the addition is due to an inability of the Greek Bond Issuer to register the Required Transfer Property in its own name).

If the Greek Bond Issuer fails to comply with the Prenotation/ Required Transfer Properties Undertaking within the relevant timeframe, as specified above, and has not added Additional Properties to the Portfolio having an aggregate Valuation at least equal to the relevant Prenotation Property or the Required Transfer Property pursuant to the procedures described above, then the Greek Bond Issuer will be required immediately to make a prepayment of the Greek Bonds in an amount equal to the Release Price of the relevant Prenotation Property or the Required Transfer Property, as applicable, less the Release Price of any Additional Property that has been added to the Portfolio in respect of such Prenotation Property or Required Transfer Property by the deadline set out in the previous paragraph above.

Any Prenotation Property and/or Required Transfer Property with respect to which the Greek Bond Issuer fails to fulfil the Prenotation/Required Transfer Properties Undertaking will be deemed not to form part of the Portfolio from the date that the Greek Bond Issuer completes the addition of Additional Properties to the Portfolio and/or makes a prepayment of the Greek Bonds, as described above.

The Bondholder Agent will, at the request and expense of the Greek Bond Issuer, take any steps necessary or desirable to release any mortgage prenotation registered in respect of a Prenotation Property in respect of which the Greek Bond Issuer has been unable to fulfil the Prenotation/Required Transfer Properties

Undertaking, where the Greek Bond Issuer has added Additional Properties and/or made a prepayment of the Greek Bonds in accordance with the provisions described above.

#### *Delayed Registration Properties*

The Greek Bond Issuer is, pursuant to the Greek Bond Programme Agreement, required to procure registration of the mortgages over each of the Delayed Registration Properties by 5 September 2014.

**"Delayed Registration Properties"** means the Properties with addresses at: (i) Kifissias Ave 178 and Agisilaou, Chalandri; (ii) Akadimias 68, Charilaou Trikoupi and Zoodoxou Pigis, Athens; (iii) Egnatia Odos 152 and Kamvounion, Thessaloniki; and (iv) Plateia Agiou Nikolaou and Akti Miaouli 65, Piraeus.

If the mortgage over any Delayed Registration Property has not been registered by 5 September 2014, the Greek Bond Issuer will be required immediately to prepay the Greek Bonds by an amount equal to the Release Price of the relevant Delayed Registration Property.

#### *Cadastral*

Pursuant to the Greek Bond Programme Agreement, with respect to Properties situated in areas where the cadastral is not yet in operation, the Greek Bond Issuer is required to do all that is required duly and timely under Greek laws 2308/1995, 2664/1998 and 4164/2013, as well as all other applicable legislation to register the Properties and the mortgages thereon with the respective cadastrals.

#### *Registration Issue Properties*

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer is required to procure registration of the mortgages in favour of the Bondholder Agent over each of the Registration Issue Properties by 23 September 2014 (the **"Registration Issue Properties Undertaking"**).

**"Registration Issue Properties"** means the Properties with addresses at: (i) Ethnikis Antistaseos and Pylarinou, Korinthos; (ii) Evgeniou Aitolou 1, Karpenisi; (iii) Eleftheriou Venizelou and I. Ioannidou and Syggrou, Chalkida; (iv) El. Venizelou, Tabot Kefalinou, and Plateia Dion. Solomou, Zakynthos; (v) Plateia Ethnikis Antistaseos and Antonopoulou, Kalamata; and (vi) Dimocratias Ave 240 and Mitropolitou Ioakim, Alexandroupoli.

If the mortgage over any Registration Issue Property has not been registered by 23 September 2014 or the registrar at the relevant land registry has not accepted payment of €100 as the full amount of the registration fee due in relation to the mortgage of the relevant Registration Issue Property by 23 September 2014, the Greek Bond Issuer will be required immediately to prepay the Greek Bonds by an amount equal to the Release Price of the relevant Registration Issue Property.

If the Greek Bond Issuer complies with the provisions described in the previous paragraph, it will not be regarded as being in breach of the Registration Issue Properties Undertaking and the relevant Registration Issue Property will not be deemed to form part of the Portfolio from the date the Greek Bond Issuer makes the relevant prepayment. In such circumstances, the Bondholder Agent will be required, at the request and expense of the Greek Bond Issuer, to take any steps necessary or desirable to release the mortgage created in favour of the Bondholder Agent over the relevant Registration Issue Property.

#### *Athinon Ave Property*

Pursuant to the Greek Bond Programme Agreement, within nine months from the Greek Bond Documentation Date, the Greek Bond Issuer is required to take all actions to procure:

- (a) the deletion or release of the existing mortgage prenotation on the Athinon Ave Property; and
- (b) the delivery to the Bondholder Agent of a certificate from the relevant land registry confirming that the mortgage over the Athinon Ave Property granted in favour of the Bondholder Agent

pursuant to the relevant Mortgage Deed is first ranking (the "**Athinon Ave Property Certificate**"),

(the "**Athinon Ave Property Undertaking**").

The Greek Bond Issuer is required to inform the Bondholder Agent promptly upon becoming aware of any reason why it may not, in its reasonable opinion, be able to obtain the Athinon Ave Property Certificate.

If the Greek Bond Issuer has not obtained the Athinon Ave Property Certificate within nine months of the Greek Bond Documentation Date or the Greek Bond Issuer has informed the Bondholder Agent that it may not, in its reasonable opinion, be able to obtain the Athinon Ave Property Certificate, then on the date falling nine months after the Greek Bond Documentation Date, the Greek Bond Issuer will be required to prepay the Greek Bonds in an amount equal to the Release Price of the Athinon Ave Property, unless the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) has notified the Greek Bond Issuer in writing that the Greek Bond Issuer may either:

- (a) have a certain further period to obtain the Athinon Ave Property Certificate; or
- (b) add up to four Additional Properties each of which satisfies the Additional Property Criteria to the Portfolio that together have an aggregate Valuation that is at least equal to the Valuation of the Athinon Ave Property, in accordance with the procedure described under "*Repayment and prepayment of the Greek Bonds - Procedure for Addition of Properties to the Portfolio*".

If the Greek Bond Issuer is permitted to add Additional Properties to the Portfolio as described above, and fails to add Additional Properties with an aggregate Valuation that is at least equal to the Valuation of the Athinon Ave Property within three months of the Bondholder Agent permitting such addition, the Greek Bond Issuer will be required immediately to make a prepayment of the Greek Bonds in an amount equal to the Release Price of the Athinon Ave Property less the Release Price of any Additional Property that has been added to the Portfolio in replacement of the Athinon Ave Property.

If the Greek Bond Issuer prepays the Greek Bonds and/or adds Additional Properties to the Portfolio, in each case pursuant to and in compliance with the provisions described above, the Greek Bond Issuer will not be regarded as being in breach of the Athinon Ave Property Undertaking. The Athinon Ave Property will not be deemed to form a part of the Portfolio from the date that the Greek Bond Issuer completes the addition of Additional Properties to the Portfolio and/or makes a prepayment of the Greek Bonds, in each case in accordance with the provisions described above.

The Bondholder Agent will be required, at the request and expense of the Greek Bond Issuer, to take any steps necessary or desirable to release the mortgage over the Athinon Ave Property created in favour of the Bondholder Agent where the Greek Bond Issuer has added Additional Properties and/or made a prepayment of the Greek Bonds, in each case in accordance with the provisions described above.

#### *Rhodes Property*

The Greek Bond Issuer is required to take all actions to procure the registration of the mortgage in favour of the Bondholder Agent over the Rhodes Property before 30 September 2014 (the "**Rhodes Property Undertaking**").

"**Rhodes Property**" means the Property with address Plateias Kiprou and Ethnarxou Makariou, Rhodes.

The Greek Bond Issuer is required to inform the Bondholder Agent promptly upon becoming aware of any reason why it may not, in its reasonable opinion, be able to satisfy the Rhodes Property Undertaking.

If the Greek Bond Issuer has not satisfied the Rhodes Property Undertaking before 30 September 2014 or the Greek Bond Issuer has informed the Bondholder Agent that it may not, in its reasonable opinion, be able to satisfy the Rhodes Property Undertaking, then on 30 September 2014, the Greek Bond Issuer will be required to prepay the Greek Bonds in an amount equal to the Release Price of the Rhodes Property,

unless the Bondholder Agent (acting on the instructions of the Majority Greek Bondholders) has notified the Greek Bond Issuer in writing that the Greek Bond Issuer may either:

- (a) have a certain further period to satisfy the Rhodes Property Undertaking; or
- (b) add up to four Additional Properties each of which satisfies the Additional Property Criteria to the Portfolio that together have an aggregate Valuation that is at least equal to the Valuation of the Rhodes Property, in accordance with the procedure described under "*Repayment and prepayment of the Greek Bonds - Procedure for Addition of Properties to the Portfolio*".

If the Greek Bond Issuer is permitted to add Additional Properties to the Portfolio as described in paragraph (b) above, and fails to add Additional Properties with an aggregate Valuation that is at least equal to the Valuation of the Rhodes Property within three months of the Bondholder Agent permitting such addition, the Greek Bond Issuer will be required immediately to make a prepayment of the Greek Bonds in an amount equal to the Release Price of the Rhodes Property less the Release Price of any Additional Property that has been added to the Portfolio in replacement of the Rhodes Property.

If the Greek Bond Issuer prepays the Greek Bonds and/or adds Additional Properties to the Portfolio, in each case in accordance with the provisions described above, the Greek Bond Issuer will not be regarded as being in breach of the Rhodes Property Undertaking. The Rhodes Property will not be deemed to form a part of the Portfolio from the date that the Greek Bond Issuer completes the addition of Additional Properties to the Portfolio and/or makes a prepayment of the Greek Bonds, in each case in accordance with the provisions described above.

The Bondholder Agent will be required, at the request and expense of the Greek Bond Issuer, to take any steps necessary or desirable to release the mortgage over the Rhodes Property created in favour of the Bondholder Agent where the Greek Bond Issuer has added Additional Properties and/or made a prepayment of the Greek Bonds, in each case in accordance with the provisions described above.

#### ***Security and further assurances***

The Greek Bond Issuer is, pursuant to the Greek Bond Programme Agreement, required to ensure that all actions to create and/or perfect and/or protect and effect all registrations and filings of security interests given or intended or proposed to have been given by it pursuant to the terms of the Greek Bond Security Documents have been carried out on or before the date on which any monetary claim may arise against any third party in connection with any arrangement for the disposal of a Property or any part thereof or any other arrangement relating to a Property (other than a Tenancy Document).

To the extent permitted by applicable law, the Greek Bond Issuer is required, from time to time, to take such other action as the Bondholder Agent may from time to time require to create and/or perfect and/or protect and effect or co-operate in effecting all registrations and filings in respect of any security interests given or intended or proposed to have been given by it pursuant to the Greek Bond Finance Documents to constitute such security interests fully effective and binding in an insolvency of the Greek Bond Issuer or otherwise in all relevant jurisdictions or other jurisdictions where assets are located.

The costs associated with any actions in respect of security interests referred to above will be for the account of the Greek Bond Issuer.

#### ***Default , acceleration and Property management***

##### ***Greek Bond Events of Default***

Pursuant to the Greek Bond Programme Agreement, the following events (among others) will constitute a "**Greek Bond Event of Default**":

- (a) the Greek Bond Issuer does not pay on the due date any amount payable by it under the Greek Bond Finance Documents in the manner required under the Greek Bond Finance Documents, unless such failure to pay is caused solely by:

- (i) an administrative or technical error in the transmission of funds and such failure is remedied within two Business Days of its due date; or
  - (ii) a failure by the Bondholder Agent to make a payment due out of the Sweep Account, as described above under "*Greek Bond Issuer Accounts - Sweep Account*", in circumstances where such account contained sufficient funds to make all payments due and payable under the Greek Bond Finance Documents as at such date;
- (b) the Greek Bond Issuer does not comply with any of its obligations described in the section entitled "*Security and further assurances*", "*Property undertakings – Interest Cover*" or "*Property undertakings – Loan to Value*", "*Property undertakings – Prenotation/Required Transfer Properties*", "*Property undertakings – Delayed Registration Properties*", "*Property undertakings – Registration Issue Properties*", "*Property undertakings – Athinon Ave Property*" or "*Property undertakings – Rhodes Property*" above.
- (c) the Greek Bond Issuer does not comply with any of its obligations described in the sections entitled "*Information undertakings*", "*Restrictions on activities*", "*General undertakings*" or "*Property undertakings*" above (other than those sections under "*Property undertakings*" that are referred to in paragraph (b) above), unless the non-compliance:
- (i) is capable of remedy; and
  - (ii) is remedied within ten Business Days of the earlier of the Bondholder Agent giving notice and the Greek Bond Issuer becoming aware of the non-compliance;
- (d) the Greek Bond Issuer does not comply with any term of the Greek Bond Finance Documents (other than those described in paragraphs (a) to (c) above) unless the non-compliance:
- (i) is capable of remedy; and
  - (ii) is remedied within twenty Business Days of the earlier of the Bondholder Agent giving notice and the Greek Bond Issuer becoming aware of the non-compliance;
- (e) a representation, warranty or statement made or deemed to be made or repeated by the Greek Bond Issuer in any Greek Bond Finance Document or in any document delivered by or on behalf of the Greek Bond Issuer under or in connection with any Greek Bond Finance Document is or proves to be incorrect or misleading in any material respect when made or deemed to be repeated, provided that no Greek Bond Event of Default will occur under this paragraph (e) if the failure to comply is capable of remedy and is remedied within ten Business Days of the earlier of the Bondholder Agent giving notice and the Greek Bond Issuer becoming aware of such failure to comply;
- (f) any of the following occurs in respect of the Greek Bond Issuer:
- (i) any of its Financial Indebtedness is not paid when due (after the expiry of any originally applicable grace period);
  - (ii) any of its Financial Indebtedness:
    - (A) becomes prematurely due and payable prior to its specified maturity; or
    - (B) is placed on demand prior to its specified maturity,
 in each case, as a result of an event of default or any provision having a similar effect (howsoever described); or

- (iii) any commitment for its Financial Indebtedness is cancelled or suspended by a creditor of the Greek Bond Issuer as a result of an event of default or any provision having a similar effect (howsoever described),

where "**Financial Indebtedness**" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or other similar instrument;
- (D) any redeemable preference share;
- (E) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (F) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (G) the acquisition cost of any asset to the extent payable more than 120 days after its acquisition or possession by the party liable;
- (H) any derivative transaction entered into in connection with protection against or benefit from fluctuations in any rate or price (and, when calculating the value of any derivative transaction, only the then marked-to-market value of which shall be taken into account);
- (I) any amount raised under any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing and would be treated in accordance with Accounting Principles as a borrowing;
- (J) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of a liability that would fall within one of the other paragraphs of this definition; or
- (K) the amount of any liability in respect of any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the preceding subparagraphs (A) – (J) (inclusive),

provided that no Greek Bond Event of Default will occur under this paragraph (f) if the aggregate amount of Financial Indebtedness falling within paragraph (f)(ii)(A) or (B) above is less than €5,000,000 or its equivalent in another currency or currencies;

- (g) any of the following occurs in respect of the Greek Bond Issuer:
  - (i) it is, or is deemed for the purposes of any law to be, unable to pay its debts as they fall due or insolvent;
  - (ii) it admits its inability to pay its debts as they fall due;
  - (iii) it suspends making payments on any of its debts or announces an intention to do so; or
  - (iv) a moratorium is declared in respect of any of its indebtedness;
- (h) save as provided below, any of the following occurs in respect of the Greek Bond Issuer:

- (i) any formal step is taken with a view to a moratorium or a composition, assignment, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or similar arrangement with any of its creditors;
- (ii) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration or dissolution or any such resolution is passed;
- (iii) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration or dissolution;
- (iv) an order for its winding-up, administration, submission under special liquidation or dissolution is made;
- (v) any liquidator, judicial custodian, compulsory manager, receiver, administrative receiver, administrator, special liquidator or similar officer is appointed in respect of it or any of its assets;
- (vi) its shareholders, directors or other officers request the appointment of, or give notice of their intention to appoint, a liquidator, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer;
- (vii) enforcement of any security interests over any of the assets of the Greek Bond Issuer or any of its subsidiaries; or
- (viii) any other analogous step or procedure is taken in any jurisdiction,

provided that sub-paragraphs (i) and (iii) of this paragraph (h) will not apply if the relevant step is taken or petition is presented frivolously and vexatiously, which is being contested by the Greek Bond Issuer in good faith in appropriate proceedings for which the Greek Bond Issuer can demonstrate that adequate reserves have been made;

- (i) any expropriation, attachment, sequestration, distress, execution or analogous event in any jurisdiction affects any asset(s) of the Greek Bond Issuer and is not discharged within 60 days;
- (j) the Greek Bond Issuer suspends or ceases, or threatens to suspend or cease to carry on, all or a material part of its business or its licence to operate as a REIC is revoked or threatened to be revoked (by a notice stated to be a warning notice) from the relevant authority;
- (k) subject to certain reservations, it is or becomes unlawful for the Greek Bond Issuer to perform any of its material obligations under the Greek Bond Finance Documents or any security interests created or evidenced by the Greek Bond Security Documents ceases to be effective;
- (l) any Greek Bond Finance Document ceases to be in full force and effect or any security interest conferred by the Greek Bond Security Documents ceases to be legal, valid, binding, enforceable or effective, subject to certain reservations, or is alleged by a party (other than a Finance Party) to be ineffective for any reason;
- (m) the Greek Bond Issuer (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Greek Bond Finance Document or evidences an intention to repudiate a Greek Bond Finance Document or any security interests conferred by the Greek Bond Security Documents or takes any other analogous step;
- (o) any event or series of events occurs which has a Material Adverse Effect;

- (p) the Greek Bond Issuer or any of its subsidiaries fails to pay any sum due from it under or comply with a final judgment or court order within the period specified in such court order and such failure is reasonably likely to have a Material Adverse Effect;
- (q) any investigation, litigation, arbitration or administrative proceedings are instituted against any the Greek Bond Issuer or any of its subsidiaries which is reasonably likely to be adversely determined and, if adversely determined, might reasonably be expected to have a Material Adverse Effect; or
- (r) for so long as the ratio (expressed as a percentage) of:
  - (i) the aggregate annual rental income payable by one or more entities within the same group of companies (the "**Principal Tenant**") to the Greek Bond Issuer in respect of all properties let by the Greek Bond Issuer to the Principal Tenant; to
  - (ii) the aggregate annual rental income payable by all occupational tenants to the Greek Bond Issuer in respect of all properties owned by the Greek Bond Issuer and its subsidiaries,
 is greater than or equal to fifty (50) per cent., the commencement of any procedure or the implementation of any of the measures provided under articles 136 to 145 of Greek law 4261/2014 or any equivalent procedure or measure in respect of any single entity within the group comprising the Principal Tenant.

*Acceleration*

If a Greek Bond Event of Default is outstanding, the Bondholder Agent will be permitted, pursuant to the Greek Bond Finance Documents, by notice to the Greek Bond Issuer:

- (a) declare that all or part of the Greek Bonds in their nominal amount and any other amounts outstanding under the Greek Bond Finance Documents are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand by the Bondholder Agent; and/or
- (b) exercise any or all rights available from time to time under any Greek Bond Security Documents.

*Property management following acceleration*

In the event that the Greek Bonds are declared to be immediately due and payable and/or on demand by the Bondholder Agent as described under "*Acceleration*" above, the Bondholder Agent may give notice to the relevant Tenants of its decision to enforce the Commercial Lease Agreements Pledge and to appoint a managing agent (a "**Managing Agent**") to act as the Bondholder Agent's sub-contractor and representative in connection with:

- (a) the Commercial Lease Agreements Pledge and the exercise of the security assets thereunder; and
- (b) in respect of any Properties in respect of which the tenancy under the relevant Tenancy Document is expiring or any Property which is vacant, the procurement of entities as eligible lessees of Properties for which the Tenancy Documents have been terminated (each, an "**Alternative Tenant**"), the preparation and drafting of an Alternative Tenants Proposal and the taking of all actions required by the Bondholder Agent in connection thereto under the Greek Bond Finance Documents.

"**Alternative Tenants Proposal**" means a proposal in writing by the Bondholder Agent to the Greek Bond Issuer setting out the identity of one or more Alternative Tenants and the terms on which such Alternative Tenants would enter into an Commercial Lease Agreement with the Greek Bond Issuer as lessor and the Alternative Tenant as lessee, including, but not limited to, the rent payable, rent re-adjustment, term of the Commercial Lease Agreement and use of the respective Property.



Any Managing Agent will be jointly and severally liable with the Bondholder Agent for any act or omission of such Managing Agent.

Within two Business Days of appointing a Managing Agent, the Bondholder Agent shall notify the Greek Bond Issuer, each Greek Bondholder and each tenant of a Property of the Managing Agent's name and contact details, and shall, within two Business Days of being notified by the Managing Agent, inform the Greek Bond Issuer, each Greek Bondholder and each tenant of a Property of any change in the contact details of the Managing Agent.

The Greek Bond Issuer and each Greek Bondholder acknowledge and agree, pursuant to the Greek Bond Programme Agreement, that:

- (a) any Managing Agent which the Bondholder Agent may appoint has the authority to act on behalf of the Bondholder Agent in connection with the Commercial Lease Agreements Pledge and each Alternative Tenants Proposal, as the case may be;
- (b) it will deal with the Managing Agent as though the Managing Agent were the Bondholder Agent, and act as instructed or requested by the Managing Agent as though the Managing Agent were the Bondholder Agent; and
- (c) the Bondholder Agent may grant a power of attorney to the Managing Agent to take any action on its behalf in relation to the Commercial Lease Agreements Pledge, including any enforcement action under or in connection with the Commercial Lease Agreements Pledge, and any Alternative Tenants Proposal, as the case may be.

Pursuant to the Greek Bond Programme Agreement, the Greek Bond Issuer will be required:

- (a) to accept any Alternative Tenants Proposal submitted to it by the Bondholder Agent (or the Managing Agent as the case may be) unless it has reasonable grounds for rejecting the proposal and setting out those grounds in writing to the Bondholder Agent; and
- (b) to make a reasoned decision on the relevant Alternative Tenants Proposal within ten Business Days of receiving the same.

The Greek Bond Issuer will be required to accept an Alternative Tenants Proposal unless the Greek Bond Issuer has (within the timeframe set out in the previous paragraph) procured a different Alternative Tenant, on terms at least as favourable (in the reasonable opinion of the Bondholder Agent) to the Greek Bond Issuer as those included in the Alternative Tenants Proposal.

Within ten Business Days from the Greek Bond Issuer making a decision in accordance with the previous paragraph, the Greek Bond Issuer shall enter into a new Commercial Lease Agreement with the Alternative Tenant either proposed by the Bondholder Agent (or the Managing Agent as the case may be) or procured by the Greek Bond Issuer.

### ***Partial Payments***

If the Bondholder Agent receives a payment insufficient to discharge all the amounts then due and payable by the Greek Bond Issuer under the Greek Bonds, the Bondholder Agent is required, pursuant to the Greek Bond Programme Agreement, to apply that payment in the following order:

- (a) *first*, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Bondholder Agent as provided for in law 3156/2003 of the Hellenic Republic and otherwise as may be payable under the Bondholder Agent Agreement or under the Greek Bond Programme Agreement;
- (b) *second*, in or towards payment *pro rata* of any unpaid fees, costs, expenses or other amounts then due and payable by the Greek Bond Issuer to the Greek Bond Issuer Security Trustee pursuant to the Account Security Deed;

- (c) *thirdly*, in or towards payment *pro rata* of any outstanding cost or expense which, in the opinion of the Bondholder Agent, is required to be paid to preserve or protect any interest of the Greek Bond Issuer in a Property or any security interest granted by the Greek Bond Issuer pursuant to a Greek Bond Security Document;
- (d) *fourthly* in or towards payment *pro rata* of any accrued interest or fee due but unpaid under the Greek Bonds;
- (e) *fifthly*, in or towards payment *pro rata* of any principal amount due but unpaid under the Greek Bonds; and
- (f) *sixthly*, in or towards payment *pro rata* of any other such sum due but unpaid under the Greek Finance Documents.

The Bondholder Agent will be required, if so directed by the Enhanced Majority Greek Bondholders, to vary the order set out in subparagraphs (c) and (f) above.

If any prepayment of the Greek Bonds is made on a day that is not a Greek Bond Payment Date, such amount will be applied in the order set out above.

### ***Bondholder Agent***

The appointment and duties of the Bondholder Agent are dealt with in the Bondholder Agent Agreement (as described below under " – *Bondholder Agency Agreement*").

### ***Instructions of Greek Bondholders***

Pursuant to the Greek Bond Programme Agreement, the Bondholder Agent is fully protected if it acts on the instructions of the Majority Greek Bondholders or, as the case may be, the Enhanced Majority Greek Bondholders in the exercise of any right, power or discretion or any matter not expressly provided for in the Greek Bond Finance Documents.

**"Majority Greek Bondholders"** means, at any time, Greek Bondholders holding more than 66 2/3 per cent. of the nominal amount of all the Greek Bonds then outstanding.

**"Enhanced Majority Greek Bondholders"** means, at any time, Greek Bondholders holding more than 95 per cent. of the nominal amount of all the Greek Bonds then outstanding.

The Bondholder Agent is required to comply with any such instructions given by the Majority Greek Bondholders or, as the case may be, where specified in the Greek Bond Programme Agreement, the Enhanced Majority Greek Bondholders. Any instructions given by the Majority Greek Bondholders or, as the case may be, the Enhanced Majority Greek Bondholders will be binding on all the Greek Bondholders.

The Bondholder Agent is required to obtain the prior approval of the Majority Greek Bondholders or Enhanced Majority Greek Bondholders, as applicable, before, among other things, granting any approval, agreement or consent or giving any direction to the Greek Bond Issuer under the Greek Bond Programme Agreement.

The Bondholder Agent is not authorised to act on behalf of a Greek Bondholder (without first obtaining that Greek Bondholder's consent) in any legal or arbitration proceedings in connection with any Greek Bond Finance Document.

The Bondholder Agent may require the receipt of security satisfactory to it, whether by way of payment in advance or otherwise, against any liability or loss which it may incur in complying with the instructions of the Majority Greek Bondholders or, as the case may be, the Enhanced Majority Greek Bondholders.

### *Role of Servicer*

The Greek Bond Programme Agreement contains provisions pursuant to which the Greek Bondholders may, by written resolution signed by all Greek Bondholders, appoint a servicer as their representative to represent the Greek Bondholders collectively in all their dealings with the Bondholder Agent in relation to the Greek Bonds and the Greek Bond Finance Documents.

Following their acquisition of Greek Bonds on the Closing Date, each of the Issuer and the Second Greek Bondholder, as the only Greek Bondholders, will appoint Situs Asset Management Limited, as Servicer, to perform this role, pursuant to the terms of the Servicing Agreement (see section below entitled "*The Servicing Arrangements*").

The Greek Bond Programme Agreement provides that the Servicer, to the extent so appointed, will have full power and authority to represent the Greek Bondholders collectively in relation to the Greek Bonds and the Greek Bond Finance Documents and to exercise all discretions and take all decisions in relation to the Greek Bonds and the Greek Bond Finance Documents to be exercised or taken by the Greek Bondholders in relation thereto and to give or withhold all instructions, approvals and consents to the Bondholder Agent in relation thereto on behalf of the Greek Bondholders collectively.

The Greek Bond Programme Agreement further provides that any instruction, approval or consent given to the Bondholder Agent by the Servicer, if so appointed, in relation to the Greek Bonds or the Greek Bond Finance Documents by a written resolution will have the same effect as if it had been made pursuant to a meeting of the Greek Bondholders and, subject as described under "*Instructions of the Greek Bondholders*" above, the Bondholder Agent will be required to comply with all such instructions, approvals or consents.

The Bondholder Agent is, pursuant to the Greek Bond Programme Agreement, required to deal directly with the Servicer as the representative of the Greek Bondholders and to copy all communications to Greek Bondholders to the Servicer simultaneously with the transmission of such communications to the Greek Bondholders.

References in this Prospectus to the Bondholder Agent acting on the instruction or directions or with the approval of the Greek Bondholders, the Majority Greek Bondholders or the Enhanced Majority Greek Bondholders shall, for so long as a Servicer is appointed, be construed as the Bondholder Agent acting in accordance with the instructions or directions or the approval of the Servicer.

### *Reliance*

The Greek Bond Programme Agreement contains provisions entitling the Bondholder Agent to, among other things:

- (a) rely on any notice or document believed by it to be genuine and correct and to have been signed by, or with the authority of, the proper person;
- (b) rely on any statement made by any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify; and
- (c) engage, pay for and rely on professional advisers selected by it (including those representing the Greek Bond Issuer or any Greek Bondholder).

### *Indemnity*

Each Greek Bondholder is, pursuant to the Greek Bond Programme Agreement, required to indemnify the Bondholder Agent for that Greek Bondholder's *pro rata* share of any loss or liability incurred by the Bondholder Agent arising out of its acting as the Bondholder Agent, except to the extent that the loss or liability is caused by the Bondholder Agent's negligence or wilful misconduct.

### *Resignation and replacement*

The Bondholder Agent is permitted to resign without cause by giving notice to the Greek Bondholders and the Greek Bond Issuer, in which case the Majority Greek Bondholders (or the Servicer on its behalf) may appoint a successor Bondholder Agent (provided that such successor satisfies the requirements of law 3156/2003 of the Hellenic Republic as to bondholder agents).

The Majority Greek Bondholders may replace the Bondholder Agent by a written resolution, a copy of which will be sent to the Bondholder Agent and appoint a successor Bondholder Agent (provided that such successor satisfies the requirements of law 3156/2003 of the Hellenic Republic as to bondholder agents). The outgoing Bondholder Agent will be entitled to all accrued and unpaid fees and expenses up to the date of its replacement.

The Majority Greek Bondholders, when appointing a successor Bondholder Agent, must not make such appointment without the prior written consent of the Greek Bond Issuer, such consent not to be unreasonably withheld or delayed and deemed given if not expressly refused within five Business Days of the date of receipt by the Greek Bond Issuer of such request for consent.

The resignation of the Bondholder Agent and the appointment of any successor Bondholder Agent will both become effective when the successor notifies all the Greek Bondholders and the Greek Bond Issuer that it accepts its appointment and that it has been given all mandates and authorities necessary to operate the Sweep Account and the Disposals Account and has acceded to both the Bondholder Agency Agreement and the Account Security Deed. On giving such notification, the successor Bondholder Agent will succeed to the position of the retiring Bondholder Agent and the term Bondholder Agent, will mean the successor Bondholder Agent.

If no successor Bondholder Agent has been appointed by the Majority Greek Bondholders within three months of the resignation of the Bondholder Agent, then the Bondholder Agent may designate an entity who is willing and eligible to act as a bondholder agent under law 3156/2003 of the Hellenic Republic as to bondholder agents (provided there is no conflict of interest between such entity and the Greek Bond Issuer or the Greek Bondholders) for a fee no greater than the then existing fee payable to the Bondholder Agent and the Majority Greek Bondholders will be required to appoint such entity as the bondholder agent and the Majority Greek Bondholders will be required to pass a resolution to that effect as soon as practicable.

### ***Governing law***

The Greek Bond Programme Agreement and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with English law, save that certain provisions of the Greek Bond Programme Agreement (including those provisions relating to the negotiable character of the Greek Bonds or meetings of the Bondholders) and any non-contractual or other obligations arising out of it or in connection therewith are governed by and construed in accordance with Greek law.

### **Bondholder Agent Agreement**

The Bondholder Agent Agreement was entered into on the Greek Bond Documentation Date between the Greek Bond Issuer and the Bondholder Agent.

### ***Appointment of Bondholder Agent***

Pursuant to the Bondholder Agent Agreement, Alpha Bank has been appointed as Bondholder Agent by the Greek Bond Issuer, to act as representative of the Greek Bondholders in accordance with the provisions of, among other things:

- (a) law 3156/2003 of the Hellenic Republic; and
- (b) the Greek Bond Programme Agreement.

### ***Fees and expenses of the Bondholder Agent***

Pursuant to the terms of the Bondholder Agent Agreement, the Greek Bond Issuer is required to pay to the Bondholder Agent an agency fee in the amount of €40,000 per annum.

In addition, the Greek Bond Issuer is required, pursuant to the Bondholder Agent Agreement, to pay to the Bondholder Agent a supplemental agency fee in the amount of €1,500 upon the occurrence of any of the following events, among others:

- (a) an amendment of the Greek Bond Programme Agreement or of the terms of the Greek Bonds;
- (b) a transfer of the Greek Bonds; and
- (c) a meeting of the holders of the Greek Bonds.

In addition, the Greek Bond Issuer is required, promptly, to reimburse the Bondholder Agent for all reasonable costs and expenses incurred or to be incurred by the Greek Bond Issuer under the Greek Bond Finance Documents.

### ***Responsibility of the Bondholder Agent***

The Bondholder Agent does not have any responsibility towards the Greek Bond Issuer (in contract or otherwise) for any act or omission of the Bondholder Agent, its directors, managers, employees, agents or advisors in connection with the Greek Bond Loan, other than to perform its duties under the Bondholder Agent Agreement, the Greek Bond Programme Agreement and the Greek Bond Purchase Agreement with the standard of care exercised by it in respect of its own affairs.

Any liability of the Bondholder Agent towards the Greek Bond Issuer in accordance with the previous paragraph shall be limited to the actual direct loss of the Greek Bond Issuer, excluding any indirect loss or loss of profit (whether or not reasonably foreseeable and irrespective of any prior notice to the Bondholder Agent on the likelihood of any such loss), and shall not exceed in aggregate the total amount of the fees already paid to the Bondholder Agent at the relevant time (as described above under "*Fees and expenses of the Bondholder Agent*"), except only in case of evidenced gross negligence or wilful misconduct.

### ***Governing law***

The Bondholder Agent Agreement and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with Greek law.

### ***Greek Bond Purchase Agreement***

The Greek Bond Purchase Agreement was entered into on the Greek Bond Documentation Date between the Greek Bond Issuer, the Bondholder Agent, the Issuer and the Second Greek Bondholder and amended on or about 20 August 2014.

### ***Subscription***

Subject to the terms of the Greek Bond Purchase Agreement:

- (a) the Issuer has agreed to subscribe and pay for the Issuer Greek Bonds; and
- (b) the Second Greek Bondholder has agreed to subscribe and pay for the SGB Greek Bonds.

The Greek Bond Issuer may request the Issuer and the Second Greek Bondholder to subscribe for their respective Greek Bonds by giving to the Bondholder Agent a duly completed request notice (a "**Request**") in substantially the form scheduled to the Greek Bond Purchase Agreement.

Pursuant to the Greek Bond Purchase Agreement, each Greek Bond will be issued at a discount and the Issuer will pay for the Issuer Greek Bonds and the Second Greek Bondholder will pay for the SGB Greek Bonds an amount equal to 98.91% of the nominal amount of the Issuer Greek Bonds or, as applicable, the SGB Greek Bonds.

### *Conditions precedent*

The Greek Bond Issuer's right to serve a Request is subject to satisfaction of certain conditions precedent, including, among other things, delivery of the following documents, in form and substance satisfactory to the Bondholder Agent:

- (a) a copy of the constitutional documents of the Greek Bond Issuer;
- (b) a copy of a resolution of the board of directors of the Greek Bond Issuer, approving the terms of, and the transactions contemplated by, the Greek Bond Finance Documents to which it is a party including, but without limitation, the issuance of the Greek Bonds (among other things);
- (c) a certificate of an authorised signatory of the Greek Bond Issuer:
  - (i) confirming that the execution of the Greek Bond Purchase Agreement and the Greek Bond Programme Agreement and the issue of the Greek Bonds will not result in any breach of any limit binding on the Greek Bond Issuer; and
  - (ii) certifying that each copy document required to be delivered as a condition precedent to the delivery of the Request is correct, complete and in full force and effect as at a date no earlier than the date of the Greek Bond Purchase Agreement.
- (d) certificates issued by the Athens Court of First Instance, the Athens Lower Instance Court and the General Secretariat of Commerce, as the case may be, providing confirmation that, among other things, there have been no filings by or against the Greek Bond Issuer in relation to bankruptcy, liquidation and dissolution of the Greek Bond Issuer;
- (e) a copy of the 2013 Greek Bond Issuer Financial Statements;
- (f) copies of the bank mandates for each of the Greek Bond Issuer Accounts;
- (g) a copy of the Initial Valuation;
- (h) insurance documentation showing compliance of the Greek Bond Issuer with the provisions of the Greek Bond Programme Agreement in relation to Insurances (as described above in the section entitled "*Greek Bond Programme Agreement – Property Covenants – Insurance*");
- (i) certified copies of all deeds, title documents and land registry or cadastre certificates relating to the Greek Bond Issuer's interests in each Property;
- (j) a copy of the Greek Bond Issuer's tax clearance certificates dated not later than 60 days prior to the Greek Bond Documentation Date;
- (k) submission for registration of each mortgage over each Property (not being a Prenotation Property, Required Transfer Property or Delayed Registration Property) with the competent land registry and cadastre, where applicable, and confirmation from legal counsel to the Bondholder Agent of the date, time and receipt number in relation to the submission of the relevant Mortgage Deed, where applicable;
- (l) due execution of a Mortgage Deed for the establishment of a mortgage over the Delayed Registration Properties;
- (m) original executed copies of the Greek Bond Finance Documents; and

- (n) certain legal opinions, addressed to the Issuer, the Second Greek Bondholder and the Bondholder Agent.

In addition, the obligations of the Issuer and the Second Greek Bondholder to subscribe and pay for its respective Greek Bonds are subject to the further conditions precedent that:

- (a) on the date of the Request and the Closing Date:
  - (i) those representations of the Greek Bond Issuer (as described above in the section entitled "*Representations*") that are required to be repeated on each such date are correct in all material respects; and
  - (ii) no Greek Bond Event of Default is outstanding or would result from the issue of the Greek Bonds; and
- (b) on the Closing Date, the Issuer confirms to the Greek Bond Issuer and the Bondholder Agent that the conditions precedent to the Subscription Agreement have been satisfied or waived by the Note Purchaser named therein.

### ***Governing law***

The Greek Bond Purchase Agreement and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with Greek law.

### **Greek Bond Security Documents**

#### ***Account Security Deed***

To provide security for the moneys, obligations and liabilities due, owing, incurred or payable by the Greek Bond Issuer to the Greek Bondholders and the Greek Bond Issuer Security Trustee under the Greek Bond Finance Documents, the Greek Bond Issuer entered into the Account Security Deed with the Greek Bond Issuer Security Trustee and the Bondholder Agent on or about 20 August 2014.

Pursuant to the Account Security Deed, the Greek Bond Issuer has granted a first fixed charge over the Greek Bond Issuer's rights, title, interest and benefit, present and future, in and to the Sweep Account and the Disposals Account and in and to all sums of money which are from time to time and at any time standing to the credit thereof, to be held by the Greek Bond Issuer Security Trustee on trust for the benefit of itself and the Greek Bondholders.

Under English law, security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which such secured party exercises such control.

The security constituted by the Account Security Deed will become enforceable following acceleration by the Bondholder Agent of the Greek Bonds as described above under "*Greek Bond Programme Agreement - Default, acceleration and Property management – Acceleration*". After the security constituted by the Account Security Deed has become enforceable, the Greek Bond Issuer Security Trustee, if instructed to do so by the Bondholder Agent, will be required to enforce all or any of such security in any manner as the Bondholder Agent sees fit.

When exercising its opinion and/or when exercising the rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the Account Security Deed or by operation of law, the Greek Bond Issuer Security Trustee will be required (for so long as any Greek Bonds are outstanding) to take its instructions from the Bondholder Agent. In acting in accordance with such instructions, the Greek Bond Issuer Security Trustee will not be required to have regard to the Greek Bondholders or any other person in any way for the consequences of acting in accordance with such instructions.

The Greek Bond Issuer is required to:

- (a) reimburse the Greek Bond Issuer Security Trustee for all reasonable costs and expenses incurred by it in acting as Greek Bond Issuer Security Trustee; and
- (b) indemnify and/or prefund the Greek Bond Issuer Security Trustee and its officers, employees and agents against all claims, actions, demands, proceedings, liabilities, losses, costs (including legal costs on a full indemnity basis), damages, charges and expenses (including insurance premiums) which the Greek Bond Issuer Security Trustee and its officers, employees, delegates and agents may incur or may be made against it (in the case of the Greek Bond Issuer Security Trustee, whether before or after the Account Security Deed has become enforceable), including any value added tax:
  - (i) in consequence of or in connection with anything done or omitted by the Greek Bond Issuer Security Trustee under or in connection with the Account Security Deed or of any failure by the Greek Bond Issuer to comply with its obligations to the Greek Bond Issuer Security Trustee under or in connection with the Account Security Deed; or
  - (ii) in consequence of any payment in respect of the liabilities secured by the Account Security Deed (whether made by the Greek Bond Issuer or a third person) being impeached or declared void for any reason whatsoever,

save where such claims, actions, demands, proceedings, liabilities, losses, costs, damages, charges and expenses arise as a result of the fraud, negligence or wilful default by the person claiming to be entitled to be indemnified or arise in respect of tax chargeable on the profits of the Greek Bond Issuer Security Trustee.

Subject to the appointment of a successor Greek Bond Issuer Security Trustee, the Greek Bond Issuer Security Trustee is permitted to retire at any time upon giving not less than three months prior written notice to the Greek Bond Issuer and the Bondholder Agent. In addition, the Bondholder Agent has the power to remove the Greek Bond Issuer Security Trustee.

The retirement or removal of any Greek Bond Issuer Security Trustee is not permitted to become effective unless there remains at least one Greek Bond Issuer Security Trustee being a Trust Corporation upon such retirement or removal.

Upon the termination or resignation of the appointment of a Greek Bond Issuer Security Trustee which is the sole trustee (and a Trust Corporation), the Greek Bond Issuer will be required to use its reasonable efforts to procure that a new trustee (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter, provided that if the Greek Bond Issuer has failed to appoint a replacement Greek Bond Issuer Security Trustee within two months of receipt of the relevant notice, the outgoing Greek Bond Issuer Security Trustee will be entitled to appoint a successor (without any requirement for written approval of the Greek Bond Issuer or any other person) provided such successor is a reputable Trust Corporation.

The remuneration payable to any new security trustee of the Account Security Deed may be payable at a rate that is higher than the rate of remuneration payable to the outgoing Greek Bond Issuer Security Trustee, but the rate of such remuneration may not exceed the market level range of fees that are commonly charged by security trustees in relation to European CMBS.

The Greek Bond Issuer Security Trustee is permitted, subject to the conditions specified in the Account Security Deed, to appoint a separate trustee or a co-trustee to act jointly with it.

The Greek Bond Issuer Security Trustee is entitled and authorised to assume, without enquiry, in the absence of actual knowledge or express notice to the contrary, that each of the Greek Bond Issuer and the Bondholder Agent is duly performing and observing all the covenants and provisions contained in the Greek Bond Finance Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes a Greek Bond Event of Default or an event which would be (with the



expiry of a grace period, the giving of notice or the making of any determination under the Greek Bond Finance Documents or any combination of them) a Greek Bond Event of Default.

The Greek Bond Issuer Security Trustee is not required to monitor or supervise the functions of the Greek Bond Issuer or any other person under any Greek Bond Finance Document.

The Account Security Deed and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with English law.

### ***Insurance Pledge***

To provide security for the present and future obligations and liabilities of the Greek Bond Issuer to the Bondholder Agent (for its own account and for the account of the Greek Bondholders) under the Greek Bond Finance Documents, the Greek Bond Issuer entered into the Insurance Pledge with the Bondholder Agent on 12 August 2014. The Insurance Pledge was subsequently amended on or about 20 August 2014.

Pursuant to the Insurance Pledge, the Greek Bond Issuer has irrevocably and unconditionally granted a first-ranking assignment of the Insurance Pledge Security Assets to the Bondholder Agent (for its own account and for the account of the Greek Bondholders in accordance with article 4 of Greek law 3156/2003, as amended) by way of pledge, in accordance with article 35ff of Greek legislative decree 17.07/13.08.1923 on "special provisions on sociétés anonymes" and Greek law 2844/2000.

For these purposes:

**"Insurance Pledge Security Assets"** means all present and future, actual or contingent, rights and claims of the Greek Bond Issuer against any insurer arising under and/or in connection with the Insurances, including, but not limited to, all payments made by an insurer under the Insurances; and

**"Insurances"** means any contract or policy of insurance taken out by or on behalf of the Greek Bond Issuer (other than any third party liability insurance) or by any third party or in which the Greek Bond Issuer has been set as the beneficiary in respect of the Properties, as extended, amended, novated or replaced at any time and from time to time.

Under Greek law, an assignment by way of pledge over rights and claims operates to transfer the ownership of such rights and claims to the pledgee, who, subject to the terms of the security agreement, has full control over such rights and claims. Pursuant to the Insurance Pledge, the Insurance Pledge Security Assets will be assigned, delivered, controlled and exercised by the Bondholder Agent in accordance with the provisions of the Insurance Pledge and the Greek Bond Finance Documents.

If, for any reason, the pledge referred to above does not take effect, it will take full effect as an assignment by way of security of the Insurance Pledge Security Assets in accordance with the provisions of articles 455ff of the Greek Civil Code.

Pursuant to the Insurance Pledge, the Greek Bond Issuer remains fully liable to perform its payment and other obligations towards each insurer under the relevant Insurance and will comply with the Requisite Rating requirements of the Greek Bond Programme Agreement in connection with each insurer, as described above under "*Greek Bond Programme Agreement – Property undertakings - Insurances*". If the Greek Bond Issuer fails to perform any payment obligation in connection with the Insurances, the Bondholder Agent may, at its discretion, effect such payment. The Bondholder Agent is also permitted to replace any Insurance if the relevant insurer fails to meet the Requisite Rating requirement. The Greek Bond Issuer is required to reimburse the Bondholder Agent on demand for any payment so made by the Bondholder Agent or other costs incurred by the Bondholder Agent in connection with the foregoing.

Upon acceleration of the Greek Bonds in accordance with the terms of the Greek Bond Programme Agreement (as described above under "*Greek Bond Programme Agreement - Default , acceleration and Property management - Acceleration*"), the Bondholder Agent will be entitled, if so directed by the Majority Greek Bondholders and without any further authorisation, consent or authority from the Greek

Bond Issuer, to deliver an enforcement notice to the insurers with respect to the Insurances, whereupon the Bondholder Agent will be entitled (but not obliged) to:

- (a) exercise any of the Insurance Pledge Security Assets;
- (b) require and receive from any such insurer any information relating to the relevant Insurance Pledge Security Assets; and
- (c) require any such insurer to effect payment of all monies due by it in connection with the relevant Insurance Pledge Security Assets directly to the Bondholder Agent into the Disposals Account or the Rent Collection Account, as the case may be, under the terms of the Greek Bond Programme Agreement and to apply those moneys in or towards the discharge of the amounts secured by the Insurance Pledge, in accordance with the provisions of the Greek Bond Finance Documents.

The Greek Bond Issuer has, pursuant to the Insurance Pledge, granted in favour of the Bondholder Agent and any delegates of the Bondholder Agent an irrevocable power of attorney to (among other things), following acceleration of the Greek Bonds, exercise the Greek Bond Issuer's rights (in its capacity as lessor) under or in relation to the Insurances against the relevant insurer or any third party.

The Bondholder Agent is entitled at any time and as often as may be expedient to delegate all or any of the powers and discretions vested in it by the Insurance Pledge in such manner, upon such terms, and to such persons as the Bondholder Agent may in its discretion think fit, in accordance with the Greek Bond Finance Documents and the Insurances.

The Insurance Pledge and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with the laws of the Hellenic Republic.

#### ***Commercial Lease Agreements Pledge***

To provide security for the present and future obligations and liabilities of the Greek Bond Issuer to the Bondholder Agent (for its own account and for the account of the Greek Bondholders) under the Greek Bond Finance Documents, the Greek Bond Issuer entered into the Commercial Lease Agreements Pledge with the Bondholder Agent on 12 August 2014. The Commercial Lease Agreements Pledge was subsequently amended on or about 20 August 2014.

Pursuant to the Commercial Lease Agreements Pledge, the Greek Bond Issuer has irrevocably and unconditionally granted a first-ranking assignment of the Commercial Lease Agreement Security Assets to the Bondholder Agent (for its own account and for the account of the Greek Bondholders in accordance with article 4 of Greek law 3156/2003, as amended) by way of pledge, in accordance with article 35ff of Greek legislative decree 17.07/13.08.1923 on "special provisions on sociétés anonymes" and Greek law 2844/2000.

For these purposes:

**"Commercial Lease Agreements Security Assets"** means all present and future, actual or contingent, rights and claims of the Greek Bond Issuer against the Tenants, in each case together with any interest accrued thereon, including, for the avoidance of doubt and without limitation:

- (a) rights and claims to any amounts payable to the Greek Bond Issuer in accordance with the Tenancy Documents (present and future);
- (b) all monies which at any time may be or become payable to the Greek Bond Issuer pursuant thereto;
- (c) the proceeds of all claims, awards and judgments which may at any time be receivable or received by the Greek Bond Issuer pursuant thereto;

- (d) all formative and other (monetary or otherwise) rights of the Greek Bond Issuer under the Tenancy Documents; and
- (e) all rights and claims of the Greek Bond Issuer in its capacity as lessor in relation to the Tenancy Documents, as such rights and claims are provided for lessors of commercial lease agreements and/or lease agreements regulated by the Greek Civil Code, as the case may be, under all applicable Greek laws; and

"**Tenant**" means NBG (and any of its subsidiaries) and/or any other tenant under or in relation with any Tenancy Document.

Under Greek law, an assignment by way of pledge over rights and claims operates to transfer the ownership of such rights and claims to the pledgee, who, subject to the terms of the security agreement, has full control over such rights and claims. Pursuant to the Commercial Lease Agreements Pledge, the Commercial Lease Agreement Security Assets will be assigned, delivered, controlled and exercised by the Bondholder Agent in accordance with the provisions of the Commercial Lease Agreements Pledge and the Greek Bond Finance Documents.

If, for any reason, the pledge referred to above does not take effect, it will take full effect as an assignment by way of security of the Commercial Lease Agreements Security Assets in accordance with the provisions of articles 455ff of the Greek Civil Code.

The Bondholder Agent is permitted to act and exercise all rights relating to the Commercial Lease Agreements Pledge directly and/or through any Managing Agent appointed by it in accordance with the Greek Bond Programme Agreement and to sub-delegate all authority granted to it under the Commercial Lease Agreements Pledge to such Managing Agent.

Upon acceleration of the Greek Bonds in accordance with the terms of the Greek Bond Programme Agreement (as described above under "*Greek Bond Programme Agreement - Default , acceleration and Property management - Acceleration*"), the Bondholder Agent will be entitled, if so directed by the Majority Greek Bondholders and without any further authorisation, consent or authority from the Greek Bond Issuer, to deliver an enforcement notice to the Tenants with respect to the Commercial Lease Agreements, whereupon the Bondholder Agent will be entitled (but not obliged) to:

- (a) exercise any of the Commercial Lease Agreements Security Assets;
- (b) require and receive from any such Tenant any information relating to the relevant Commercial Lease Agreements Security Assets;
- (c) require any such Tenant to effect payment of all monies due by it in connection with the relevant Commercial Lease Agreements Security Assets directly to the Bondholder Agent into the Sweep Account in accordance with the terms of the Greek Bond Programme Agreement and to apply those moneys in or towards the discharge of the amounts secured by the Commercial Lease Agreements Pledge, in accordance with the provisions of the Greek Bond Finance Documents; and
- (d) appoint a Managing Agent in accordance with the provisions of the Greek Bond Programme Agreement, as described above under "*Greek Bond Programme Agreement - Default, acceleration and Property management – Property management following acceleration*".

The Greek Bond Issuer has, pursuant to the Commercial Lease Agreements Pledge, granted in favour of the Bondholder Agent and any delegates of the Bondholder Agent (including the Managing Agent) an irrevocable power of attorney to (among other things), following acceleration of the Greek Bonds, exercise the Greek Bond Issuer's rights (in its capacity as lessor) under or in relation to the Tenancy Documents against the relevant Tenant or any third party.

The Bondholder Agent is entitled at any time and as often as may be expedient to delegate all or any of the powers and discretions vested in it by the Commercial Lease Agreements Pledge in such manner, upon

such terms, and to such persons, including any Managing Agent, as the Bondholder Agent may in its discretion think fit, in accordance with the Greek Bond Finance Documents and the Tenancy Documents.

The Commercial Lease Agreements Pledge and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with the laws of the Hellenic Republic.

### ***Disposal Proceeds Pledge***

To provide security for the present and future obligations and liabilities of the Greek Bond Issuer to the Bondholder Agent (for its own account and for the account of the Greek Bondholders) under the Greek Bond Finance Documents, the Greek Bond Issuer entered into the Disposal Proceeds Pledge with the Bondholder Agent on 12 August 2014. The Disposal Proceeds Pledge was subsequently amended on or about 20 August 2014.

Pursuant to the Disposal Proceeds Pledge, the Greek Bond Issuer has irrevocably and unconditionally granted a first-ranking assignment of the Disposal Proceeds Security Assets to the Bondholder Agent (for its own account and for the account of the Greek Bondholders in accordance with article 4 of Greek law 3156/2003, as amended) by way of pledge, in accordance with article 35ff of Greek legislative decree 17.07/13.08.1923 on "special provisions on sociétés anonymes" and Greek law 2844/2000.

For these purposes:

**"Disposal Proceeds Security Assets"** means all present (if any) and future, actual or contingent, rights and claims of the Greek Bond Issuer against a debtor under or in relation to any Disposal Document, in each case together with any interest accrued thereon, including, for the avoidance of doubt and without limitation:

- (a) rights and claims to any amounts payable to the Greek Bond Issuer in accordance with the relevant Disposal Document (present and future);
- (b) all monies which at any time may be or become payable to the Greek Bond Issuer pursuant thereto;
- (c) the proceeds of all claims, awards and judgments which may at any time be receivable or received by the Greek Bond Issuer pursuant thereto;
- (d) all formative and other (monetary or otherwise) rights of the Greek Bond Issuer under the relevant Disposal Document; and
- (e) all rights and claims of the Greek Bond Issuer in its capacity as seller of the relevant Property in relation to each such Disposal Document, as such rights and claims are provided for sellers of real estate properties under all applicable Greek laws,

provided that the Disposal Proceeds Security Assets will not include the proceeds of the disposal of a Property subject to a compulsory purchase order if the Greek Bond Issuer has either (i) prepaid the Greek Bonds or (ii) paid cash into the Disposals Account, in each case in respect of such Property and as described in the section entitled "*Repayment and prepayment of the Greek Bonds- Mandatory prepayment on compulsory purchase*"; and

**"Disposal Document"** means any agreement or other document in connection with the sale and/or the transfer of a Property (or any part of it) by the Greek Bond Issuer to a third party permitted under the Greek Bond Programme Agreement or pursuant to a compulsory purchase of such Property.

If, for any reason, the pledge referred to above does not take effect, it will take full effect as an assignment by way of security of the Disposal Pledge Security Assets in accordance with the provisions of articles 455ff of the Greek Civil Code.

Upon acceleration of the Greek Bonds in accordance with the terms of the Greek Bond Programme Agreement (as described above under "*Greek Bond Programme Agreement - Default , acceleration and Property management - Acceleration*"), the Bondholder Agent will be entitled, if so directed by the Majority Greek Bondholders and without any further authorisation, consent or authority from the Greek Bond Issuer, to deliver an enforcement notice to the debtor with respect to any Disposal Document, whereupon the Bondholder Agent will be entitled (but not obliged) to:

- (a) exercise any of the relevant Disposal Proceeds Security Assets;
- (b) require and receive from any such debtor any information relating to the relevant Disposal Proceeds Security Assets; and
- (c) require any such debtor to effect payment of all monies due by it in connection with the relevant Disposal Proceeds Security Assets directly into the Disposals Account and to apply those moneys in or towards the discharge of the amounts secured by the Disposal Proceeds Pledge, in accordance with the provisions of the Greek Bond Programme Agreement.

The Greek Bond Issuer has, pursuant to the Disposal Proceeds Pledge, granted in favour of the Bondholder Agent and any delegates of the Bondholder Agent (including the Managing Agent) an irrevocable power of attorney to (among other things), following acceleration of the Greek Bonds, exercise the Greek Bond Issuer's rights (in its capacity as seller) under or in relation to any Disposal Document against the relevant debtor or any third party.

The Bondholder Agent is entitled at any time and as often as may be expedient to delegate all or any of the powers and discretions vested in it by the Disposal Proceeds Pledge in such manner, upon such terms, and to such persons as the Bondholder Agent may in its discretion think fit, in accordance with the Greek Bond Finance Documents.

The Disposal Proceeds Pledge and all non-contractual or other obligations arising out of it or in connection with it are governed by and construed in accordance with the laws of the Hellenic Republic.

### ***Mortgage Deeds***

To provide security for the moneys, obligations and liabilities due, owing, incurred or payable by the Greek Bond Issuer to the Greek Bondholders and the Bondholder Agent under the Greek Bond Finance Documents, the Greek Bond Issuer has entered into the Mortgage Deeds with the Bondholder Agent with respect to all Properties except for Prenotation Properties, the Required Transfer Property and the Akadimias Property.

As described in more detail in the section entitled "*- Greek Bond Programme Agreement – Property Undertakings - Prenotation/Required Transfer Properties*", the Greek Bond Issuer will be required to grant a first ranking full mortgage over each Prenotation Property and the Required Transfer Property within ten Business Days of receipt of the missing certificates (in the case of a Prenotation Property) or the registration of the transfer of ownership into the name of the Greek Bond Issuer (in the case of the Required Transfer Property).

The Akadimias Property will not be subject to a Mortgage Deed as at the Closing Date, but the Greek Bond Issuer is required to procure registration of a mortgage over the Akadimias Property by 5 September 2014 (as described in more detail in the section entitled "*- Greek Bond Programme Agreement – Delayed Registration Properties*").

Pursuant to the Mortgage Deeds entered into prior to the Closing Date, the Greek Bond Issuer has granted a first ranking mortgage over the Greek Bond Issuer's rights, title, interest and benefit, present and future over the relevant Properties, to be held by the Bondholder Agent for the benefit of itself and the Greek Bondholders.

Under Greek law, a mortgage establishes a lien on the underlying real estate property in favour of the pledgee, who will be entitled, subject to other creditors preferred by operation of law, to the proceeds of the mandatory auction through which the mortgaged property will be liquidated.

The mortgages will become enforceable following acceleration by the Bondholder Agent of the Greek Bonds as described above under "*Greek Bond Programme Agreement - Default, acceleration and Property management – Acceleration*". After the security constituted by a Mortgage Deed has become enforceable, the Greek Bondholders are entitled to enforce all or any of such security and will commence the mortgages enforcement process before the Greek courts with the assistance of a Greek public notary, with the aim of achieving a sale of the mortgaged property through a mandatory public auction.

The Mortgage Deeds entered into prior to the Closing Date and all non-contractual or other obligations arising out of or in connection with them are governed by and construed in accordance with Greek law.

## THE SERVICING ARRANGEMENTS

### The Servicing Agreement

Pursuant to the terms of the Servicing Agreement, each of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee will appoint the Servicer to act as their agent and to exercise all of their respective rights, powers and discretions in relation to the Greek Bonds, the Greek Bond Security and the Greek Bond Finance Documents. The appointment by the Issuer is for its benefit and for the benefit of the Noteholders.

### The Servicing Standard

The Servicer will be required to exercise all rights, powers and discretions relating to the Greek Bonds and the Greek Bond Security which have been delegated to it by the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee and all other services to be provided by it under the Servicing Agreement, including with respect to the Transaction Documents, in accordance with and subject to following requirements (the "**Servicing Standard**"):

- (a) all applicable laws and regulations;
- (b) the terms of the Greek Bond Finance Documents;
- (c) the terms of the Servicing Agreement; and
- (d) the same manner and with the same skill, care and diligence it applies to servicing commercial mortgage loans for other third parties,

in each case giving due consideration to the customary and usual standards of practice of reasonably prudent commercial mortgage servicers servicing commercial instruments with a view to the timely collection of all scheduled payments of principal, interest and other amounts due in respect of the Greek Bonds and the Greek Bond Security and the maximisation of recoveries in respect of the Greek Bonds by:

- (i) the Issuer for the purposes of enabling the Issuer to satisfy to the fullest extent possible the Issuer's payment obligations to Noteholders in respect of the Notes on or before the Final Maturity Date taking into account the obligations of the Issuer ranking ahead of Noteholders; and
- (ii) the Second Greek Bondholder for the purposes of enabling the Second Greek Bondholder to satisfy to the fullest extent possible the Second Greek Bondholder's payment obligations to the Issuer in respect of the SGB Loan on or before the SGB Final Maturity Date taking into account the obligations of the Second Greek Bondholder ranking ahead of the Issuer.

In the event that there is a conflict between any of the requirements set forth in paragraphs (a) to (d) above or between the requirements set forth in paragraphs (i) and (ii) above, the Servicer will be required to apply such requirements in the order of priority in which they appear. In applying the Servicing Standard, the Servicer will not be permitted to have regard to:

- any fees or other compensation to which the Servicer may be entitled;
- any relationship the Servicer or any of its Affiliates may have with the Greek Bond Issuer or any Affiliate of the Greek Bond Issuer or any party to the transactions entered into in connection with the issue of the Notes;
- any retainer, fee arrangement or other relationship conferring an economic benefit with any person appointed by it to provide any services or advice in connection with the Servicing Agreement; and/or
- the ownership of any of the Notes by the Servicer or any of its Affiliates.

## **Enforcement rights of Noteholders**

In accordance with the Contracts (Rights of Third Parties) Act 1999, the Noteholders acting collectively will be permitted, following the passing of an Extraordinary Resolution approving the same, to enforce the rights the Noteholders are specified to have against the Servicer under the Servicing Agreement in the event that the Noteholders suffer a loss on the Notes as a result of a breach by the Servicer of its obligations under the Servicing Agreement.

No individual Noteholder will be permitted to bring or pursue any claim against the Servicer unless such Noteholder holds sufficient Notes to pass an Extraordinary Resolution unilaterally.

## **Role of the Servicer**

The terms of the Servicing Agreement will require the Servicer to perform, among other things, the following duties:

- (a) monitoring compliance by the Bondholder Agent with its duties and obligations under the Greek Bond Finance Documents (as described in more detail below under "*Monitoring duties*");
- (b) responding to or otherwise considering requests by the Bondholder Agent or any other relevant entity for directions or instructions in relation to consents, modifications, waivers or amendments relating to the Greek Bond Finance Documents and directing the Bondholder Agent to initiate a request for such consents, modifications, waivers or amendments;
- (c) following the occurrence of a Greek Bond Event of Default and, save where determined by an Operating Adviser (in the circumstances described below under "*Enforcement of the Greek Bond Security*"), determining the optimal strategy to maximise recoveries under the Greek Bonds in accordance with the Servicing Standard (which strategy may include, without limitation, enforcement of the Greek Bond Security) and directing or instructing the Bondholder Agent to take the relevant action;
- (d) the preparation and delivery of the various reports, including the Servicer Quarterly Report and the Note Maturity Report;
- (e) the keeping and maintenance of the Servicing File and the keeping of full books of account and other records in relation to the Greek Bonds;
- (f) the preparation and submission of all applications and requests for approvals, authorisations, consents and licences requested by the Issuer or the Second Greek Bondholder insofar as they relate to the duties to be performed by the Servicer;
- (g) conducting all communications and dealings with the Bondholder Agent in relation to all matters concerning the Greek Bonds and the Greek Bond Security (including, without limitation, issuing directions to the Bondholder Agent with respect to the giving of notices, consents or approvals on behalf of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee under or in relation to the Greek Bonds and the Greek Bond Security); and
- (i) upon request, providing copies of the Greek Bond Finance Documents and the Transaction Documents to any person in electronic form.

**"Servicing File"** means:

- (a) the certificates representing the Greek Bonds (which each of the Issuer and the Second Greek Bondholder will deliver to the Servicer on or immediately following the Closing Date);
- (b) copies of the Greek Bond Finance Documents;



- (c) copies of any documents delivered to the Servicer in connection with the Greek Bond Finance Documents (including, without limitation, valuations, insurance policies and environmental reports); and
- (d) all correspondence that it has been party to in connection with the Greek Bonds and the Greek Bond Finance Documents (including, without limitation, with the Bondholder Agent).

Certain of the duties of the Servicer are described in more detail below, and are in certain cases subject to any instructions given by the Operating Adviser (if appointed).

***Monitoring duties***

Pursuant to the Servicing Agreement, the Servicer will be required to monitor compliance by the Bondholder Agent with its duties and obligations under the Greek Bond Finance Documents. The Servicer will discharge such obligation by:

- (a) actively monitoring whether it receives, in accordance with the applicable timing set out in the Greek Bond Programme Agreement, notices, reports and other written communications:
  - (i) from the Bondholder Agent in relation to, among other things, the rate of interest on the Greek Bond Loan for each Greek Bond Interest Period, the Required Transfer Amount for each Greek Bond Interest Period, payments due on Greek Bond Payment Dates and compliance with the Interest Cover Test, the Loan to Value Test and the Greek Bond Issuer's obligations with respect to Prenotation Properties, Required Transfer Properties and Delayed Registration Properties; and
  - (ii) from the Greek Bond Issuer (including where forwarded by the Bondholder Agent) in relation to, among other things, the financial statements of the Greek Bond Issuer and valuations and the rectification of certain property title defects,

and, in the event that the Servicer does not receive any such notice, report or other communication from the Bondholder Agent in accordance with the Greek Bond Programme Agreement by the dates specified for delivery therein, making appropriate enquiries of the Bondholder Agent;

- (b) reviewing and evaluating the notices, reports and communications referred to in paragraph (a) above (including, checking the accuracy of any mathematical calculations set out in such notices and reports based on information provided to the Servicer) and where the Servicer is not satisfied, based on such notices, reports and communications, that the Bondholder Agent has complied with its duties and obligations under the Greek Bondholder Finance Documents, following up with appropriate representatives of the Bondholder Agent (either orally and/or in writing as the Servicer considers appropriate acting in accordance with the Servicing Standard) and requesting further information from such representatives in relation to the compliance (or otherwise) by the Bondholder Agent with such duties and obligations;
- (c) if the Servicer receives any notice or other written communication from the Bondholder Agent either:
  - (i) given by the Bondholder Agent; or
  - (ii) given by the Greek Bond Issuer to the Bondholder Agent (and which the Bondholder Agent is obliged to forward to the Greek Bondholders),

in relation to certain other matters under the Greek Bond Programme Agreement, including (without limitation) prepayments (including on a change of control, on compulsory purchase and on major damage), changes to the Sweep Account or Disposals Account, disposals of Properties and Insurances, monitoring the Bondholder Agent's compliance with its obligations in relation to such matters by making such enquiries of the Bondholder Agent as it considers (in accordance with the Servicing Standard) necessary and appropriate; and

- (d) in relation to any directions or instructions given by the Servicer to the Bondholder Agent with respect to any consents, modifications, waivers or amendments or other matters relating to the Greek Bond Finance Documents, monitoring the Bondholder Agent's compliance with, and implementation of, such directions or instructions by making such enquiries of the Bondholder Agent as it considers (in accordance with the Servicing Standard) necessary and appropriate.

#### ***Transfers and calculations by the Servicer***

The Servicer will be required to direct the Bondholder Agent to:

- (a) deposit any amount payable to the Issuer under the Greek Bond Finance Documents into the Issuer Transaction Account; and
- (b) deposit any amount payable to the Second Greek Bondholder under the Greek Bond Finance Documents into the SGB Transaction Account.

The Servicer will be required, promptly upon becoming aware of the same, to invoice to the Greek Bond Issuer or direct the Bondholder Agent to invoice to the Greek Bond Issuer (promptly as they arise) the full amount of all costs, expenses, indemnities and reimbursements which the Servicer determines to be payable by the Greek Bond Issuer to the Issuer or the Second Greek Bondholder under the Greek Bond Finance Documents.

#### ***Valuations***

The Servicer will be required to publish each valuation received from the Bondholder Agent or otherwise in relation to all or any of the Properties as soon as reasonably practicable after receipt thereof, together with the relevant instruction letter relating thereto (but with the fees redacted), unless the Servicer determines in accordance with the Servicing Standard that disclosure of such valuation would be inconsistent with the Servicing Standard, such publication to be on Bloomberg or, if Bloomberg is not available, such other online information source accessed by CMBS investors which is available for publication of reports similar to such summary valuation reports, as determined by the Servicer, acting reasonably.

#### ***Modifications, variations, consents and directions - Greek Bond Finance Documents***

The Servicer will be responsible for responding to or otherwise considering requests by the Bondholder Agent for directions or instructions in relation to consents, modifications, waivers or amendments relating to the Greek Bond Finance Documents and will be permitted to initiate a request for consents, modifications, waivers or amendments relating to the Greek Bond Finance Documents if it considers it appropriate to do so (acting in accordance with the Servicing Standard).

Subject to the requirement to act on the directions of the Operating Adviser (as to which, see the section entitled "*The Operating Adviser*"), the Servicer will be permitted (but will not be obliged) to direct or instruct the Bondholder Agent to grant such consent or to agree to such modification, waiver or amendment if the following conditions are satisfied:

- (a) no Note Acceleration Notice has been delivered and the Issuer Security Trustee has not taken steps to enforce the Issuer Security;
- (b) neither the Issuer nor the Second Greek Bondholder will be required to make a further advance of principal (except in connection with an issue of Further Notes or Additional Notes pursuant to Condition 18) and/or defer any interest because of the relevant consent, modification, waiver or amendment;
- (c) the effect of such consent, modification, waiver or amendment would not be to extend the Greek Bond Final Maturity Date to a date falling less than five calendar years before the Final Maturity Date; and

- (d) the Greek Bond Security will continue to include a full first-ranking legal mortgage or charge or equivalent over the Properties (except in respect of Properties to be disposed of as contemplated by such proposed consent, modification, waiver or amendment) or other security satisfactory to the Servicer has been obtained.

Furthermore, subject to the requirement to act on the directions of the Operating Adviser (as to which, see the section entitled "*The Operating Adviser*"), the Servicer may not direct the Bondholder Agent to request any such consent, modification, waiver or amendment unless each of the conditions set out in (a) to (d) above is satisfied.

The Servicer will be required, subject to the obligation to act upon the directions of the Operating Adviser (as to which, see the section entitled "*The Operating Adviser*"), to agree to any request by the Bondholder Agent to direct or instruct the Bondholder Agent to provide a consent (including, without limitation, releasing a Property from any security granted by the applicable Greek Bond Finance Document or releasing the Greek Bond Issuer from any of its other obligations) if:

- (a) the provisions of the relevant Greek Bond Finance Document require such consent to be granted subject to certain conditions being satisfied; and
- (b) the Servicer, acting in accordance with the Servicing Standard (or, if an Operating Adviser has been appointed, in accordance with the instructions of the Operating Adviser) is satisfied that the relevant conditions have been met.

Notwithstanding the above, the Servicer may direct or instruct the Bondholder Agent to agree to any proposed modification of or amendment to the terms of the Greek Bond Finance Documents in order to cure any ambiguity or mistake therein or correct or supplement any provisions therein which may be inconsistent with any other provisions therein if directed to do so by an Operating Adviser (if appointed) or, if no Operating Adviser has been appointed, the Servicer considers that to do so would be in accordance with the Servicing Standard.

#### ***Enforcement of the Greek Bond Security***

Pursuant to the terms of the Servicing Agreement, following the occurrence of a Greek Bond Event of Default:

- (a) if an Operating Adviser has been appointed, the Operating Adviser will be permitted to determine the optimal strategy to maximise recoveries under the Greek Bonds. If the Operating Adviser decides to determine such strategy, it will notify the Servicer of the same and may give all instructions necessary to the Servicer to implement such strategy (and in such circumstances, the Servicer will be required to direct the Bondholder Agent accordingly); and
- (b) if no Operating Adviser has been appointed or, if an Operating Adviser has been appointed but it has not notified the Servicer that it wishes to determine the optimal enforcement strategy, the Servicer will be required to determine the optimal strategy to maximise recoveries under the Greek Bonds in accordance with the Servicing Standard. The Servicer will, pursuant to the Servicing Agreement, be required to proceed on the basis that the Operating Adviser does not wish to determine the enforcement strategy unless and until it receives notification from the Operating Adviser to the contrary.

Following the delivery of a Greek Bond Acceleration Notice by the Bondholder Agent, either:

- (i) if an Operating Adviser has been appointed and determined that a Managing Agent should be appointed as described in the section entitled "*The Greek Bonds and the Greek Bond Security – Greek Bond Programme Agreement – Default, acceleration and Property management – Property management following acceleration*" and given the Servicer such directions and instructions as the Operating Adviser considers necessary for the Servicer to give to the Bondholder Agent to make such appointment, the Servicer will be required to direct the Bondholder Agent accordingly. Following the appointment of a Managing Agent, the Operating Adviser will be permitted to give

to the Servicer such directions, instructions, approvals and or consents as the Operating Adviser considers to be necessary to deal with the Managing Agent and the Servicer will be required to give such directions, instructions, approvals or consents to the Bondholder Agent accordingly; and

- (ii) if an Operating Adviser has not been appointed, or if an Operating Adviser has been appointed but it has not notified the Servicer that it wishes the Servicer to do the same, the Servicer will be required to determine, acting in accordance with the Servicing Standard whether a Managing Agent should be appointed and, if it does make such determination, to give such directions and instructions to the Bondholder Agent as it considers necessary to make such appointment and thereafter to give such directions, instruction, approvals and consents to the Bondholder Agent as the Servicer (acting in accordance with the Servicing Standard) considers to be necessary to deal with the Managing Agent. The Servicer will, pursuant to the Servicing Agreement, be required to proceed on the basis that the Operating Adviser does not wish to determine whether a Managing Agent should be appointed unless and until it receives notification from the Operating Adviser to the contrary.

Any strategy formulated by the Operating Adviser or the Servicer (acting in accordance with the Servicing Standard), as the case may be, may include a sale by the Issuer and the Second Greek Bondholder of their respective interests in the Greek Bonds and the Greek Bond Security. Any such strategy will only be implemented if:

- (a) the Servicer has served on the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee a written notice of the decision of the Operating Adviser or the Servicer (as the case may be) to sell the Greek Bonds and the Greek Bond Security and, if the decision was made by the Servicer, that such sale is required in order for the Servicer to comply with the Servicing Standard; and
- (b) any such sale is not effected (in whole or in part) by a sub-participation of, declaration of trust over or sub-contract of the rights, benefit, title and interest of the Issuer and/or the Second Greek Bondholder in relation to the Greek Bonds.

The purchase price received by the Issuer or the Second Greek Bondholder for the sale of the Issuer Greek Bonds or, as applicable, the SGB Greek Bonds will be required to be treated as the proceeds of enforcement of the Greek Bond Security and will be required to be allocated in accordance with the Priority of Payments or, as applicable, the SGB Priority of Payments that would have applied to Greek Bond Security enforcement proceeds received pursuant to the Greek Bond Finance Documents.

The Second Greek Bondholder will be required, pursuant to the SGB Loan Agreement, to use the purchase price received by the Second Greek Bondholder for the sale of the SGB Greek Bonds to repay the SGB Loan. The amounts received by the Issuer by way of repayment of the SGB Loan will be allocated in accordance with the same Priority of Payments as that which applies to the purchase price received by the Issuer for the sale of the Issuer Greek Bonds, as described in the previous paragraph.

Upon the Servicer determining, based on information provided by the Bondholder Agent, that it is unlikely that further material Liquidation Proceeds or other amounts will be received or recovered in respect of the Greek Bonds, the Servicer will be required to make a Final Recovery Determination. Within two Business Days of making a Final Recovery Determination, the Servicer will be required to promptly notify the amount thereof to the Issuer, the Second Greek Bondholder, the Issuer Security Trustee, the SGB Security Trustee, the Operating Adviser (if appointed) and the Cash Manager.

A "**Final Recovery Determination**" means a determination by the Servicer that there has been a recovery of all Liquidation Proceeds and other amounts that, in the Servicer's judgment, will ultimately be recoverable with respect to the Greek Bonds, such judgment to be exercised in accordance with the Servicing Standard.

"**Liquidation Proceeds**" means the proceeds of sale, net of costs and expenses of sale, if any, of the Greek Bonds, the Properties or any part of the Properties: (a) following the enforcement of the Greek Bond Security; or (b) as a result of a request by or direction of the Servicer following a Greek Bond Event of

Default in circumstances where the Greek Bond Security would be enforceable if such request or direction were not adhered to.

## **Reporting**

### *Servicer Quarterly Reports*

Pursuant to the terms of the Servicing Agreement, the Servicer will be required to prepare a report (the "**Servicer Quarterly Report**") with, among other things, the following information in respect of each Greek Bond Interest Period and the payments made by the Issuer on the corresponding Note Payment Date:

- (a) "*CMSA E-IRP Loan Set-up File*" setting forth, among other things, the majority of Greek Bond-level information, including cut-off balance, original mortgage rate, maturity date and general payment information, as well as financial data, the fees, costs and expenses paid by the Greek Bond Issuer (each fee, cost and expense item to be individually itemised not grouped together) and information provided by the Greek Bond Issuer pursuant to the information covenants contained in the Greek Bond Finance Documents;
- (b) "*CMSA E-IRP Loan Periodic Update File*" setting forth, among other things, quarterly remittances on the Greek Bonds as well as the tracking of both scheduled and unscheduled payments on the Greek Bonds;
- (c) "*CMSA E-IRP Property File*" setting forth, among other things, information regarding the Properties, including property name, address and identification number;
- (d) "*CMSA E-IRP Servicer Watchlist Criteria and Servicer Watchlist File*" setting forth, among other things, details of any event that would cause the Greek Bonds to be included on the servicer watchlist;
- (e) the payments made or to be made by the Issuer on the corresponding Note Payment Date (expense items to be individually itemised not grouped together);
- (f) a report setting out:
  - (i) the Principal Amount Outstanding of Notes represented by the Rule 144A Global Note or, as applicable, Rule 144A Definitive Notes; and
  - (ii) the Principal Amount Outstanding of Notes represented by the Reg S Global Note or, as applicable, Reg S Definitive Notes,in each case as at the Note Payment Date immediately preceding the date of such report;
- (f) if relevant, details of the disposal of any Property;
- (g) if relevant, the original and revised terms, as applicable, of the Greek Bonds as of, respectively, the Closing Date and the Greek Bond Payment Date immediately following any modification of the Greek Bonds;
- (h) if relevant, the amount of Liquidation Proceeds and liquidation expenses in connection with the liquidation of the Greek Bonds on the Greek Bond Payment Date following a liquidation of the Greek Bonds; and
- (i) the email address of the Servicer to which requests for copies of the Greek Bond Finance Documents and the Transaction Documents may be delivered.

The reports identified in items (a) to (d) above (together, the "**CMSA European Investor Reporting Package**") will be required to be in the form prescribed in the standard European Investor Reporting

Package published by the Commercial Real Estate Finance Council Europe from time to time (formally and commonly known as the CMSA - Europe Investor Reporting Package (CMSA-Europe E-IRP)) (or as modified to take into account any changes for properties located in Greece) and will be required to be in spreadsheet format appended to the report.

The Servicer will be required to publish each Servicer Quarterly Report on Bloomberg or, if Bloomberg is not available, such other online information source accessed by CMBS investors which is available for publication of reports similar to the Servicer Quarterly Report as determined by the Servicer, acting reasonably. The Servicer will be required to aim to publish each Servicer Quarterly Report within five Business Days after each Note Payment Date and will be required to publish each Servicer Quarterly Report within ten Business Days after each Note Payment Date.

The Servicer will agree to provide any additional reporting that is required with respect to the Notes following the implementation of Regulation (EU) No 462/2013.

The Servicer's ability to provide the reports referred to above depends on the timely receipt of the necessary information from the Greek Bond Issuer and/or the Bondholder Agent and/or the Cash Manager and/or the Registrar, as applicable, but the Servicer shall, in accordance with the Servicing Standard, use reasonable efforts to obtain such information.

#### *Note Maturity Report*

On or before the date falling twelve months prior to the Final Maturity Date, the Servicer will where the Greek Bonds remain outstanding and where, in its opinion (acting in accordance with the Servicing Standard), all recoveries then anticipated by the Servicer with respect to the Greek Bonds are unlikely to provide funds sufficient to pay all outstanding amounts in respect of the Notes on or before the Final Maturity Date, deliver a report (the "**Note Maturity Report**") in draft form to the Noteholders, the Issuer, the Second Greek Bondholder, the Cash Manager, the Issuer Security Trustee, the SGB Security Trustee, the Note Trustee and the Operating Adviser (if appointed) as to its strategy to enable the maximisation of recoveries in respect of the Greek Bonds.

If required by the Note Trustee, the Servicer will be required to attend and be available to speak at any meeting of the Noteholders called by the Note Trustee in accordance with the terms of the Note Trust Deed to discuss the various proposals set forth in the draft Note Maturity Report.

Promptly following any such meeting (and, in any event, within ten Business Days thereof), the Servicer will be required to finalise the Note Maturity Report (taking into account the discussions at the meeting of Noteholders held in relation thereto) and shall deliver such final Note Maturity Report to the Noteholders, the Issuer, the Second Greek Bondholder, the Cash Manager, the Issuer Security Trustee, the SGB Security Trustee, the Note Trustee, the Operating Adviser (if appointed) and, if required by the Note Trustee, will be required to attend and be available to speak at any meeting of the Noteholders called by the Note Trustee to approve, by Ordinary Resolution, the proposed strategy of the Servicer as set forth in the final Note Maturity Report.

If the proposed strategy of the Servicer as set forth in the final Note Maturity Report is approved at the meeting of Noteholders, the Servicer will be required to direct the Bondholder Agent to implement such strategy in accordance with its terms notwithstanding any requirements to act in accordance with the Servicing Standard, subject to the terms of the Greek Bond Finance Documents.

### *Disclosable information*

For so long as the Notes are admitted to trading on the regulated market of the Irish Stock Exchange, if the Servicer becomes aware of any information relating to the Greek Bonds, the Greek Bond Security or any Property that the Servicer reasonably determines is likely to have a material impact on the value of the Greek Bonds or any of the Properties and which is not, to the Servicer's knowledge, already publicly available information, to the extent that the Servicer has actual knowledge of the same (such information being "**Disclosable Information**"), then where the Servicer determines that the same should be disclosed pursuant to the terms of the Servicing Agreement, it will be required to:

- prepare a summary of such Disclosable Information and provide such summary to the Issuer for its execution, along with a statement as to whether or not the Servicer considers that the disclosure of the Disclosable Information would adversely affect negotiations being conducted on behalf of the Issuer in relation to the Greek Bonds or the Properties and, unless otherwise directed by the Issuer, within one Business Day of receipt, file such executed summary with the Companies Announcement Office at the Irish Stock Exchange (the "**Regulatory Information Service**"); and
- no later than the Business Day following the date of the disclosure to the Regulatory Information Service, publish on Bloomberg (or, if Bloomberg is not available, the most widely read online information source accessed by CMBS investors generally which is available for publication of notices of the type contemplated by the Servicing Agreement as determined by the Servicer, acting reasonably) any such information which is disclosed to the Regulatory Information Service.

### *Annual Review*

The Servicer will be required undertake an annual review of the Greek Bonds and may conduct more frequent reviews if it has cause for concern as to the ability of the Greek Bond Issuer to meet its obligations under the Greek Bonds or the Greek Bond Finance Documents. Any such review (annual or otherwise) may, but will not be required to, include an inspection of the Properties and will include an analysis of the cash flow arising from the Properties.

### *Modifications, Waivers, Amendments and Consents in relation to the Transaction Documents*

The Servicer, on behalf of the Issuer and the Second Greek Bondholder, will be required to take all reasonable steps to facilitate the timely consideration by each relevant party to the Transaction Documents and/or the Noteholders of any request made by any party to a Transaction Document or any Noteholder for a consent, modification or waiver relating to a Transaction Document and will also be permitted to request any party to a Transaction Document and/or the Noteholders to give any waiver or consent or agree to any modification to such Transaction Document or the Notes if it considers it appropriate to do so in consequence of any proposed consent, waiver or modification to any Greek Bond Finance Document.

The Servicer will be responsible for proceeding with the relevant consent, waiver or modification process and, subject to obtaining the approval of each relevant party (if required), implementing such consent, waiver or modification provided that no such consent, waiver or modification will be permitted to be given or implemented unless:

- in the case of any action which constitutes a Basic Terms Modification, the terms of the Note Trust Deed and the Notes (including the Conditions) are complied with in relation to the sanction of such Basic Terms Modification; and
- in all other cases, the Servicer has given notice to Noteholders (in accordance with Condition 17 (*Notice to Noteholders*) under "*Terms and Conditions of the Notes*"), the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee and the SGB Security Trustee of the proposed action and the reasons therefor (in reasonable detail) and the Servicer has not received written objections to such action from (and has given notice to the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and the Noteholders that it has not received written objections to such action from) Noteholders holding 25 per cent. or more of the then Principal Amount Outstanding of all Notes within 21 days of

publication of the relevant notice to the Noteholders, unless the relevant action is subsequently approved by Extraordinary Resolutions of the Noteholders.

The rights and powers of the Servicer with respect to modifications, waivers or consents in relation to Transaction Documents will not include the right to agree to or to execute, on behalf of the Issuer or the Second Greek Bondholder, any consent, modification or waiver relating to a Transaction Document.

### ***Termination of appointments***

If the Servicer becomes aware that the Account Bank, the Agent Bank, the Cash Manager, any Paying Agent, the Registrar or the Corporate Services Provider has not performed or is not performing its obligations under the Transaction Documents to which such entity is a party in accordance with the same, the Servicer will be required, on behalf of the Issuer and/or the Second Greek Bondholder, to exercise such rights as the Issuer and/or the Second Greek Bondholder may have under such Transaction Document to enforce performance by such entity of its obligations. Upon becoming aware of such non-performance, the Servicer will be required, on behalf of the Issuer and/or, as applicable, the Second Greek Bondholder, to notify the relevant entity and engage in discussions with such entity to try to determine the reasons for and resolve such non-performance. If, having engaged with the relevant entity in relation to such non-performance for at least 30 days after such notification is given, the Servicer is of the view (acting reasonably) that the relevant entity is in breach of its obligations under the relevant Transaction Document such that the Issuer and/or, as applicable, the Second Greek Bondholder has a right of termination and replacement under the terms of the relevant Transaction Document, the Servicer will be required to notify the Issuer and/or, as applicable, the Second Greek Bondholder and either the Operating Adviser (if appointed) or the Noteholders (if no Operating Adviser has been appointed). If, within 30 days of the date of such notification, the Operating Adviser or the Noteholders, as applicable, give notice to the Servicer that it should proceed to exercise, on behalf of the Issuer and/or, as applicable, the Second Greek Bondholder, such right of termination and replacement, then, provided the circumstances giving rise to the right of termination and replacement are still continuing, the Servicer shall exercise such right of termination and replacement on behalf of the Issuer and/or, as applicable, the Second Greek Bondholder. The Servicer will not be permitted to exercise any such termination right without an express direction from the Operating Adviser or the Noteholders, as applicable.

### ***Replacement of Bondholder Agent***

If the Servicer, in the course of performing its monitoring duties as described above under "*Monitoring duties*", forms the opinion that the Bondholder Agent has not performed or is not performing any of its duties or obligations under the Greek Bond Finance Documents in accordance with their terms, then the Servicer will, pursuant to the Servicing Agreement, be required to notify either the Operating Adviser (if appointed) or the Noteholders (if not) of such non-performance.

If, at any time, the Operating Adviser (if appointed) or the Noteholders instruct or direct the Servicer to do so, the Servicer shall, at the cost of the Issuer, exercise such rights as the Issuer and the Second Greek Bondholder may have to replace the Bondholder Agent with an entity selected or approved by the Operating Adviser (if appointed) or the Noteholders (if not), by passing a written resolution in accordance with the relevant provisions of the Greek Bond Finance Documents.

For the purpose of this section "*Replacement of Bondholder Agent*", an instruction or direction of the Noteholders shall not be binding or effective unless it is signed by holders of more than 50 per cent. of the Principal Amount Outstanding of the Notes.

### **Operating Adviser**

The Noteholders may, by Ordinary Resolution, appoint or make arrangements for the appointment of an Operating Adviser in accordance with Condition 15 (*Operating Adviser*) under "*Terms and Conditions of the Notes*" to represent their interests in respect of the Greek Bonds and to provide instructions to the Servicer.



The terms of the appointment of the Operating Adviser will be required to include, among other things, that the Operating Adviser accedes to the Servicing Agreement. Other required terms of appointment are set out in Condition 15(c) under "*Terms and Conditions of the Notes*".

Any Operating Adviser so appointed will be required to act solely in the interests of the Noteholders.

If an Operating Adviser has been appointed and has acceded to the Servicing Agreement, then before giving any direction or instruction to the Bondholder Agent or taking any other action in connection with the Greek Bonds that it is not expressly obliged to take pursuant to its duties and obligations under the Servicing Agreement, the Servicer must:

- (a) inform the Operating Adviser in writing of the direction or instruction that the Servicer proposes to give to the Bondholder Agent or the other action that the Servicer proposes to take; and
- (b) provide the Operating Adviser with such additional information in the possession of the Servicer or readily obtainable by it as the Operating Adviser may reasonably request within five Business Days of receipt of the notification provided by the Servicer pursuant to paragraph (a) above) (or such shorter period as shall be notified by the Servicer to the Operating Adviser at the same time as the notice referred to in paragraph (a) above where, in the reasonable judgement of the Servicer, the Servicing Standard requires the Servicer to give such direction or instruction to the Bondholder Agent or to take such other action within such shorter period).

The Servicer will be required (save as provided below and subject to the terms of the Greek Bond Finance Documents) to act in accordance with any express direction given to it by such Operating Adviser in connection with the Greek Bonds. Furthermore, the Servicer will not be permitted to give any direction or instruction to the Bondholder Agent or to take any other action in connection with the Greek Bonds that it is not expressly obliged to take pursuant to its duties and obligations under the Servicing Agreement other than in accordance with such express directions of such Operating Adviser.

The Operating Adviser will be deemed to have no objection to any action proposed to be taken by the Servicer if the Operating Adviser fails to respond to a proposed action or suggest an alternative course of action within five Business Days of receipt by the Operating Adviser of the relevant proposal or receipt of any request for additional information as described in paragraph (b) above.

If the proposal of the Operating Adviser requires the Servicer to incur additional expenses which would not be recoverable under the Transaction Documents or the Greek Bond Finance Documents and which it would not be required to incur in respect of any action proposed by the Servicer, the Servicer is not required to incur any additional expenses unless the Operating Adviser agrees in writing to promptly reimburse it in full.

Without prejudice to the following paragraph and notwithstanding any other provision of the Servicing Agreement, any direction or instruction given by the Servicer to the Bondholder Agent or any other action taken by the Servicer in connection with the Greek Bonds that is, in either case, in accordance with and/or pursuant to an express direction of the Operating Adviser (if appointed) will be deemed to be in accordance with the Servicing Standard, and the Servicer will not be liable for any direction or instruction so given or action so taken.

Notwithstanding any right of the Operating Adviser to provide any direction or instruction to the Servicer or to approve or disapprove of any action of the Servicer, in no event will the Servicer be obligated or permitted to take any action or refrain from taking any action that would violate any law of any applicable jurisdiction or would, in the reasonable opinion of the Servicer, violate any express provisions of the Servicing Agreement.

Pursuant to Condition 15(e) under "*Terms and Conditions of the Notes*", the appointment of an Operating Adviser will terminate upon the Noteholders directing, by Ordinary Resolution, the termination of the appointment of the Operating Adviser with effect from a specified date.

## **Servicing Fees**

On each Note Payment Date, the Issuer will pay to the Servicer, in accordance with the relevant Priority of Payments and the terms of the Servicing Agreement, a fee (the "**Servicing Fee**") equal to either:

- (a) €21,875 (equating to an annual fee of €87,500), if no Greek Bond Event of Default is outstanding on such Note Payment Date; or
- (b) €93,750 (equating to an annual fee of €375,000), if a Greek Bond Event of Default is outstanding on such Note Payment Date,

The Servicing Fee will cease to accrue if the Greek Bonds are repaid in full or a Final Recovery Determination is made with respect to the Greek Bonds.

If a Servicer Event of Default has occurred and is continuing unwaived 30 days after a Servicer Event of Default Notice has been given to the Servicer, the Servicing Fee will cease to accrue on and from the date falling 30 days after the date of such Servicer Event of Default Notice.

If a Reporting Failure Event has occurred and notice of such Reporting Failure Event has been given to the Servicer, the Servicing Fee will cease to accrue on and from the date falling 30 days after the date of such notice.

A "**Reporting Failure Event**" will occur where the Servicer fails to publish or deliver a complete Servicer Quarterly Report or any other report required to be published by the Servicer pursuant to the Servicing Agreement within ten Business Days of the date on which such report was required to be published or delivered in accordance with the Servicing Agreement (unless the failure to publish the relevant report in full resulted from the failure of the Cash Manager, the Bondholder Agent or the Greek Bond Issuer to deliver the required information to the Servicer in accordance with the terms of the Servicing Agreement, the Issuer Cash Management Agreement, the SGB Cash Management Agreement or the Greek Bond Finance Documents, as applicable, or is caused by any failure or delay in publishing the report by Bloomberg after it has been provided with the report by the Servicer).

The Second Greek Bondholder will pay to the Servicer €1.00 in respect of the services provided by the Servicer to the Second Greek Bondholder pursuant to the Servicing Agreement.

In addition to the above, the Issuer will pay to the Servicer, on each Note Payment Date:

- (a) all reasonable out-of-pocket costs and expenses properly made or incurred by the Servicer on behalf of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee or the SGB Security Trustee under the Greek Bond Finance Documents;
- (b) the cost of utilising the management time or other resources of the Servicer in the performance of any duties which the Servicer, the Issuer and the Operating Adviser (if appointed) agree to be of an exceptional nature, which will be calculated on the basis of such reasonable daily or hourly rates as the Servicer may notify to the Issuer, the Second Greek Bondholder, the Issuer Security Trustee, the SGB Security Trustee and the Operating Adviser (if appointed); and
- (c) a liquidation fee (the "**Liquidation Fee**") equal to 0.75 per cent. of the Liquidation Proceeds received by the Issuer and the Second Greek Bondholder during the Collection Period ending immediately prior to such Note Payment Date. However, no such Liquidation Fee shall be payable by the Issuer to the Servicer if the Final Recovery Determination was made less than 30 days after the relevant occurrence of a Greek Bond Event of Default.

## **Termination of the Appointment of the Servicer**

### ***Servicer Event of Default***

Pursuant to the terms of the Servicing Agreement, if the Issuer Security Trustee becomes aware that a Servicer Event of Default has occurred:

- (a) the Issuer Security Trustee shall promptly give notice in writing of the same (a "**Servicer Event of Default Notice**") to the Servicer, copied to the Issuer, the Second Greek Bondholder, the SGB Security Trustee, the Operating Adviser (if appointed) and the Noteholders; and
- (b) unless the Issuer Security Trustee receives written notice from either (i) the Operating Adviser (if appointed) or (ii) the Noteholders (if no Operating Adviser has been appointed) within 21 days of the date of the relevant Servicer Event of Default Notice to waive the relevant Servicer Event of Default, the Issuer Security Trustee shall not later than 30 days after the date of the Servicer Event of Default Notice give written notice (a "**Servicer Termination Notice**") to the Servicer that its appointment under the Servicing Agreement is to be terminated. Each Servicer Termination Notice shall be copied to the Issuer, the Second Greek Bondholder, the SGB Security Trustee, the Operating Adviser (if appointed) and the Noteholders.

The occurrence of, among other things, any of the following events with respect to the Servicer will constitute a "**Servicer Event of Default**":

- (a) the Servicer defaults in making payment due and payable by it under the Servicing Agreement and such default continues for a period of five Business Days after the earlier of (i) the Servicer becoming aware of such default and (ii) receipt by the Servicer of written notice by the Issuer Security Trustee requiring the same to be remedied;
- (b) a default (other than a failure to pay) is made by the Servicer in the performance or observance of any of its other covenants and obligations under the Servicing Agreement, which in the opinion of the Issuer Security Trustee or the Operating Adviser (if appointed) is materially prejudicial to the interests of the Noteholders (as determined by the Issuer Security Trustee or the Operating Adviser (if appointed)) and such default continues unremedied for a period of 30 days after receipt by the Servicer of written notice from the Issuer Security Trustee requiring the same to be remedied or such longer time (but no longer than 90 days) as may reasonably be necessary to cure the relevant breach, provided that the Servicer is proceeding with all due diligence required to cure such breach;
- (c) any representation or warranty made or deemed to be made by the Servicer pursuant to the Servicing Agreement is or proves to have been incorrect or misleading when made or deemed to be made unless the circumstances giving rise to the misrepresentation and breach of warranty are capable of remedy and are remedied within 30 days of notice to the Servicer from the Issuer, the Issuer Security Trustee or the Operating Adviser (if appointed) of the misrepresentations and breach of warranty; and
- (d) the occurrence of certain insolvency related events in relation to the Servicer (other than a reorganisation or restructuring the terms and the relevant surviving entity of which have been notified to the Issuer Security Trustee and in relation to which such entity will, following the completion of the reorganisation or restructuring, not be insolvent, and will have assumed all of the liabilities and obligations of the Servicer; provided, that the surviving party meets the requirements with respect to successors contained in the Servicing Agreement).

### ***General right to replace Servicer***

The appointment of the person then acting as the Servicer may also be terminated following written notice from the Operating Adviser (if appointed) or the Noteholders (if no Operating Adviser has been appointed) to the Issuer (copied to the Issuer Security Trustee, the Second Greek Bondholder, the SGB Security

Trustee and the Servicer) notifying it that it requests the termination of the appointment of the person then acting as the Servicer and its replacement by a nominated replacement Servicer.

If any such notice is issued by the Operating Adviser or the Noteholders:

- (a) within 12 months following the Closing Date, then on the termination date, the Servicer will be entitled to be paid the balance of the Servicing Fee to which it would have been entitled, if it had remained in office throughout such 12 month period;
- (b) more than 12 months but less than 18 months after the Closing Date, the Servicer will be entitled to be paid the balance of the Servicing Fee to which it would have been entitled if it had remained in office for 18 months following the Closing Date;
- (c) more than 18 months but less than 21 months after the Closing Date, the Servicer will be entitled to be paid the balance of the Servicing Fee to which it would have been entitled if it had remained in office for 21 months following the Closing Date; and
- (d) more than 21 months after the Closing Date, then on the termination date, the Servicer will be entitled to be paid any Servicing Fee that has accrued up to such termination date.

#### ***Retirement of the Servicer***

Pursuant to the terms of the Servicing Agreement, the Servicer will be permitted to terminate its appointment under the Servicing Agreement by giving written notice (a "**Retirement Notice**") to each of the Issuer, the Second Greek Bondholder, the Issuer Security Trustee, the SGB Security Trustee and the Operating Adviser (if appointed) in which event the appointment of the Servicer shall terminate on the date falling three months after the date of relevant Retirement Notice.

#### ***General provisions relating to termination and resignation***

In relation to the termination of the appointment of the Servicer, a written notice from the Noteholders shall not be binding or effective unless it is signed by holders of more than 50 per cent. of the Principal Amount Outstanding of the Notes.

Regardless of the reason, the termination, retirement or resignation of the appointment of the Servicer will only be permitted to take effect where a successor Servicer identified by the Operating Adviser (if appointed) or the Noteholders (if no Operating Adviser has been appointed) and notified to the Issuer, the Second Greek Bondholder, the Issuer Security Trustee and the SGB Security Trustee agrees in writing to be bound by the terms of the Servicing Agreement and the other Transaction Documents (or enters into an agreement on substantially the same terms as the Servicing Agreement).

If no successor Servicer is appointed within 60 days of the delivery of a Servicer Termination Notice or Retirement Notice, the Servicer will be permitted to petition a court of competent jurisdiction to appoint such a successor, at its own cost.

Upon the termination of its appointment, the Servicer will be required (subject to any legal or regulatory restrictions) to promptly deliver a copy of the Servicing File and all books and records relating to the Greek Bonds to the successor Servicer and will be required to take such further lawful action as the Issuer Security Trustee may reasonably direct to enable such successor Servicer to perform its servicing duties.

Following any termination of the Servicer's appointment as Servicer, the Servicing Fee will be paid to any substitute Servicer appointed; provided that the Servicing Fee may be payable to any substitute servicer at a higher rate agreed in writing by the Issuer (who will, for these purposes, act at the direction of the Issuer Security Trustee or the Operating Adviser (if appointed) but which does not materially exceed the rate then commonly charged by providers of CMBS loan servicing services in relation to commercial properties in Southern Europe.

## **Delegation**

The Servicer will be permitted to enter into sub-servicing agreements to provide for the performance by third parties of any or all of its liabilities under the Servicing Agreement, provided that, among other things, it uses reasonable skill and care in the selection of any sub-servicer and includes the details of the appointment of the sub-servicer and the terms of such appointment in the first Servicer Quarterly Report to be published following such appointment. Notwithstanding the entry into of any sub-servicing arrangement, the Servicer will remain liable and responsible for the performance of its duties and obligations under the Servicing Agreement.

The Servicer will also be permitted to appoint and act on the opinion or advice of, or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant, insurance adviser, hedging adviser, financial adviser, securities dealer, investment bank, computer consultant, environmental consultant or other expert or professional adviser provided that, among other things, it uses reasonable skill and care in the selection of the foregoing and (a) in the case of the appointment of any professional adviser to provide legal, accountancy, tax, valuation or insurance advice, includes the details of the person so appointed and the fees payable in connection therewith in the next Servicer Quarterly Report to be published following such appointment, and (b) in all other cases, promptly following the relevant appointment, provides written notice to the Issuer, the Second Greek Bondholder, the Bondholder Agent, the Issuer Security Trustee, the SGB Security Trustee, the Operating Adviser (if appointed) and the Noteholders of the details of the person so appointed, an explanation of the reason for such appointment (including, without limitation, an explanation as to the reasons the Servicer is not able to perform the relevant services without making such appointment) and the fees payable in connection therewith.

Subject to the following paragraph, the Issuer will be required to reimburse the Servicer for any costs and expenses incurred by it in relation to the appointment of any such adviser.

Costs and expenses incurred by the Servicer in relation to the appointment of any advisers by the Servicer to advise on matters that ought to be within the competence of the Servicer will not be indemnified by nor reimbursed by the Issuer, it being agreed and acknowledged by the Servicer in the Servicing Agreement that, to the extent that it appoints any such adviser, such costs and expenses will be for its own account unless either the Operating Adviser (if appointed) or holders of more than 50 per cent. of the Principal Amount Outstanding of the Notes have given written notice to the Issuer and the Servicer of their consent to the reimbursement of such costs and expenses by the Issuer. Where such consent is given, such costs and expenses will not form part of the Facility Fee, without the specific agreement in writing by the Greek Bond Issuer. For these purposes, legal, accounting, tax, valuation, hedging, property management, real estate broking, surveying, environmental and insurance matters will not be treated as within the competence of the Servicer.

## **Governing law**

The Servicing Agreement and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

## CASHFLOWS AND PAYMENT PRIORITIES OF THE ISSUER

### Determination Date Calculations

With respect to a Note Payment Date, on the last day of the Collection Period ending immediately prior to such Note Payment Date (the "**Determination Date**"), the Cash Manager will be required, among other things, to calculate the following:

- (a) the amount of Revenue Receipts and Principal Receipts received during the Collection Period ending on such Determination Date;
- (b) the Available Funds available to the Issuer for distribution on the following Note Payment Date;
- (c) the Principal Distribution Amount and principal distributions required to be made in respect of the Notes pursuant to Condition 6 (*Redemption and Cancellation*) on the following Note Payment Date;
- (d) the Make-Whole Payment in respect of the Notes for the following Note Payment Date in accordance with Condition 5(i) (*Interest – Make-Whole Payment*);
- (e) the Note Default Interest in respect of the Notes for the following Note Payment Date in accordance with Condition 5(j) (*Interest – Note Default Interest*); and
- (f) the amounts required to pay interest and principal due on the Notes on the following Note Payment Date and all other amounts payable by the Issuer on the following Note Payment Date.

**"Revenue Receipts"** means:

- (a) all monies (not falling within the definition of Principal Receipts) paid to the Issuer under or in respect of the Issuer Greek Bonds (including any Make-Whole Amount and any Greek Bond Default Interest);
- (b) all monies (not falling within the definition of Principal Receipts) paid to the Issuer under or in respect of the SGB Loan (including any SGB Make-Whole Payment and any SGB Default Interest);
- (c) to the extent not included in the items above, all monies paid to the Issuer in relation to the Issuer Facility Fee pursuant to the Greek Bond Finance Documents; and
- (d) any interest accrued on the Issuer Transaction Account and paid to the Issuer in respect of amounts standing to the credit of the Issuer Transaction Account,

in each case deposited into the Issuer Transaction Account.

**"Principal Receipts"** means:

- (a) all payments in respect of principal received by the Issuer and allocated by the Servicer (based on information provided by the Bondholder Agent) as principal receipts in respect of the Issuer Greek Bonds (including scheduled repayments, voluntary prepayments, mandatory prepayments and enforcement proceeds allocated to principal) and deposited into the Issuer Transaction Account (but excluding, for the avoidance of doubt, any Make-Whole Amount) and the proceeds of any sale, transfer or other disposal of the Issuer Greek Bonds and the Issuer's interest in the Greek Bond Security received by the Issuer and allocated by the Servicer as principal receipts and deposited into the Issuer Transaction Account; and
- (b) all payments in respect of principal received by the Issuer under the SGB Loan Agreement and deposited into the Issuer Transaction Account (but excluding, for the avoidance of doubt, any SGB Make-Whole Payment).

"**Available Funds**" means, in relation to a Note Payment Date, an amount equal to the aggregate of the Revenue Receipts and the Principal Receipts standing to the credit of the Issuer Transaction Account at the close of business on the last day of the Collection Period ending immediately prior to that Note Payment Date.

The "**Make-Whole Payment**", with respect to a Note Payment Date, will be determined by the Cash Manager as:

- (a) any Make-Whole Amount received by the Issuer from the Greek Bond Issuer with respect to the Issuer Greek Bonds, during the Collection Period ending immediately prior to such Note Payment Date; plus
- (b) any SGB Make-Whole Payment received from Second Greek Bondholder with respect to the SGB Loan, during the Collection Period ending immediately prior to such Note Payment Date; less
- (c) to the extent that any amount of the Issuer Greek Bonds is redeemed during such Collection Period on a date other than a Greek Bond Payment Date, an amount equal to the Margin accruing on Notes of the same principal amount as the Issuer Greek Bonds so redeemed from (and including) the date of such prepayment to (but excluding) the last day of the Note Interest Period in which such redemption took place.

The "**Note Default Interest**", with respect to a Note Payment Date, will be determined by the Cash Manager as the aggregate of:

- (a) the Greek Bond Default Interest received by the Issuer from the Greek Bond Issuer, with respect to the Issuer Greek Bonds; and
- (b) the SGB Default Interest received by the Issuer from Second Greek Bondholder, with respect to the SGB Loan,

in each case in the Collection Period immediately preceding such Note Payment Date.

The "**Principal Distribution Amount**", with respect to any Note Payment Date, will be determined by the Cash Manager as the Principal Receipts received by the Issuer in the relevant Collection Period by way of repayment or prepayment of the principal amount outstanding of (a) the Issuer Greek Bonds and (b) the SGB Loan.

## **Priority of Payments**

### ***Pre-Enforcement Priority of Payments***

Prior to the delivery of a Note Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Cash Manager (on behalf of the Issuer) will be required, on each Note Payment Date, to apply the Available Funds from the Issuer Transaction Account for that Note Payment Date in the following order of priority (the "**Pre-Enforcement Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer on such Note Payment Date to the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and any other person appointed by the Note Trustee, the Issuer Security Trustee or the SGB Security Trustee under the Note Trust Deed, the Issuer Security Documents, the SGB Security Documents and/or any other Transaction Document to which the Note Trustee, the Issuer Security Trustee or, as applicable, the SGB Security Trustee is a party and/or any related fee letter;

- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer on such Note Payment Date to:
  - (i) the Paying Agents, the Registrar and the Agent Bank (in each case for their own account) under the Agency Agreement and/or any related fee letter;
  - (ii) the Cash Manager under the Issuer Cash Management Agreement and/or any related fee letter;
  - (iii) the Facility Agent under the SGB Loan Agreement and/or any related fee letter;
  - (iv) the Account Bank under the Issuer Cash Management Agreement and/or any related fee letter;
  - (v) the Corporate Services Provider under the Issuer Corporate Services Agreement and/or any related fee letter; and
  - (vi) the Servicer under the Servicing Agreement;
- (c) *third*, in or towards payment or discharge of the amounts due and payable by the Issuer to third parties (other than Issuer Secured Creditors) under obligations incurred in accordance with the terms of the Transaction Documents in the course of the Issuer's business (and for which payment has not been otherwise provided for elsewhere), any statutory liabilities (including to tax) and/or provision for such amounts that will become due during the Note Interest Period beginning on such Note Payment Date;
- (d) *fourth*, in or towards payment of:
  - (i) firstly, interest due and interest overdue (and all interest due on such overdue interest) on the Notes; and
  - (ii) secondly, all other amounts (other than principal and interest) due and overdue on (or under the terms of) the Notes;
- (e) *fifth*, in or towards payment of any principal due on the Notes;
- (f) *sixth*, to retain as Issuer profit in a separate ledger in the Issuer Transaction Account an amount equal to €500 in respect of such Note Payment Date from which the Issuer shall satisfy its liability to pay when due corporation tax on that amount in accordance with item (c) of this Pre-Enforcement Priority of Payments; and
- (g) *seventh*, any surplus to be retained in the Issuer Transaction Account.

#### ***Post-Enforcement Priority of Payments***

Following the service of a Note Acceleration Notice or the Notes otherwise becoming due and repayable in full, the Issuer Security Trustee or (with respect to any assets secured pursuant to the Issuer Deed of Charge and Assignment) any Receiver appointed by it will be required to apply all funds from the Issuer Transaction Account received or recovered by it or on its behalf in accordance with the following order of priority (the "**Post-Enforcement Priority of Payments**" and, together with the Pre-Enforcement Priority of Payments, the "**Priority of Payments**") (in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer to the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and any other person appointed by the Note Trustee, the Issuer Security Trustee or the



SGB Security Trustee under the Note Trust Deed, the Issuer Security Documents, the SGB Security Documents and/or any other Transaction Document to which the Note Trustee, the Issuer Security Trustee or the SGB Security Trustee, as applicable, is a party (including any Receiver appointed by the Issuer Security Trustee or, as applicable, the SGB Security Trustee) and/or any related fee letter;

- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Issuer to:
  - (i) the Paying Agents, the Registrar and the Agent Bank under the Agency Agreement and/or any related fee letter;
  - (ii) the Cash Manager under the Issuer Cash Management Agreement and/or any related fee letter;
  - (iii) the Facility Agent under the SGB Loan Agreement and/or any related fee letter;
  - (iv) the Account Bank under the Issuer Cash Management Agreement and/or any related fee letter;
  - (v) the Corporate Services Provider under the Issuer Corporate Services Agreement and/or any related fee letter; and
  - (vi) the Servicer under the Servicing Agreement;
- (c) *third*, in or towards payment of any principal, interest and other amounts due and interest overdue (and all interest due on such overdue interest) on (or under the terms of) the Notes; and
- (d) *fourth*, any surplus to the Issuer.

## CASHFLOWS AND PAYMENT PRIORITIES OF THE SECOND GREEK BONDHOLDER

### SGB Determination Date Calculations

With respect to an SGB Payment Date, on the Business Day immediately prior to such date (the "**SGB Determination Date**"), the Cash Manager will be required, among other things, to calculate the following:

- (a) the amount of SGB Revenue Receipts and SGB Principal Receipts received in the SGB Determination Period ending on such SGB Determination Date;
- (b) the SGB Available Funds available to the Second Greek Bondholder for distribution on the SGB Payment Date immediately following such SGB Determination Date;
- (c) the SGB Principal Distribution Amount and principal distributions required to be made in respect of the SGB Loan on the SGB Payment Date immediately following such SGB Determination Date;
- (d) the SGB Make-Whole Payment in respect of the SGB Loan for the SGB Payment Date immediately following such SGB Determination Date;
- (e) the SGB Default Interest in respect of the SGB Loan for the SGB Payment Date immediately following such SGB Determination Date; and
- (f) the amounts required to pay interest and principal due on the SGB Loan on SGB Payment Date immediately following such SGB Determination Date and all other amounts payable by the Second Greek Bondholder to the Issuer on such SGB Payment Date.

"**SGB Revenue Receipts**" means:

- (a) all monies (not falling within the definition of SGB Principal Receipts) paid to the Second Greek Bondholder under or in respect of the SGB Greek Bonds (including any Make-Whole Amount and any Greek Bond Default Interest);
- (b) to the extent not included in the item above, all monies paid to the Second Greek Bondholder in relation to the SGB Facility Fee pursuant to the Greek Bond Finance Documents; and
- (c) any interest accrued on the SGB Transaction Account and paid to the Second Greek Bondholder in respect of amounts standing to the credit of the SGB Transaction Account,

in each case deposited into the SGB Transaction Account.

"**SGB Principal Receipts**" means all payments in respect of principal received by the Second Greek Bondholder and allocated by the Servicer (based on information provided by the Bondholder Agent) as principal receipts in respect of the SGB Greek Bonds (including scheduled repayments, voluntary prepayments, mandatory prepayments and enforcement proceeds allocated to principal) and deposited into the SGB Transaction Account (but excluding, for the avoidance of doubt, any Make-Whole Amount) and the proceeds of any sale, transfer or other disposal of the SGB Greek Bonds and the Second Greek Bondholder's interest in the Greek Bond Security received by the Second Greek Bondholder and allocated by the Servicer as principal receipts and deposited into the SGB Transaction Account.

"**SGB Available Funds**" means, in relation to an SGB Payment Date, an amount equal to the aggregate of the SGB Revenue Receipts and the SGB Principal Receipts standing to the credit of the SGB Transaction Account at the close of business on the Business Day immediately prior to the immediately preceding SGB Determination Date.

The "**SGB Make-Whole Payment**", with respect to an SGB Payment Date, will be determined by the Cash Manager on the immediately preceding SGB Determination Date as:

- (a) any Make-Whole Amount received by the Second Greek Bondholder from the Greek Bond Issuer with respect to the SGB Greek Bonds, during the SGB Determination Period ending on such SGB Determination Date; less
- (b) to the extent that any amount of the SGB Greek Bonds is redeemed during such SGB Determination Period on a date other than a Greek Bond Payment Date, an amount equal to the Margin accruing on a principal amount of the SGB Loan equal to the principal amount of the SGB Greek Bonds so redeemed from (and including) the date of such prepayment to (but excluding) the last day of the SGB Interest Period in which such redemption took place.

The "**SGB Default Interest**", with respect to an SGB Payment Date, will be determined by the Cash Manager on the immediately preceding SGB Determination Date as the Greek Bond Default Interest received by the Second Greek Bondholder from the Greek Bond Issuer, with respect to the SGB Greek Bonds, in the SGB Determination Period ending on such SGB Determination Date.

The "**SGB Principal Distribution Amount**", with respect to any SGB Payment Date, will be determined by the Cash Manager as the SGB Principal Receipts received by the Second Greek Bondholder in the immediately preceding SGB Determination Period prior to such SGB Payment Date by way of repayment or prepayment of the principal amount outstanding of the SGB Greek Bonds.

"**SGB Determination Period**" means the period beginning on (but excluding) an SGB Determination Date and ending on (and including) the next following SGB Determination Date.

## **SGB Priority of Payments**

### ***Pre-Enforcement SGB Priority of Payments***

Prior to the delivery of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and repayable in full, the Cash Manager (on behalf of the Second Greek Bondholder) will be required, on each SGB Payment Date, to apply the SGB Available Funds from the SGB Transaction Account for that SGB Payment Date in the following order of priority (the "**Pre-Enforcement SGB Priority of Payments**") (in each case only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder on such SGB Payment Date to the SGB Security Trustee and any other person appointed by the SGB Security Trustee under the SGB Security Documents and/or any other Transaction Document to which the SGB Security Trustee is a party and/or any related fee letter;
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder on such SGB Payment Date to the Facility Agent pursuant to the SGB Loan Agreement and/or any related fee letter;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder on such SGB Payment Date to:
  - (i) the Cash Manager under the SGB Cash Management Agreement and/or any related fee letter;
  - (ii) the Account Bank under the SGB Cash Management Agreement and/or any related fee letter; and
  - (iii) the Corporate Services Provider under the SGB Corporate Services Agreement and/or any related fee letter;

- (d) *fourth*, in or towards payment or discharge of amounts due and payable by the Second Greek Bondholder to third parties (other than SGB Secured Creditors) under obligations incurred in accordance with the terms of the Transaction Documents in the course of the Second Greek Bondholder's business (and for which payment has not been otherwise provided for elsewhere), any statutory liabilities (including to tax) and/or provision for such amounts that will become due during the SGB Interest Period beginning on such SGB Payment Date;
- (e) *fifth*, in or towards payment of:
  - (i) firstly, interest due and interest overdue (and all interest due on such overdue interest) on the SGB Loan;
  - (ii) secondly, any SGB Default Interest that is due or overdue on the SGB Loan;
  - (iii) thirdly, any SGB Make-Whole Payment that is due or overdue on the SGB Loan; and
  - (iv) fourthly, all other amounts (other than principal, interest, SGB Default Interest and SGB Make-Whole Payments) due and overdue under the SGB Loan Agreement;
- (f) *sixth*, in or towards payment of any principal due on the SGB Loan;
- (g) *seventh*, to retain as Second Greek Bondholder profit in a separate ledger in the SGB Transaction Account an amount equal to €125 in respect of such SGB Payment Date from which the Second Greek Bondholder shall satisfy its liability to pay when due corporation tax on that amount in accordance with item (d) of this Pre-Enforcement Priority of Payments; and
- (h) *eighth*, any surplus to be retained in the SGB Transaction Account.

***Post-Enforcement SGB Priority of Payments***

Following the service of an SGB Acceleration Notice or the SGB Loan otherwise becoming due and repayable in full, the SGB Security Trustee or (with respect to any assets secured pursuant to the SGB Deed of Charge and Assignment) any Receiver appointed by it will be required to apply all funds from the SGB Transaction Account received or recovered by it or on its behalf in accordance with the following order of priority (the "**Post-Enforcement SGB Priority of Payments**" and, together with the Pre-Enforcement Priority of Payments, the "**SGB Priority of Payments**") (in each case, only if and to the extent that the payments and provisions of a higher priority have been made in full):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder to the SGB Security Trustee and any other person appointed by the SGB Security Trustee under the SGB Security Documents and/or any other Transaction Document to which the SGB Security Trustee is a party (including any Receiver appointed by the SGB Security Trustee) and/or any related fee letter;
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder to the Facility Agent pursuant to the SGB Loan Agreement and/or any related fee letter;
- (c) *third*, in or towards satisfaction, *pro rata* and *pari passu* according to the amounts then due, of any costs, expenses, fees, remuneration and indemnity payments (if any) and any other amounts due and payable by the Second Greek Bondholder to:
  - (i) the Cash Manager under the SGB Cash Management Agreement and/or any related fee letter;

- (ii) the Account Bank under the SGB Cash Management Agreement and/or any related fee letter; and
- (iii) the Corporate Services Provider under the SGB Corporate Services Agreement and/or any related fee letter;
- (d) *fourth*, in or towards payment of any principal, interest and other amounts due and interest overdue (and all interest due on such overdue interest) on (or under the terms of) the SGB Loan; and
- (e) *fifth*, any surplus to the Second Greek Bondholder.

## CASH MANAGEMENT FOR THE ISSUER

### Cash Manager

On the Closing Date and pursuant to the terms of the Issuer Cash Management Agreement, Elavon Financial Services, UK Branch will be appointed as the Cash Manager to provide cash management services to the Issuer and the Issuer Security Trustee.

The Cash Manager will undertake with the Issuer and the Issuer Security Trustee that in performing the services to be performed and in exercising its discretions under the Issuer Cash Management Agreement, the Cash Manager will perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the Transaction Documents and that it will comply with any directions, orders and instructions which the Issuer or the Issuer Security Trustee may from time to time give to the Cash Manager in accordance with the Issuer Cash Management Agreement.

### Account Bank

On the Closing Date and pursuant to the terms of the Issuer Cash Management Agreement, Elavon Financial Services Limited, UK Branch will be appointed as the Account Bank to provide banking services to the Issuer and the Issuer Security Trustee.

Pursuant to the Issuer Cash Management Agreement, the Account Bank will open and maintain a current account in the name of the Issuer (the "**Issuer Transaction Account**") and such other bank or securities accounts as the Account Bank may be required to open for or on behalf of the Issuer from time to time (the "**Issuer Accounts**").

The Account Bank will be required to comply with any direction of the Cash Manager, the Issuer or, following enforcement of the Issuer Security, the Issuer Security Trustee to effect payments from the Issuer Accounts if such direction is made in accordance with the Issuer Cash Management Agreement and the mandate governing the applicable account.

Payments out of the Issuer Transaction Account will be made by the Cash Manager in accordance with the provisions of the Issuer Cash Management Agreement and the relevant Priority of Payments as described under the section entitled "*Cashflows and Payment Priorities of the Issuer*". The Issuer Accounts will be subject to the Issuer Security as described under the section entitled "*Security for the Issuer's Obligations - The Issuer Security*".

### Cash management services

The cash management services to be provided by the Cash Manager pursuant to the Issuer Cash Management Agreement will include, but will not be limited to:

- (a) the making of the relevant determinations on each Determination Date as set out in the section entitled "*Cashflows and Payment Priorities of the Issuer – Determination Date Calculations*";
- (b) the calculation on each Note Payment Date of the Principal Amount Outstanding and the Note Factor for the Notes for the next following Note Payment Date;
- (c) the payment on behalf of the Issuer of the payments required to be made pursuant to and in accordance with the Pre-Enforcement Priority of Payments, as set out in the section entitled "*Cashflows and Payment Priorities of the Issuer – Priority of Payments – Pre-Enforcement Priority of Payments*" and the giving of directions to the Account Bank in relation thereto;
- (d) the determination, by not later than each Facility Fee Notification Date, of the Issuer Facility Fee element of the Facility Fee payable by the Greek Bond Issuer under the terms of the Facility Fee Letter and the Greek Bond Finance Documents on the immediately following Greek Bond Payment Date and the prompt notification to each of the Issuer, the Servicer, the Bondholder Agent, the Greek Bond Issuer and the Issuer Security Trustee of such Issuer Facility Fee; and

- (e) the delivery to the Irish Stock Exchange of information and reports in its possession as reasonably requested by them.

The Cash Manager will be required, from time to time, to notify Noteholders in accordance with Condition 17 (*Notice to Noteholders*) of the Conditions of any over-payment or under-payment in respect of any Note of which it has actual notice made on any Note Payment Date to any party entitled to the same pursuant to the Pre-Enforcement Priority of Payments. Following the giving of any such notice, the Cash Manager will be required to rectify such over-payment or under-payment by increasing or, as the case may be, decreasing payments to the relevant party on any subsequent Note Payment Date. No liability will attach to the Cash Manager in relation to the making by the Cash Manager of any such payment correction.

The Cash Manager will be required:

- (a) from time to time, to pay on behalf of the Issuer all payments and expenses required to be paid by the Issuer to third parties, as determined by the Cash Manager, by way of the Priority of Payments; and
- (b) to make all payments required to carry out a redemption of Notes pursuant to Condition 6 (*Redemption and Cancellation*) according to the provisions of the Conditions.

The performance by the Cash Manager of the cash management services is subject to the Cash Manager receiving the relevant information from the Issuer, the Account Bank, the Servicer, the Issuer Security Trustee, the Note Trustee and the other parties to the Transaction Documents. Absent fraud, gross negligence or wilful default, the Cash Manager will not be liable for any breach by it of the terms of the Issuer Cash Management Agreement directly arising from any failure or delay by the Issuer, the Servicer, the Issuer Security Trustee or the other parties to the Transaction Documents to provide the relevant information to the Cash Manager.

Furthermore, if for whatever reason, an incorrect payment is made to the Issuer Accounts, the Cash Manager will, as soon as reasonably practicable after becoming aware of the same, withdraw cash from the Issuer Accounts and use its reasonable efforts to ensure such cash is applied correctly thereafter.

#### **Delegation by the Cash Manager**

Subject to certain conditions contained in the Issuer Cash Management Agreement (including that it acts in a reasonable and prudent manner in relation to any such delegation), the Cash Manager will be permitted to sub-contract and delegate the performance of its obligations under the Issuer Cash Management Agreement to any sub-contractor, agent, representative or delegate.

#### **Fees**

Pursuant to the Issuer Cash Management Agreement, the Issuer will pay to the Cash Manager on each Note Payment Date a cash management fee as agreed between the Cash Manager and the Issuer and will reimburse the Cash Manager for all reasonable costs and expenses properly incurred by the Cash Manager in the performance of the cash management services.

#### **Termination of Appointment of the Cash Manager and the Account Bank**

The appointment of Elavon Financial Services Limited, UK Branch as Cash Manager and as Account Bank under the Issuer Cash Management Agreement may be terminated by virtue of either of their respective resignation or removal by the Issuer (at any time prior to the service of a Note Acceleration Notice) (acting by the Servicer in accordance with the terms of the Servicing Agreement) or (after the service of a Note Acceleration Notice) the Issuer Security Trustee, in each case upon not less than sixty days written notice to each of the parties to the Issuer Cash Management Agreement and subject to certain conditions as outlined below.

The occurrence of, among other things, any of the following events, in relation to the Cash Manager, will constitute a "**Cash Manager Termination Event**" and, in relation to the Account Bank, will constitute an "**Account Bank Termination Event**":

- (a) subject to certain circumstances in which a payment cannot be made without the consent of the Issuer Security Trustee and provided there are sufficient funds available, a failure by the Cash Manager or the Account Bank (i) to make when due a payment required to be made by it in accordance with the Issuer Cash Management Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager or the Account Bank becoming aware of such default or receipt by the Cash Manager or the Account Bank of written notice of such default from the Issuer or the Issuer Security Trustee, or (ii) to make when due a payment required to be made by it on behalf of the Issuer in accordance with the Issuer Cash Management Agreement on a Note Payment Date;
- (b) a failure by the Cash Manager or the Account Bank to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and registrations required by it to perform its obligations under the Issuer Cash Management Agreement;
- (c) a failure by the Cash Manager or the Account Bank in the performance or observation of any of its other duties, obligations, covenants or services under the Issuer Cash Management Agreement which continues unremedied for ten Business Days after the earlier of the Cash Manager or the Account Bank becoming aware of such default or receipt by the Cash Manager or the Account Bank of written notice of such default from the Issuer or the Issuer Security Trustee;
- (d) any representation or warranty made or deemed to be made by the Cash Manager or the Account Bank pursuant to the Issuer Cash Management Agreement is or proves to have been incorrect or misleading when made or deemed to be made unless the circumstances giving rise to the misrepresentation and breach of warranty are capable of remedy and are remedied within ten Business Days of notice to the Cash Manager or the Account Bank, as applicable, from the Issuer or the Issuer Security Trustee of the misrepresentations and breach of warranty;
- (e) the occurrence of certain insolvency events in relation to the Cash Manager or the Account Bank;  
or
- (f) in relation to the Account Bank only, the Account Bank ceases to be an Authorised Entity and it has not complied with its obligations to maintain and operate the Issuer Accounts in accordance with the terms of the Issuer Cash Management Agreement.

Following the occurrence of any Cash Manager Termination Event or Account Bank Termination Event, the Issuer (at any time prior to the service of a Note Acceleration Notice) (acting by the Servicer in accordance with the terms of the Servicing Agreement) or (after service of a Note Acceleration Notice) the Issuer Security Trustee will terminate the appointment of the Cash Manager or the Account Bank by written notice to the Cash Manager or the Account Bank, as applicable, with effect from a date specified in the notice (not earlier than the date of the notice), subject to certain conditions as outlined below.

In addition, subject to the detailed provisions of the Issuer Cash Management Agreement, the appointment of the Cash Manager or the Account Bank thereunder may be terminated by the Issuer (at any time prior to the service of a Note Acceleration Notice) (acting by the Servicer in accordance with the terms of the Servicing Agreement) or (after service of a Note Acceleration Notice) the Issuer Security Trustee, without cause, upon the expiry of not less than sixty days written notice of termination to the other parties thereto.

Furthermore, subject to the detailed provisions of the Issuer Cash Management Agreement, the Cash Manager or the Account Bank may resign from its appointment thereunder upon the expiry of not less than sixty days written notice of resignation to the other parties thereto.

Upon termination or resignation of the appointment of the Cash Manager or the Account Bank, the Issuer will be required to use its reasonable efforts to appoint a successor Cash Manager or successor Account



Bank, as applicable, on or before the date of termination or resignation specified in the relevant notice of termination or resignation.

No termination or resignation of the appointment of the Cash Manager or the Account Bank under the Issuer Cash Management Agreement will take effect unless:

- (a) a successor Cash Manager or successor Account Bank, as applicable, is appointed;
- (b) the successor Cash Manager or successor Account Bank, as applicable, agrees in writing to be bound by the terms of the Issuer Cash Management Agreement and the other Transaction Documents (or enters into an agreement on substantially the same terms as the Issuer Cash Management Agreement) or on such other terms as the Issuer and the Issuer Security Trustee may approve;
- (c) the successor Cash Manager or successor Account Bank, as applicable, enters into a deed of accession as provided for under the terms of the Issuer Deed of Charge and Assignment; and
- (d) in relation to a successor Account Bank, the successor Account Bank is an Authorised Entity.

The remuneration payable to any successor Cash Manager or Account Bank may be payable at a rate that is higher than the rate of remuneration payable to the outgoing Cash Manager or outgoing Account Bank, as applicable, but the rate of such remuneration may not exceed the market level range of fees that are commonly charged by providers of cash management services or account bank services, as applicable, in relation to European CMBS.

Upon the termination or resignation of the appointment of the Cash Manager or the Account Bank, as applicable, the terminated Cash Manager or the terminated Account Bank, as applicable, is required (among other things) to deliver its books of account relating to the Notes to the successor Cash Manager or successor Account Bank and is required to use all reasonable efforts and co-operate with the Issuer, the Issuer Security Trustee and the successor Cash Manager or successor Account Bank, as applicable, in effecting the termination of the responsibilities and rights of the terminated Cash Manager or the terminated Account Bank under the Issuer Cash Management Agreement.

The entity acting as Cash Manager under the Issuer Cash Management Agreement will be required to be the same entity as that which is acting as Cash Manager under the SGB Cash Management Agreement. Accordingly, following the delivery of a notice of termination or resignation in accordance with the SGB Cash Management Agreement, the appointment of the Cash Manager under the Issuer Cash Management Agreement will also be terminated and the successor to the entity acting as Cash Manager under the SGB Cash Management Agreement will be appointed as the successor to the Cash Manager whose appointment has been terminated under the Issuer Cash Management Agreement.

The Issuer Cash Management Agreement will terminate automatically when the Notes have been fully redeemed and the Issuer Secured Liabilities discharged.

#### **Rating criteria of the Account Bank**

The Issuer Cash Management Agreement will require that the Account Bank is, except in certain limited circumstances, a bank whose long or short term (as appropriate) unsecured debt instruments in issue which are neither subordinated nor guaranteed meet the following requirements:

- (a) BBB/F3 (or better) by Fitch Ratings Inc, any affiliate thereof or any successor to its ratings business;
- (b) Baa2/P-3 (or better) by Moody's Investors Service Inc, any affiliate thereof or any successor to its ratings business; and
- (c) BBB/A-3 (or better) by Standard & Poor's Financial Services LLC, any affiliate thereof or any successor to its ratings business,

(an "**Authorised Entity**").

If the Account Bank ceases to be an Authorised Entity, the Account Bank will be required to give notice of such event to the Issuer, the Servicer, the Cash Manager and the Issuer Security Trustee. The Account Bank will be required (within 60 days of the occurrence of such event or within 90 days of the occurrence of such event (provided that within 60 calendar days of the occurrence of such event, the Servicer and the Issuer Security Trustee receive written plans from the Account Bank describing the steps it will take to remedy the downgrade within the extended remedy period)):

- (a) to procure the transfer of the Issuer Accounts to a successor Account Bank with the required rating;
- (b) to obtain a guarantee of its obligations under the Issuer Cash Management Agreement from a financial institution with the required rating; or
- (c) to take such other action as may be agreed with the Issuer and the Issuer Security Trustee,

and, in the case of item (a) above, the successor Account Bank entering into substantially similar arrangements to those contained in the Issuer Cash Management Agreement and acceding to the terms of the Issuer Deed of Charge and Assignment.

As at the date of this Prospectus, the long-term credit ratings of the Account Bank are:

- (a) AA- by Fitch Ratings Inc;
- (b) Aa3 by Moody's Investors Service Inc; and
- (c) AA- by Standard & Poor's Financial Services LLC.

**Governing law**

The Issuer Cash Management Agreement and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

## CASH MANAGEMENT FOR THE SECOND GREEK BONDHOLDER

### Cash Manager

On the Closing Date and pursuant to the terms of the SGB Cash Management Agreement, Elavon Financial Services, UK Branch will be appointed as the Cash Manager to provide cash management services to the Second Greek Bondholder and the SGB Security Trustee.

The Cash Manager will undertake with the Second Greek Bondholder and the SGB Security Trustee that in performing the services to be performed and in exercising its discretions under the SGB Cash Management Agreement, the Cash Manager will perform such responsibilities and duties diligently and in conformity with the Second Greek Bondholder's obligations with respect to the Transaction Documents and that it will comply with any directions, orders and instructions which the Second Greek Bondholder or the SGB Security Trustee may from time to time give to the Cash Manager in accordance with the SGB Cash Management Agreement.

### Account Bank

On the Closing Date and pursuant to the terms of the SGB Cash Management Agreement, Elavon Financial Services Limited, UK Branch will be appointed as the Account Bank to provide banking services to the Second Greek Bondholder and the SGB Security Trustee.

Pursuant to the SGB Cash Management Agreement, the Account Bank will open and maintain a current account in the name of the Second Greek Bondholder (the "**SGB Transaction Account**") and such other bank or securities accounts as the Account Bank may be required to open for or on behalf of the Second Greek Bondholder from time to time (the "**SGB Accounts**").

The Account Bank will be required to comply with any direction of the Cash Manager, the Second Greek Bondholder or, following enforcement of the SGB Security, the SGB Security Trustee to effect payments from the SGB Accounts if such direction is made in accordance with the SGB Cash Management Agreement and the mandate governing the applicable account.

Payments out of the SGB Transaction Account will be made by the Cash Manager in accordance with the provisions of the SGB Cash Management Agreement and the relevant SGB Priority of Payments as described under the section entitled "*Cashflows and Payment Priorities of the Second Greek Bondholder*". The SGB Accounts will be subject to the SGB Security as described under the section entitled "*Security for the Second Greek Bondholder's Obligations - The SGB Security*".

### Cash management services

The cash management services to be provided by the Cash Manager pursuant to the SGB Cash Management Agreement will include, but will not be limited to:

- (a) the making of the relevant determinations on each SGB Determination Date as set out in the section entitled "*Cashflows and Payment Priorities of the Second Greek Bondholder – SGB Determination Date Calculations*";
- (b) the calculation on each SGB Payment Date of the principal amount outstanding of the SGB Loan for the next following SGB Payment Date;
- (c) the payment on behalf of the Second Greek Bondholder of the payments required to be made pursuant to and in accordance with the Pre-Enforcement SGB Priority of Payments, as set out in the section entitled "*Cashflows and Payment Priorities of the SGB Priority of Payments – Pre-Enforcement SGB Priority of Payments*" and the giving of directions to the Account Bank in relation thereto; and
- (d) the determination, by not later than each Facility Fee Notification Date, of the SGB Facility Fee element of the Facility Fee payable by the Greek Bond Issuer under the terms of the Facility Fee

Letter and the Greek Bond Finance Documents on the immediately following Greek Bond Payment Date and the prompt notification to each of the Second Greek Bondholder, the Servicer, the Bondholder Agent, the Greek Bond Issuer and the SGB Security Trustee of such SGB Facility Fee.

The Cash Manager will be required:

- (a) from time to time, to pay on behalf of the Second Greek Bondholder all payments and expenses required to be paid by the Second Greek Bondholder to third parties, as determined by the Cash Manager, by way of the SGB Priority of Payments; and
- (b) to make all payments required to carry out a repayment or prepayment of the SGB Loan in accordance with the provisions of the SGB Loan Agreement.

The performance by the Cash Manager of the cash management services is subject to the Cash Manager receiving the relevant information from the Second Greek Bondholder, the Account Bank, the Servicer, the SGB Security Trustee and the other parties to the Transaction Documents. Absent fraud, gross negligence or wilful default, the Cash Manager will not be liable for any breach by it of the terms of the SGB Cash Management Agreement directly arising from any failure or delay by the Second Greek Bondholder, the Servicer, the SGB Security Trustee or the other parties to the Transaction Documents to provide the relevant information to the Cash Manager.

Furthermore, if for whatever reason, an incorrect payment is made to the SGB Accounts, the Cash Manager will, as soon as reasonably practicable after becoming aware of the same, withdraw cash from the SGB Accounts and use its reasonable efforts to ensure such cash is applied correctly thereafter.

#### **Delegation by the Cash Manager**

Subject to certain conditions contained in the SGB Cash Management Agreement (including that it acts in a reasonable and prudent manner in relation to any such delegation), the Cash Manager will be permitted to sub-contract and delegate the performance of its obligations under the SGB Cash Management Agreement to any sub-contractor, agent, representative or delegate.

#### **Termination of Appointment of the Cash Manager and the Account Bank**

The appointment of Elavon Financial Services Limited, UK Branch as Cash Manager and as Account Bank under the SGB Cash Management Agreement may be terminated by virtue of either of their respective resignation or removal by the Second Greek Bondholder (prior to the service of an SGB Acceleration Notice) (acting by the Servicer in accordance with the terms of the Servicing Agreement) or (after the service of an SGB Acceleration Notice) the SGB Security Trustee, in each case upon not less than sixty days written notice to each of the parties to the SGB Cash Management Agreement and subject to certain conditions as outlined below.

The occurrence of, among other things, any of the following events, in relation to the Cash Manager, will constitute a "**SGB Cash Manager Termination Event**" and, in relation to the Account Bank, will constitute an "**SGB Account Bank Termination Event**":

- (a) subject to certain circumstances in which payments may not be made without the consent of the SGB Security Trustee and provided there are sufficient funds available, a failure by the Cash Manager or the Account Bank (i) to make when due a payment required to be made by it in accordance with the SGB Cash Management Agreement and such default continues unremedied for a period of three Business Days after the earlier of the Cash Manager or the Account Bank becoming aware of such default or receipt by the Cash Manager or the Account Bank of written notice of such default from the Second Greek Bondholder or the SGB Security Trustee, or (ii) to make when due a payment required to be made by it in accordance with the SGB Cash Management Agreement on an SGB Payment Date;

- (b) a failure by the Cash Manager or the Account Bank to maintain all appropriate licences, consents, approvals, authorisations and exemptions from and registrations required by it to perform its obligations under the SGB Cash Management Agreement;
- (c) a failure by the Cash Manager or the Account Bank in the performance or observation of any of its other duties, obligations, covenants or services under the SGB Cash Management Agreement which continues unremedied for ten Business Days after the earlier of the Cash Manager or the Account Bank becoming aware of such default or receipt by the Cash Manager or the Account Bank of written notice of such default from the Second Greek Bondholder or the SGB Security Trustee;
- (d) any representation or warranty made or deemed to be made by the Cash Manager or the Account Bank pursuant to the SGB Cash Management Agreement is or proves to have been incorrect or misleading when made or deemed to be made unless the circumstances giving rise to the misrepresentation and breach of warranty are capable of remedy and are remedied within ten Business Days of notice to the Cash Manager or the Account Bank, as applicable, from the Second Greek Bondholder, the SGB Security Trustee of the misrepresentations and breach of warranty;
- (e) the occurrence of certain insolvency events in relation to the Cash Manager or the Account Bank;  
or
- (f) in relation to the Account Bank only, the Account Bank ceases to be an Authorised Entity and it has not complied with its obligations to maintain and operate the SGB Accounts in accordance with the terms of the SGB Cash Management Agreement.

Following the occurrence of any SGB Cash Manager Termination Event or SGB Account Bank Termination Event, the Second Greek Bondholder (at any time prior to the service of an SGB Acceleration Notice) or (after service of an SGB Acceleration Notice) the SGB Security Trustee will terminate the appointment of the Cash Manager or the Account Bank by written notice to the respective parties, as applicable, with effect from a date specified in the notice (not earlier than the date of the notice), subject to certain conditions as outlined below.

In addition, subject to the detailed provisions of the SGB Cash Management Agreement, the appointment of the Cash Manager or the Account Bank thereunder may be terminated by the Second Greek Bondholder (at any time prior to the service of an SGB Acceleration Notice) (acting by the Servicer in accordance with the terms of the Servicing Agreement) or (after service of an SGB Acceleration Notice) the SGB Security Trustee, without cause, upon the expiry of not less than sixty days written notice of termination to the other parties thereto.

Furthermore, subject to the detailed provisions of the SGB Cash Management Agreement, the Cash Manager or the Account Bank may resign from its appointment thereunder upon the expiry of not less than sixty days written notice of resignation to the other parties thereto.

Upon termination or resignation of the appointment of the Cash Manager or the Account Bank, the Second Greek Bondholder will be required to use its reasonable efforts to appoint a successor Cash Manager or successor Account Bank, as applicable, on or before the date of termination or resignation specified in the relevant notice of termination or resignation.

No termination or resignation of the appointment of the Cash Manager or the Account Bank under the SGB Cash Management Agreement will take effect unless:

- (a) a successor Cash Manager or successor Account Bank, as applicable, is appointed;
- (b) the successor Cash Manager or successor Account Bank, as applicable, agrees in writing to be bound by the terms of the SGB Cash Management Agreement and the other Transaction Documents (or enters into an agreement on substantially the same terms as the SGB Cash Management Agreement) or on such other terms as the Second Greek Bondholder and the SGB Security Trustee may approve;

- (c) the successor Cash Manager or successor Account Bank, as applicable, enters into a deed of accession as provided for under the terms of the SGB Deed of Charge and Assignment; and
- (d) in relation to a successor Account Bank, the successor Account Bank is an Authorised Entity.

The remuneration payable to any successor Cash Manager or Account Bank may be payable at a rate that is higher than the rate of remuneration payable to the outgoing Cash Manager or outgoing Account Bank, as applicable, but the rate of such remuneration may not exceed the market level range of fees that are commonly charged by providers of cash management services or account bank services, as applicable, in relation to European CMBS.

Upon the termination or resignation of the appointment of the Cash Manager or the Account Bank, as applicable, the terminated Cash Manager or the terminated Account Bank, as applicable, is required to deliver its books of account relating to the SGB Loan to the successor Cash Manager or successor Account Bank and is required to use all reasonable efforts and co-operate with the Second Greek Bondholder, the SGB Security Trustee and the successor Cash Manager or successor Account Bank, as applicable, in effecting the termination of the responsibilities and rights of the terminated Cash Manager or the terminated Account Bank under the SGB Cash Management Agreement.

The entity acting as Cash Manager under the SGB Cash Management Agreement will be required to be the same entity as that which is acting as Cash Manager under the Issuer Cash Management Agreement. Accordingly, following the delivery of a notice of termination or resignation in accordance with the Issuer Cash Management Agreement, the appointment of the Cash Manager under the SGB Cash Management Agreement will also be terminated and the successor to the entity acting as Cash Manager under the Issuer Cash Management Agreement will be appointed as the successor to the Cash Manager whose appointment has been terminated under the SGB Cash Management Agreement.

The SGB Cash Management Agreement will terminate automatically when the SGB Loan has been fully redeemed and the SGB Secured Liabilities discharged.

#### **Rating criteria of the Account Bank**

The SGB Cash Management Agreement will require that the Account Bank is, except in certain limited circumstances, an Authorised Entity.

If the Account Bank ceases to be an Authorised Entity, the Account Bank will be required to give notice of such event to the Second Greek Bondholder, the Servicer, the Cash Manager and the SGB Security Trustee. The Account Bank will be required (within 60 days of the occurrence of such event or within 90 days of the occurrence of such event (provided that within 60 calendar days of the occurrence of such event, the Servicer and the SGB Security Trustee receive written plans from the Account Bank describing the steps it will take to remedy the downgrade within the extended remedy period)):

- (a) to procure the transfer of the SGB Accounts to a successor Account Bank with the required rating;
- (b) to obtain a guarantee of its obligations under the SGB Cash Management Agreement from a financial institution with the required rating; or
- (c) to take such other action as may be agreed with the Second Greek Bondholder and the SGB Security Trustee,

and, in the case of item (a) above, the successor Account Bank entering into substantially similar arrangements to those contained in the SGB Cash Management Agreement and acceding to the terms of the SGB Deed of Charge and Assignment.

#### **Governing law**

The SGB Cash Management Agreement and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

## SECURITY FOR THE ISSUER'S OBLIGATIONS

### The Issuer Security

To provide security for the moneys, obligations and liabilities due, owing, incurred or payable by the Issuer to the Issuer Secured Creditors under the Notes and the other Transaction Documents (the "**Issuer Secured Liabilities**"), the Issuer will enter into:

- (a) the Issuer Deed of Charge and Assignment with the Issuer Security Trustee and the Issuer Secured Creditors; and
- (b) the Issuer Bond Pledge Agreement with the Issuer Security Trustee.

Pursuant to the Issuer Deed of Charge and Assignment, the Issuer will grant the following security to be held by the Issuer Security Trustee on trust for the benefit of the Issuer Secured Creditors:

- a first fixed charge of the Issuer's contractual rights, present and future, to the extent governed by English law, in, to and under the Issuer Greek Bonds;
- an assignment by way of first fixed security of the Issuer's rights, title, interest and benefit, present and future in, under and pursuant to the Transaction Documents expressed to be governed by English law and all other contracts, agreements, deeds and documents, present and future, to which the Issuer is or may become a party (other than the Issuer Security Documents);
- a first fixed charge of the Issuer's rights, title, interest and benefit, present and future in and to the Issuer Transaction Account and in and to all sums of money or securities which are from time to time and at any time standing to the credit of the Issuer Transaction Account and in and to any other bank, securities or other account opened and maintained in England and Wales (other than the bank account in the name of the Issuer held with Elavon Financial Services Limited and used for the purposes of receiving the subscription proceeds of the Issuer's share capital (the "**Share Capital Account**")); and
- a first floating charge over the whole of the assets, undertaking and property of the Issuer which are not otherwise effectively subject to a fixed charge or assignment by way of security or other form of fixed security interest as described in the preceding paragraphs.

The Issuer and the Issuer Secured Creditors (excluding the Noteholders) will also enter into a parallel debt agreement (the "**Issuer Parallel Debt Agreement**"), governed by Greek law, pursuant to which the Issuer Security Trustee will establish a direct claim against the Issuer for all amounts due by the Issuer to the Noteholders and other Issuer Secured Creditors under the Notes and the other Transaction Documents, so as to enable the Issuer Security Trustee to benefit from the Issuer Bond Pledge Agreement.

Pursuant to the Issuer Bond Pledge Agreement, the Issuer will grant in favour of the Issuer Security Trustee, to secure its obligations to the Issuer Security Trustee under the Issuer Parallel Debt Agreement, a first ranking pledge, governed by Greek law, over all of the Greek law governed rights, claims and interest of the Issuer in the Issuer Greek Bonds.

The security granted by the Issuer pursuant to the Issuer Security Documents is referred to in this Prospectus as the "**Issuer Security**".

"**Issuer Secured Creditors**" means the Issuer Security Trustee, the SGB Security Trustee, the Noteholders, the Note Trustee, the Facility Agent, the Servicer, the Cash Manager, the Account Bank, the Agent Bank, the Principal Paying Agent, the Registrar, the Corporate Services Provider and any other person acceding to the Issuer Deed of Charge and Assignment as an Issuer Secured Creditor from time to time.

Under English law, security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which such secured party exercises such control.

### **Pre-Enforcement and Post-Enforcement Priority of Payments**

The Issuer Deed of Charge and Assignment will set out the order of priority for the application of cash by the Cash Manager (on behalf of the Issuer) prior to the delivery by the Note Trustee of a Note Acceleration Notice to the Issuer or the Notes otherwise becoming due and payable in full. This payment order of priority is described in the section entitled "*Cashflows and Payment Priorities of the Issuer – Priority of Payments – Pre-Enforcement Priority of Payments*".

The Issuer Deed of Charge and Assignment will also set out the order of priority for the application by the Issuer Security Trustee or (with respect to any assets secured pursuant to the Issuer Deed of Charge and Assignment) any Receiver appointed by it, following the delivery by the Note Trustee of a Note Acceleration Notice to the Issuer or the Notes otherwise becoming due and payable in full, of amounts received or recovered by it or on its behalf. This order of priority is described in the section entitled "*Cashflows and Payment Priorities of the Issuer – Priority of Payments – Post-Enforcement Priority of Payments*".

### **Enforcement**

The Issuer Security will become enforceable following the delivery by the Note Trustee of a Note Acceleration Notice to the Issuer pursuant to Condition 10 (*Note Events of Default*). After the Issuer Security has become enforceable, the Issuer Security Trustee may at its absolute discretion or, if instructed to do so by the Note Trustee, will enforce all or any of the Issuer Security in any manner it sees fit (or, in the case of instructions from the Note Trustee, the Note Trustee sees fit), but subject to any other applicable condition.

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless:

- (a) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required pursuant to the Post-Enforcement Priority of Payments to be paid *pari passu* with, or in priority to, the Notes;
- (b) the Issuer Security Trustee is of the opinion, which shall be binding on the Noteholders and the other Issuer Secured Creditors, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required pursuant to the Post-Enforcement Priority of Payments to be paid *pari passu* with, or in priority to, the Notes; or
- (c) the Issuer Security Trustee considers, in its discretion, that not to effect such disposal or realisation would place the Issuer Security in jeopardy.

At any time after the Issuer Security has become enforceable, the Issuer Security Trustee may appoint such persons as it thinks fit to be a receiver (including, without limitation, an administrative receiver) (a "**Receiver**") of the Issuer Security created pursuant to the Issuer Deed of Charge and Assignment.

### **Protection Notice**

If at any time while any of the Notes are outstanding, a Note Event of Default or an event, condition or act which, with the giving of notice and/or the lapse of time and/or the Note Trustee making any relevant determination and/or the Note Trustee issuing any relevant certificate, would constitute a Note Event of Default (a "**Potential Note Event of Default**") occurs, or the Issuer Security Trustee believes that the



Issuer Security or any part thereof is in imminent danger of being seized or sold under any form of distress, execution or diligence levied or threatened or is otherwise in imminent jeopardy, the Issuer Security Trustee will be permitted or, if instructed to do so by the Note Trustee, will be required, to deliver a notice (a "**Protection Notice**") to the Issuer.

On the delivery of a Protection Notice, any charge created by or pursuant to the Issuer Deed of Charge and Assignment which is a floating charge shall (so far as permitted by law) crystallise. In addition, no payments (except payments of principal and interest to the Noteholders) may be made out of funds standing to the credit of the Issuer Transaction Account without the prior written consent of the Issuer Security Trustee.

The Issuer Security Trustee will be permitted at any time or, if instructed to do so by the Note Trustee, will be required (unless a Note Acceleration Notice has been given by the Note Trustee) to withdraw a Protection Notice in which case any charge created by or pursuant the Issuer Deed of Charge and Assignment originally as a floating charge shall thereupon become and continue to be a floating charge and the payment restrictions outlined above shall cease.

### **Instructions from the Note Trustee**

When exercising its opinion and/or when exercising the rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the Issuer Security Documents, the other Transaction Documents or by operation of law, the Issuer Security Trustee will be required (prior to the payment or repayment in full of all amounts outstanding in respect of the Notes) to take its instructions from the Note Trustee and will not take instructions from any other Issuer Secured Creditor except as otherwise expressly provided in the Issuer Security Documents. In acting in accordance with such instructions, the Issuer Security Trustee will not be required to have regard to the Issuer Secured Creditors or any other person, and will not in any way be liable to the Issuer Secured Creditors or any other person for the consequences of doing so.

### **No enforcement by Issuer Secured Creditors**

Pursuant to the terms of the Issuer Deed of Charge and Assignment, each of the Issuer Secured Creditors (other than the Note Trustee) will agree with the Issuer Security Trustee that, unless and until all amounts due on the Notes have been paid in full: (i) it will not be entitled to take, any steps whatsoever to enforce the security created by or pursuant to the Issuer Deed of Charge and Assignment over the Issuer Security or direct the Issuer Security Trustee to do so; and (ii) it will not take any steps for the purpose of recovering any of the Issuer Secured Liabilities or any other debts or liabilities whatsoever owing to it by the Issuer (including, without limitation, the exercise of any right of set-off, counterclaim or lien) or procuring the appointment of a liquidator, receiver, administrator, examiner or similar or analogous officer for the winding up or liquidation or examination or dissolution or reorganisation of the Issuer in respect of any of its liabilities whatsoever, provided that (A) a Noteholder may, among other things, seek to enforce the Issuer Security if the Issuer Security Trustee, having become bound to do so, fails to do so within a reasonable time and (b) an Issuer Secured Creditor will not be prevented from taking any steps against the Issuer which do not amount either to the commencement or the threat of commencement of legal proceedings against the Issuer, or the procuring of the appointment of a receiver or analogous officer for the winding up or dissolution or examination or liquidation of the Issuer where the Issuer has funds available to it to meet its obligations or liabilities under any of the Transaction Documents to that Issuer Secured Creditor, having first taken into account all other liabilities both actual and contingent of the Issuer in respect of the Issuer Secured Liabilities which rank in priority to or *pari passu* with its obligations or liabilities to that Issuer Secured Creditor under any of the Transaction Documents provided that such Issuer Secured Creditor shall notify the Issuer Security Trustee in writing of any action it wishes to take prior to taking the same.

### **Modification and waiver**

Pursuant to the terms of the Issuer Deed of Charge and Assignment, the Issuer Security Trustee will be required, if so directed by the Note Trustee:

- (a) to concur with the Issuer, the Servicer or any other person or direct the SGB Security Trustee to concur with the Second Greek Bondholder, the Servicer or any other person in making any modification to any Transaction Document;
- (b) to waive or authorise (without prejudice to the Issuer Security Trustee's right in respect of any further or other breach) any proposed or actual breach of any of the covenants or provisions contained in any Transaction Document by the Issuer or any other person; and/or
- (c) to direct the SGB Security Trustee to waive or authorise (without prejudice to the SGB Security Trustee's right in respect of any further or other breach) any breach or proposed breach by the Second Greek Bondholder or any other person of any of the covenants or provisions contained in any Transaction Document.

Any such modification, authorisation, waiver or determination will be binding on the Noteholders and the other Issuer Secured Creditors.

### **Fees, expenses and indemnity**

The Issuer will be required to:

- (a) pay to the Issuer Security Trustee on Note Payment Dates a fee of such amount as will be agreed by the Issuer Security Trustee and the Issuer (all such remuneration to be payable in accordance with the Priority of Payments);
- (b) reimburse the Issuer Security Trustee for all reasonable costs and expenses incurred by it in acting as Issuer Security Trustee; and
- (c) indemnify and/or prefund the Issuer Security Trustee, any receiver and any administrator and their respective officers, employees and agents against all claims, actions, demands, proceedings, liabilities, losses, costs (including legal costs on a full indemnity basis), damages, charges and expenses (including insurance premiums) which the Issuer Security Trustee or such receiver and such administrator and their respective officers, employees, delegates and agents may incur or may be made against it (in the case of the Issuer Security Trustee, whether before or after the Issuer Deed of Charge and Assignment has become enforceable) including any value added tax:
  - (i) in consequence of or in connection with anything done or omitted by the Issuer Security Trustee or the receiver or administrator under or in connection with the Issuer Deed of Charge and Assignment or any other of the Transaction Documents to which the Issuer Security Trustee is a party or of any failure by the Issuer to comply with its obligations to the Issuer Security Trustee under or in connection with the Issuer Deed of Charge and Assignment or any other Transaction Document; or
  - (ii) in consequence of any payment in respect of the Issuer Secured Liabilities (whether made by the Issuer or a third person) being impeached or declared void for any reason whatsoever,

save where such claims, actions, demands, proceedings, liabilities, losses, costs, damages, charges and expenses arise as a result of the fraud, negligence or wilful default by the person claiming to be entitled to be indemnified or arise in respect of tax chargeable on the profits of the Issuer Security Trustee.

In circumstances where directions or instructions to take proceedings, actions or steps have been given by the Noteholders in accordance with Condition 11(a) under "*Terms and Conditions of the Notes*" and if the Issuer Security Trustee has reasonable grounds (or where such directions or instructions have been given after the security has become enforceable, grounds) to believe:

- (a) that legal proceedings may be commenced against it or that liability may be asserted against it as a result of its taking such proceedings, actions or steps; and:

- (b) either:
- (i) the indemnity provided by the Issuer to the Issuer Security Trustee under the Issuer Deed of Charge and Assignment does not cover such proceedings, actions or steps; or
  - (ii) the funds that are expected to be available in accordance with the provisions of the Transaction Documents to meet the indemnity payments due to the Issuer Security Trustee in respect of such proceedings, actions or steps will be insufficient to meet such payments in full,

the Issuer Security Trustee shall not be bound to take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction against such proceedings (and all liabilities which it may incur in relation thereto) and liabilities.

To the extent the Issuer Security Trustee determines (such determination to be made solely by the Issuer Security Trustee within the constraints of prevailing law) that it will not, for the reasons set out in above, take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction then it will be required, subject to applicable privilege and confidentiality considerations, to deliver to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*), a reasonably detailed summary of the grounds upon which such additional indemnification is requested (including to the extent possible, but not limited to, information as to the relevant legal proceedings or liabilities, an estimate of the costs and monetary liabilities that it expects to incur (including, where applicable, liabilities incurred by it in defence of legal proceedings) and the amount of shortfall between the liabilities and the funds available to meet such liabilities) and, to the extent possible, provide such other information in relation thereto as may be reasonably requested by the Issuer or the Noteholders.

#### **Retirement and removal**

Subject to the appointment of a successor Issuer Security Trustee or there remaining at least one trustee being a corporation entitled by rules made under the Public Trustee Act 1906 of Great Britain to act as a custodian trustee or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction, to carry out the functions of a custodian trustee (a "**Trust Corporation**"), the Issuer Security Trustee will be permitted to retire at any time upon giving not less than three months prior written notice to the Issuer. In addition, the Noteholders (acting by Extraordinary Resolution) will have the power to remove the Issuer Security Trustee.

The retirement or removal of any Issuer Security Trustee will not be permitted to become effective unless there remains at least one Issuer Security Trustee being a Trust Corporation upon such retirement or removal.

Upon the termination or resignation of the appointment of an Issuer Security Trustee which is the sole trustee (and a Trust Corporation), the Issuer will be required to use its reasonable efforts to procure that a new trustee (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter provided that if the Issuer has failed to appoint a replacement Issuer Security Trustee within two months of receipt of the relevant notice, the outgoing Issuer Security Trustee will be entitled to appoint a successor (without any requirement for written approval of the Issuer or any other person) provided such successor is a reputable Trust Corporation.

The remuneration payable to any successor security trustee of the Issuer Deed of Charge and Assignment may be payable at a rate that is higher than the rate of remuneration payable to the outgoing Issuer Security Trustee, but the rate of such remuneration shall not exceed the market level range of fees that are commonly charged by security trustees in relation to European CMBS.

The appointment of a new Issuer Security Trustee by the Issuer must be approved by an Extraordinary Resolution of the Noteholders.

The Issuer Security Trustee will be permitted, subject to the conditions specified in the Issuer Deed of Charge and Assignment, to appoint a separate trustee or a co-trustee to act jointly with it.

### **Additional provisions of the Issuer Deed of Charge and Assignment**

The Issuer Deed of Charge and Assignment will contain a range of provisions regulating the scope of the Issuer Security Trustee's duties and liabilities. These include, among other things, the following:

- (a) the Noteholders (acting by Extraordinary Resolution) shall together have the power to remove any trustee or trustees for the time being of the Issuer Deed of Charge and Assignment;
- (b) the Issuer Security Trustee will not be responsible for the legality, admissibility in evidence, adequacy or enforceability of the Issuer Security Documents or any other Transaction Document;
- (c) the Issuer Security Trustee will be entitled and authorised to assume, without enquiry, in the absence of actual knowledge or express notice to the contrary, that each of the Issuer and the other parties is duly performing and observing all the covenants and provisions contained in the Transaction Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes a Note Event of Default or a Potential Note Event of Default; and
- (d) the Issuer Security Trustee will not be required to monitor or supervise the functions of the Issuer or any other person under any Transaction Document.

### **Governing law**

The Issuer Deed of Charge and Assignment and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

The Issuer Parallel Debt Agreement and Issuer Bond Pledge Agreement and, in each case, all non-contractual or other obligations arising out of or in connection with them will be governed by and construed in accordance with the laws of Greece.

## SECURITY FOR THE SECOND GREEK BONDHOLDER'S OBLIGATIONS

### The SGB Security

To provide security for the moneys, obligations and liabilities due, owing, incurred or payable by the Second Greek Bondholder to the SGB Secured Creditors under the SGB Loan and the other Transaction Documents (the "**SGB Secured Liabilities**"), the Second Greek Bondholder will enter into:

- (a) the SGB Deed of Charge and Assignment with the SGB Security Trustee and the SGB Secured Creditors; and
- (b) the SGB Bond Pledge Agreement with the SGB Security Trustee.

Pursuant to the SGB Deed of Charge and Assignment, the Second Greek Bondholder will grant the following security to be held by the SGB Security Trustee on trust for the benefit of the SGB Secured Creditors:

- a first fixed charge of the Second Greek Bondholder's contractual rights, present and future, to the extent governed by English law, in, to and under the SGB Greek Bonds;
- an assignment by way of first fixed security of the Second Greek Bondholder's rights, title, interest and benefit, present and future in, under and pursuant to the Transaction Documents and all other contracts, agreements, deeds and documents, present and future, to which the Second Greek Bondholder is or may become a party (other than the SGB Security Documents);
- a first fixed charge of the Second Greek Bondholder's rights, title, interest and benefit, present and future in and to the SGB Transaction Account and in and to all sums of money or securities which are from time to time and at any time standing to the credit of the SGB Transaction Account and in and to any other bank, securities or other account opened and maintained in England and Wales; and
- a first floating charge over the whole of the assets, undertaking and property of the Second Greek Bondholder which are not otherwise effectively subject to a fixed charge or assignment by way of security or other form of fixed security interest as described in the preceding paragraphs.

The Second Greek Bondholder and the SGB Secured Creditors will also enter into a parallel debt agreement (the "**SGB Parallel Debt Agreement**"), governed by Greek law, pursuant to which the SGB Security Trustee will establish a direct claim against the Second Greek Bondholder for all amounts due by the Second Greek Bondholder to the SGB Secured Creditors under the SGB Transaction Documents, so as to enable the SGB Security Trustee to benefit from the SGB Bond Pledge Agreement.

Pursuant to the SGB Bond Pledge Agreement, the Second Greek Bondholder will grant in favour of the SGB Security Trustee, to secure its obligations to the SGB Security Trustee under the SGB Parallel Debt Agreement, a first ranking pledge, governed by Greek law, over all of the Greek law governed rights, claims and interest of the Second Greek Bondholder in the SGB Greek Bonds.

The security granted by the Second Greek Bondholder pursuant to the SGB Security Documents is referred to in this Prospectus as the "**SGB Security**".

"**SGB Secured Creditors**" means the SGB Security Trustee, the Issuer, the Cash Manager, the Account Bank, the Facility Agent, the Corporate Services Provider and any other person acceding to the SGB Deed of Charge and Assignment as an SGB Secured Creditor from time to time.

Under English law, security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which such secured party exercises such control.

## Second Greek Bondholder Pre-Enforcement and Post-Enforcement Priority of Payments

The SGB Deed of Charge and Assignment will set out the order of priority for the application of cash by the Cash Manager (on behalf of the Second Greek Bondholder) prior to the delivery by the SGB Security Trustee of an SGB Acceleration Notice to the Second Greek Bondholder or the SGB Loan otherwise becoming due and payable in full. This payment order of priority is described in the section entitled "*Cashflows and Payment Priorities of the Second Greek Bondholder – Priority of Payments – Pre-Enforcement SGB Priority of Payments*".

The SGB Deed of Charge and Assignment will also set out the order of priority for the application by the SGB Security Trustee or (with respect to any assets secured pursuant to the SGB Deed of Charge and Assignment) any Receiver appointed by it, following the delivery by the SGB Security Trustee of an SGB Acceleration Notice to the Second Greek Bondholder or the SGB Loan otherwise becoming due and payable in full, of amounts received or recovered by it or on its behalf. This order of priority is described in the section entitled "*Cashflows and Payment Priorities of the Second Greek Bondholder – Priority of Payments – Post-Enforcement SGB Priority of Payments*".

### Enforcement

The SGB Security will become enforceable following the delivery by the SGB Security Trustee of an SGB Acceleration Notice to the Second Greek Bondholder. After the SGB Security has become enforceable, the SGB Security Trustee may at its absolute discretion or, if instructed to do so by the Issuer Security Trustee (itself acting on the instructions of the Note Trustee), will enforce all or any of the SGB Security in any manner it sees fit (or, in the case of instructions from the Issuer Security Trustee (itself acting on the instructions of the Note Trustee), the Note Trustee sees fit), but subject to any other applicable condition.

If the SGB Security has become enforceable otherwise than by reason of a default in payment of any amount due on the SGB Loan, the SGB Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the SGB Security or any part thereof or otherwise realise the SGB Security unless:

- (a) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Issuer and any amounts required pursuant to the Post-Enforcement SGB Priority of Payments to be paid *pari passu* with, or in priority to, the SGB Loan;
- (b) the SGB Security Trustee is of the opinion, which shall be binding on the Issuer and the other SGB Secured Creditors, that the cash flow prospectively receivable by the Second Greek Bondholder will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Second Greek Bondholder, to discharge in full in due course all amounts owing to the Issuer and any amounts required pursuant to the Post-Enforcement SGB Priority of Payments to be paid *pari passu* with, or in priority to, the SGB Loan; or
- (c) the SGB Security Trustee considers, in its discretion, that not to effect such disposal or realisation would place the SGB Security in jeopardy.

At any time after the SGB Security has become enforceable, the SGB Security Trustee may appoint such persons as it thinks fit to be a Receiver of the SGB Security created pursuant to the SGB Deed of Charge and Assignment.

### SGB Protection Notice

If at any time while the SGB Loan outstanding, an SGB Event of Default or an event, condition or act which, with the giving of notice and/or the lapse of time and/or the SGB Security Trustee making any relevant determination and/or the SGB Security Trustee issuing any relevant certificate, would constitute an SGB Event of Default (a "**Potential SGB Event of Default**") occurs, or the SGB Security Trustee believes that the SGB Security or any part thereof is in imminent danger of being seized or sold under any form of distress, execution or diligence levied or threatened or is otherwise in imminent jeopardy, the SGB

Security Trustee will be permitted or, if instructed to do so by the Issuer Security Trustee (itself acting upon the instructions of the Note Trustee), will be required, to deliver a notice (a "**SGB Protection Notice**") to the Second Greek Bondholder.

On the delivery of an SGB Protection Notice, any charge created by or pursuant to the SGB Deed of Charge and Assignment which is a floating charge shall (so far as permitted by law) crystallise. In addition, no payments (except payments of principal and interest to the Issuer) may be made out of funds standing to the credit of the SGB Transaction Account without the prior written consent of the SGB Security Trustee.

The SGB Security Trustee will be permitted at any time or, if instructed to do so by the Issuer Security Trustee (itself acting upon the instructions of the Note Trustee), will be required (unless an SGB Acceleration Notice has been given by the SGB Security Trustee) to withdraw an SGB Protection Notice in which case any charge created by or pursuant the SGB Deed of Charge and Assignment originally as a floating charge shall thereupon become and continue to be a floating charge and the payment restrictions outlined above shall cease.

### **Instructions from the Issuer Security Trustee**

When exercising its opinion and/or when exercising the rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the SGB Security Documents, the other Transaction Documents or by operation of law, the SGB Security Trustee will be required (prior to the payment or repayment in full of all amounts outstanding in respect of the SGB Loan) to take its instructions from the Issuer Security Trustee (itself acting upon the instructions of the Note Trustee) and will not take instructions from any other SGB Secured Creditor except as otherwise expressly provided in the SGB Security Documents. In acting in accordance with such instructions, the SGB Security Trustee will not be required to have regard to the SGB Secured Creditors or any other person, and will not in any way be liable to the SGB Secured Creditors or any other person for the consequences of doing so.

### **No enforcement by SGB Secured Creditors**

Pursuant to the terms of the SGB Deed of Charge and Assignment, each of the SGB Secured Creditors (other than the SGB Security Trustee) will agree with the SGB Security Trustee that, unless and until all amounts due on the SGB Loan have been paid in full: (i) it will not be entitled to take, any steps whatsoever to enforce the security created by or pursuant to the SGB Deed of Charge and Assignment over the SGB Security or direct the SGB Security Trustee to do so; and (ii) it will not take any steps for the purpose of recovering any of the SGB Secured Liabilities or any other debts or liabilities whatsoever owing to it by the Second Greek Bondholder (including, without limitation, the exercise of any right of set-off, counterclaim or lien) or procuring the appointment of a liquidator, receiver, administrator, examiner or similar or analogous officer for the winding up or liquidation or examination or dissolution or reorganisation of the Second Greek Bondholder in respect of any of its liabilities whatsoever, provided that an SGB Secured Creditor will not be prevented from taking any steps against the Second Greek Bondholder which do not amount either to the commencement or the threat of commencement of legal proceedings against the Second Greek Bondholder, or the procuring of the appointment of a receiver or analogous officer for the winding up or dissolution or examination or liquidation of the Second Greek Bondholder where the Second Greek Bondholder has funds available to it to meet its obligations or liabilities under any of the SGB Transaction Documents to that SGB Secured Creditor, having first taken into account all other liabilities both actual and contingent of the Second Greek Bondholder in respect of the SGB Secured Liabilities which rank in priority to or pari passu with its obligations or liabilities to that SGB Secured Creditor under any of the SGB Transaction Documents provided that such SGB Secured Creditor shall notify the SGB Security Trustee in writing of any action it wishes to take prior to taking the same.

### **Modification and waiver**

Pursuant to the terms of the SGB Deed of Charge and Assignment, the SGB Security Trustee will be required, if so directed by the Issuer Security Trustee (itself acting on the directions of the Note Trustee):

- (a) to concur with the Second Greek Bondholder, the Servicer or any other person in making any modification to any SGB Transaction Document; and/or
- (b) to waive or authorise (without prejudice to its right in respect of any further or other breach) any proposed or actual breach of any of the covenants or provisions contained in any SGB Transaction Document by the Second Greek Bondholder or any other person.

Any such modification, authorisation, waiver or determination will be binding on the Second Greek Bondholder and the other SGB Secured Creditors.

### **Fees, expenses and indemnity**

The Issuer will be required to:

- (a) pay to the SGB Security Trustee on Note Payment Dates a fee of such amount as will be agreed by the SGB Security Trustee and the Issuer (all such remuneration to be payable in accordance with the Priority of Payments);
- (b) reimburse the SGB Security Trustee for all reasonable costs and expenses incurred by it in acting as SGB Security Trustee; and
- (c) indemnify and/or prefund the SGB Security Trustee, any receiver and any administrator and their respective officers, employees and agents against all claims, actions, demands, proceedings, liabilities, losses, costs (including legal costs on a full indemnity basis), damages, charges and expenses (including insurance premiums) which the SGB Security Trustee or such receiver and such administrator and their respective officers, employees, delegates and agents may incur or may be made against it (in the case of the SGB Security Trustee, whether before or after the SGB Deed of Charge and Assignment has become enforceable) including any value added tax:
  - (i) in consequence of or in connection with anything done or omitted by the SGB Security Trustee or the receiver or administrator under or in connection with the SGB Deed of Charge and Assignment or any other of the SGB Transaction Documents to which the SGB Security Trustee is a party or of any failure by the Second Greek Bondholder to comply with its obligations to the SGB Security Trustee under or in connection with the SGB Deed of Charge and Assignment or any other Transaction Document; or
  - (ii) in consequence of any payment in respect of the SGB Secured Liabilities (whether made by the Second Greek Bondholder or a third person) being impeached or declared void for any reason whatsoever,

save where such claims, actions, demands, proceedings, liabilities, losses, costs, damages, charges and expenses arise as a result of the fraud, gross negligence or wilful default by the person claiming to be entitled to be indemnified or arise in respect of tax chargeable on the profits of the SGB Security Trustee.

In circumstances where directions or instructions to take proceedings, actions or steps have been given by the Noteholders in accordance with Condition 11(a) under "*Terms and Conditions of the Notes*" and if the SGB Security Trustee has reasonable grounds (or where such directions or instructions have been given after the security has become enforceable, grounds) to believe that:

- (a) legal proceedings may be commenced against it or that liability may be asserted against it as a result of its taking such proceedings, actions or steps; and
- (b) either
  - (i) the indemnity provided by the Issuer to the SGB Security Trustee under the SGB Deed of Charge and Assignment does not cover such proceedings, actions or steps; or



- (ii) the funds that are expected to be available in accordance with the provisions of the Transaction Documents to meet the indemnity payments due to the SGB Security Trustee in respect of such proceedings, actions or steps will be insufficient to meet such payments in full, the SGB Security Trustee shall not be bound to take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction against such proceedings (and all liabilities which it may incur in relation thereto) and liabilities.

To the extent the SGB Security Trustee determines (such determination to be made solely by the SGB Security Trustee within the constraints of prevailing law) that it will not, for the reasons set out in above, take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction then it will be required, subject to applicable privilege and confidentiality considerations, to direct the Issuer Security Trustee to deliver to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*), a reasonably detailed summary of the grounds upon which such additional indemnification is requested (including to the extent possible, but not limited to, information as to the relevant legal proceedings or liabilities, an estimate of the costs and monetary liabilities that it expects to incur (including, where applicable, liabilities incurred by it in defence of legal proceedings) and the amount of shortfall between the liabilities and the funds available to meet such liabilities) and, to the extent possible, direct the Issuer Security Trustee to provide such other information in relation thereto as may be reasonably requested by the Issuer or the Noteholders.

### **Retirement and removal**

Subject to the appointment of a successor SGB Security Trustee or there remaining at least one trustee being a Trust Corporation, the SGB Security Trustee will be permitted to retire at any time upon giving not less than three months prior written notice to the Second Greek Bondholder. In addition, the Noteholders (acting by Extraordinary Resolution) will have the power to remove the SGB Security Trustee.

The retirement or removal of any SGB Security Trustee will not be permitted to become effective unless there remains at least one SGB Security Trustee being a Trust Corporation upon such retirement or removal.

Upon the termination or resignation of the appointment of an SGB Security Trustee which is the sole trustee and a Trust Corporation), the Second Greek Bondholder will be required to use its reasonable efforts to procure that a new trustee (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter provided that if the Second Greek Bondholder has failed to appoint a replacement SGB Security Trustee within two months of receipt of the relevant notice, the outgoing SGB Security Trustee will be entitled to appoint a successor (without any requirement for written approval of the Issuer or any other person) provided such successor is a reputable Trust Corporation.

The remuneration payable to any successor security trustee of the SGB Deed of Charge and Assignment may be payable at a rate that is higher than the rate of remuneration payable to the outgoing SGB Security Trustee, but the rate of such remuneration shall not exceed the market level range of fees that are commonly charged by security trustees in relation to European CMBS.

The appointment of a new SGB Security Trustee by the Second Greek Bondholder must be approved by the Issuer (acting by the Servicer in accordance with the terms of the Servicing Agreement) (such approval not to be unreasonably delayed or withheld).

The SGB Security Trustee will be permitted, subject to the conditions specified in the SGB Deed of Charge and Assignment, to appoint a separate trustee or a co-trustee to act jointly with it.

### **Additional provisions of the SGB Deed of Charge and Assignment**

The SGB Deed of Charge and Assignment will contain a range of provisions regulating the scope of the SGB Security Trustee's duties and liabilities. These include, among other things, the following:

- (a) the SGB Security Trustee will not be responsible for the legality, admissibility in evidence, adequacy or enforceability of the SGB Security Documents or any other Transaction Document;

- (b) the SGB Security Trustee will be entitled and authorised to assume, without enquiry, in the absence of actual knowledge or express notice to the contrary, that each of the Second Greek Bondholder and the other parties is duly performing and observing all the covenants and provisions contained in the Transaction Documents relating to it and on its part to be performed and observed and that no event has happened which constitutes an SGB Event of Default or a Potential SGB Event of Default; and
- (c) the SGB Security Trustee will not be required to monitor or supervise the functions of the Second Greek Bondholder or any other person under any Transaction Document.

**Governing law**

The SGB Deed of Charge and Assignment and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

The SGB Bond Pledge Agreement and the SGB Parallel Debt Agreement and all non-contractual or other obligations arising out of or in connection with them will be governed by and construed in accordance with the laws of Greece.

## DESCRIPTION OF THE NOTE TRUST DEED AND THE NOTES

### The Note Trust Deed

The Note Trust Deed will set out the forms of the Global Notes and the Definitive Notes.

The Note Trust Deed will also set out the terms under which the Note Trustee is to be appointed, the indemnification of the Note Trustee, the payments it will be entitled to receive and the scope of the Note Trustee's powers. The Note Trustee is also given the ability to appoint a delegate in the execution of any of its duties under the Note Trust Deed, subject to exercising reasonable care in the selection of such delegate.

Pursuant to the Note Trust Deed, the Issuer will make certain covenants in favour of the Note Trustee (for the benefit of itself and on trust for the Noteholders) including, among other things:

- to repay the principal of each of the Notes on the due date for the final maturity thereof, as specified in the Conditions, or such earlier date as the whole or any part thereof may become due and repayable thereunder and, until such payment, to pay interest thereon on the dates provided for in the Conditions;
- to use its reasonable efforts to obtain and maintain the listing of the Notes on the Official List of the Irish Stock Exchange and the admission of the Notes to trading on the regulated market of the Irish Stock Exchange or, if it is unable to do so having used its reasonable efforts or if the maintenance of such listing is, in the opinion of the Issuer, unduly onerous, use its reasonable efforts to obtain and maintain a quotation or listing or admission of the Notes on such other stock exchange or exchanges or securities market or markets as the Issuer may (with the prior written approval of the Note Trustee) decide;
- to give notice forthwith to the Note Trustee upon becoming aware of the occurrence of any Note Event of Default or any Potential Note Event of Default in respect of the Notes;
- to keep in place Paying Agents, an Agent Bank and a Registrar;
- to keep in place a Cash Manager and Servicer; and
- not to make any amendment or modification to the Transaction Documents or agree to waive or authorise any breach thereof without the prior written approval of the Note Trustee.

Some of the covenants of the Issuer also appear in the Conditions (see Condition 4 (*Covenants*) under "*Terms and Conditions of the Notes*").

The Note Trust Deed will also provide for the delivery to the Note Trustee (on request by the Note Trustee and, in any event, after the audited accounts of the Issuer become available in respect of each financial period) of a certificate of the Issuer signed by the directors of the Issuer to the effect that, as at a date not more than seven days before delivering such certificate (the "**relevant date**"), to the best of the knowledge, information and belief of the Issuer, there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate, the Closing Date) any Note Event of Default or Potential Note Event of Default in respect of the Notes, except to the extent specified in the certificate, and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate, the Closing Date) to and including the relevant date of such certificate the Issuer has complied with all its obligations under the Note Trust Deed, except to the extent specified in such certificate.

### Consideration of the interests of Noteholders

Pursuant to the terms of the Note Trust Deed, the Note Trustee will be required, as regards all the powers, trusts, authorities, duties and discretions vested in it by the Notes and the Transaction Documents, except where expressly provided otherwise, to have regard to the interests of the Noteholders but not to the interests of any other Issuer Secured Creditor.

Where it is required to have regard to the interests of the Noteholders, the Note Trustee will be required to have regard to the interests of the Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee will not be required to have regard to, and will not be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

It will not be possible to amend certain basic terms of the Notes without the consent of the holders of the Notes by Extraordinary Resolution (see Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) under "*Terms and Conditions of the Notes*").

### **Fees, expenses and indemnity**

The Issuer will be required to:

- (a) pay to the Note Trustee on Note Payment Dates a fee of such amount as will be agreed by the Note Trustee and the Issuer (all such remuneration will be payable in accordance with the Priority of Payments);
- (b) reimburse the Note Trustee for all reasonable costs and expenses incurred by it in acting as Note Trustee; and
- (c) indemnify the Note Trustee and its officers, employees and agents from and against all liabilities, losses, damages, costs, charges, expenses, actions, proceedings, claims and demands incurred by it in the execution or purported execution of any of the duties, powers, authorities, rights, discretions or trusts of the Note Trust Deed or under or in respect of the other Transaction Documents or of their powers or in respect of any matter or thing done or omitted in any way relating to the Note Trust Deed or under or in respect of the other Transaction Documents (save for any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to the Note Trustee in respect of any negligence, wilful default or fraud of which it may be guilty in relation to its duties under the Note Trust Deed).

In circumstances where directions or instructions to take proceedings, actions or steps have been given by the Noteholders in accordance with Condition 11(a) under "*Terms and Conditions of the Notes*" and if the Note Trustee has reasonable grounds (or where such directions or instructions have been given after the security has become enforceable, grounds) to believe that legal proceedings may be commenced against it or that liability may be asserted against it as a result of its taking such proceedings, actions or steps, and either:

- (a) the indemnity provided by the Issuer to the Note Trustee under the Note Trust Deed does not cover such proceedings, actions or steps; or
- (b) the funds that are expected to be available in accordance with the provisions of the Transaction Documents to meet the indemnity payments due to the Note Trustee in respect of such proceedings, actions or steps will be insufficient to meet such payments in full, the Note Trustee shall not be bound to take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction against such proceedings (and all liabilities which it may incur in relation thereto) and liabilities.

To the extent the Note Trustee determines (such determination to be made solely by the Note Trustee within the constraints of prevailing law) that it will not, for the reasons set out above, take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction then it will be required, subject to applicable privilege and confidentiality considerations, to deliver to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*) a reasonably detailed summary of the grounds upon which such additional indemnification is requested (including to the extent possible, but not limited to, information as to the relevant legal proceedings or liabilities, an estimate of the costs and monetary liabilities that it expects to incur (including, where applicable, liabilities incurred by it in defence of legal proceedings) and the amount of shortfall between the liabilities and the funds available to meet

such liabilities) and, to the extent possible, provide such other information in relation thereto as may be reasonably requested by the Issuer or the Noteholders.

### **Retirement and removal**

Subject to the appointment of a successor Note Trustee or there remaining at least one trustee being a Trust Corporation, the Note Trustee will be permitted to retire at any time upon giving not less than three months' prior written notice to the Issuer. In addition, the Noteholders (acting by Extraordinary Resolution) will have the power to remove any Note Trustee.

The retirement or removal of any Note Trustee will not be permitted to become effective unless there remains at least one Note Trustee being a Trust Corporation upon such retirement or removal.

Upon the termination or resignation of the appointment of a Note Trustee which is the sole trustee (and a Trust Corporation), the Issuer will be required to use its reasonable efforts to procure that a new trustee (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter provided that if the Issuer has failed to appoint a replacement Note Trustee within two months of receipt of the relevant notice, the outgoing Note Trustee will be entitled to appoint a successor (without any requirement for written approval of the Issuer or any other person) provided such successor is a reputable Trust Corporation.

The remuneration payable to any new trustee of the Note Trust Deed may be payable at a rate that is higher than the rate of remuneration payable to the outgoing Note Trustee, but the rate of such remuneration shall not exceed the market level range of fees that are commonly charged by note trustees in relation to European CMBS.

The Note Trustee will be permitted, subject to the conditions specified in the Note Trust Deed, to appoint a separate trustee or a co-trustee to act jointly with it.

### **Additional Provisions of the Note Trust Deed**

In addition to the above, the Note Trust Deed will set out:

- (a) when, and the terms upon which, the Note Trustee will be entitled or obliged, as the case may be, to take steps to enforce the Issuer's obligations under the Notes or to take other proceedings, actions or steps under or in connection with the Notes and the other Transaction Documents;
- (b) the extent of the Note Trustee's powers and discretions, including its rights to act upon the advice of certain experts and to rely upon certain documents without being bound to call for further evidence;
- (c) the scope of the Note Trustee's liability for any breach of trust, gross negligence, wilful default or fraud in connection with the exercise of its duties;
- (d) the terms upon which the Note Trustee may, without the consent of the Noteholders, waive or authorise any breach or proposed breach of any of the covenants or provisions contained in the Note Trust Deed (including the Conditions), the Notes or any of the other Transaction Document or determine that a Note Event of Default or Potential Note Event of Default will not be treated as such;
- (e) the terms upon which the Note Trustee may, without the consent of the Noteholders, make or sanction any modification (except a Basic Terms Modification) to the Notes or to the terms of the Note Trust Deed (including the Conditions) or any of the other Transaction Documents; and
- (f) the requirements for and organisation of Noteholder meetings.

The Conditions will form part of the Note Trust Deed.

## **Governing law**

The Note Trust Deed and the Notes and all non-contractual or other obligations arising out of them or in connection with them will be governed by and construed in accordance with English law.

## **The Agency Agreement**

The Agency Agreement will contain the detailed provisions as to the appointment of the Paying Agents and other Agents and will regulate how payments will be made on the Notes and how determinations and notifications will be made. The Agency Agreement and all non-contractual or other obligations arising out of it or in connection with it will be governed by and construed in accordance with English law.

## **Description of the Notes**

*The information set out below has been obtained from sources that the Issuer believes to be reliable and the Issuer accepts responsibility for correctly reproducing this information, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect, and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Note Trustee, the Issuer Security Trustee or any Agent party to the Agency Agreement (or any affiliate of any of the above, or any person by whom any of the above is controlled) will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.*

## **General**

The Notes (which will each be in the denomination of €100,000 and integral multiples of €1,000 in excess thereof) will be represented initially by the Reg S Global Note and/or, as applicable, the Rule 144A Global Note, in each case in registered form without interest coupons or talons. The Global Notes will be deposited with the Common Depository for Euroclear and Clearstream, Luxembourg, and registered in the name of a nominee of the Common Depository on or about the Closing Date. Upon deposit of the Global Notes, Euroclear and/or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which each such subscriber has subscribed and paid.

## ***Holding of Beneficial Interests in Global Notes***

Ownership of beneficial interests in respect of Global Notes will be limited to persons that are shown on the records of Euroclear or Clearstream, Luxembourg as a holder of a Note ("**Direct Participants**") or persons that hold beneficial interests in the Global Notes through Direct Participants ("**Indirect Participants**") and, together with Direct Participants, "**Participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg either directly or indirectly. Indirect Participants also include persons that will hold beneficial interests in the Notes through other Indirect Participants.

Beneficial interests in Global Notes will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the Participants' accounts with the respective interests beneficially owned by such Participants on each of their respective book-entry registration and transfer systems. Ownership of beneficial interests in Global Notes will be shown on, and transfers of beneficial interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of the Direct Participants) and on the records of Direct Participants or Indirect Participants (with respect to the interests of the relevant beneficial owners). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability of persons within such jurisdictions or otherwise subject to the laws thereof to own, transfer or pledge beneficial interests in the Global Notes.

Except as set forth below under "*Issuance of Definitive Notes*", Direct Participants and Indirect Participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in the form of individual registered note certificates and will not be considered the holders thereof under the Note Trust Deed. Accordingly, each person holding a beneficial interest in a Global Note must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and Indirect Participants must rely on the procedures of the Direct Participant and/or Indirect Participants through which such person owns its beneficial interest in the relevant Global Note to exercise any rights and obligations of a holder of Notes under the Note Trust Deed.

Unlike legal owners or holders of the Notes, holders of beneficial interests in the Global Notes will not have the right under the Note Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of a beneficial interest in a Global Note will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in Global Notes to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of beneficial interests in the Global Notes will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Notes are issued in accordance with the Note Trust Deed and the Conditions. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Note Trust Deed.

For further information regarding the purchase of beneficial interests in Global Notes, see the section entitled "*Transfer Restrictions*".

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfer of beneficial interests in the Global Notes among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

### ***Payments on Global Notes***

Each payment of interest on and repayment of principal of the Notes will be made in accordance with the Agency Agreement.

Payments of any amounts owing in respect of the Global Notes will be made by the Paying Agents following receipt of any principal, interest, Note Default Interest and/or Make-Whole Payments (if any) on the Global Notes, in Euro to, or to the order of, the relevant accounts of the persons appearing in the records of Euroclear and Clearstream, Luxembourg as the holders of the beneficial interests in respect of such Notes in accordance with the Conditions, the Agency Agreement and the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Under the terms of the Note Trust Deed, the Issuer and the Note Trustee will be required to treat the registered holders of Global Notes as the owners thereof for the purposes of receiving payments and for all other purposes. Consequently, none of the Issuer, the Issuer Security Trustee, the Note Trustee or any agent of the Issuer, the Issuer Security Trustee or the Note Trustee has or will have any responsibility or liability for:

- (a) any aspect of the records of Euroclear or Clearstream, Luxembourg or any Participant relating to or payments made on account of a beneficial interest or book-entry interest in a Global Note or for maintaining, supervising or reviewing any of the records of Euroclear or Clearstream, Luxembourg or any Participant relating to or payments made on account of a beneficial interest in a Global Note; or
- (b) Euroclear or Clearstream, Luxembourg or any Participant.

The Note Trustee will be entitled to rely on any certificate issued by or other form of record made by Euroclear or Clearstream, Luxembourg for determining the identity of the several persons who are for the time being the beneficial holders of any beneficial interest in a Global Note.

All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment by the Common Depositary or its nominee, the respective systems will promptly credit their Participants' accounts with payments in amounts proportionate to their respective ownership of beneficial interests in the Global Notes as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by Participants to owners of beneficial interests in Global Notes held through such Participants will be governed by standing customer instructions and customary practices. Such payments will be the responsibility of such Participants. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Agents or any other agent of the Issuer, the Note Trustee, the Issuer Security Trustee or any Agent will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg relating to or payments made by Euroclear or Clearstream, Luxembourg on account of a Participant's ownership of beneficial interests in Global Notes or for maintaining, supervising or reviewing any records relating to a Participant's ownership of beneficial interests in the Global Notes.

#### ***Book-Entry Ownership***

Each Global Note will have an ISIN and a Common Code and will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the Common Depositary.

#### ***Information Regarding Euroclear and Clearstream, Luxembourg***

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Global Notes and secondary market trading of beneficial interests in the Global Notes.

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

As Euroclear and Clearstream, Luxembourg act on behalf of their respective account holders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not account holders with Euroclear or Clearstream, Luxembourg to pledge interests in the Global Notes to persons or entities that are not account holders with Euroclear or Clearstream, Luxembourg, or otherwise take action in respect of interests in the Global Notes, may be limited.

The Issuer understands that under existing industry practices, if either the Issuer or the Note Trustee requests any action of owners of beneficial interests in Global Notes or if an owner of a beneficial interest in a Global Note desires to give instructions or take any action that a holder is entitled to give or take under



the Note Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the Direct Participants owning the relevant beneficial interests to give instructions or take such action, and such Direct Participants would authorise Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

### ***Redemption***

For any redemptions of a Global Note in part, selection of the book-entry interests relating thereto to be redeemed will be made by Euroclear or Clearstream, Luxembourg, as the case may be, on a *pro rata* basis (or on such other basis as Euroclear or Clearstream, Luxembourg deems fair and appropriate) provided that only book-entry interests in the original principal amount of €100,000 or integral multiples of such original principal amount (and integral multiples of €1,000 in excess thereof) will be redeemed. Upon any redemption in part, the Registrar will record the amount of principal repaid in the Register with respect to such Global Note.

### ***Transfer and Transfer Restrictions***

All transfers of beneficial interests in Global Notes will be recorded in accordance with the book-entry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its Participants.

The Rule 144A Global Note will bear a legend substantially identical to that appearing the section entitled "*Transfer Restrictions – Reg S Global Notes and Reg S Definitive Notes*". The Reg S Global Note will bear a legend substantially identical to that appearing the section entitled "*Transfer Restrictions – Rule 144A Global Note and Rule 144A Definitive Notes*".

### ***Transfer of Global Notes***

The Global Notes may be transferred by the Common Depositary only to another common depositary of Euroclear and/or Clearstream, Luxembourg or to a nominee of any such common depositary.

### ***Issuance of Definitive Notes***

Holders of beneficial interests in a Global Note will be entitled to receive Definitive Notes in exchange for their respective holdings of beneficial interests only if:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is available; or
- (b) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or of any political sub-division thereof or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes in the form of individual registered note certificates.

Any Definitive Notes issued in exchange for beneficial interests in a Global Note will be registered by the Registrar in such name or names as instructed by Euroclear or Clearstream, Luxembourg. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, Luxembourg from their participants with respect to ownership of the relevant beneficial interests. In no event will Definitive Notes be issued in bearer form.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Note Trust Deed.*

The €237,500,000 Commercial Mortgage Backed Floating Rate Notes due 2026 (the "**Notes**") (as more fully defined below) of Pangaea Funding 1 PLC (the "**Issuer**") are constituted by a trust deed dated 22 August 2014 (the "**Closing Date**") (the "**Note Trust Deed**", which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) and made between, among others, the Issuer and U.S. Bank Trustees Limited in its capacity as note trustee (the "**Note Trustee**", which expression includes its successors or any further or other trustee under the Note Trust Deed) as trustee for the holders for the time being of the Notes and are subject to these terms and conditions (the "**Conditions**" and any reference to a "**Condition**" shall be construed accordingly).

The holders of the Notes are collectively referred to in these Conditions as the "**Noteholders**".

The security for the Notes is constituted by, and on terms set out in:

(i) an English law-governed deed of charge and assignment dated the Closing Date (the "**Issuer Deed of Charge and Assignment**"), which expression includes such deed of charge and assignment as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified), and made between, among others, the Issuer and U.S. Bank Trustees Limited in its capacity as issuer security trustee (the "**Issuer Security Trustee**", which expression includes its successors or any further or other trustee under the Issuer Deed of Charge and Assignment); and

(ii) a Greek law-governed pledge agreement dated the Closing Date (the "**Issuer Bond Pledge Agreement**" and, together with the Issuer Deed of Charge and Assignment, the "**Issuer Security Documents**") between, the Issuer and the Issuer Security Trustee.

By an agency agreement dated the Closing Date (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified in accordance with the provisions therein contained and any agreement, deed or other document expressed to be supplemental thereto as from time to time so modified) and made between, among others, the Issuer, the Note Trustee, Elavon Financial Services Limited, UK Branch in its separate capacities under the same agreement as principal paying agent (the "**Principal Paying Agent**", which expression includes any other principal paying agent appointed in respect of the Notes) (the Principal Paying Agent being, together with any further or other paying agents for the time being appointed in respect of the Notes, the "**Paying Agents**") and agent bank (the "**Agent Bank**", which expression includes any other agent bank appointed in respect of the Notes) and Elavon Financial Services Limited as registrar for the Notes (the "**Registrar**", which expression includes any other registrar appointed in respect of the Notes, and, together with the Paying Agents and the Agent Bank, the "**Agents**"), provision is made for, among other things, the payment of principal and interest in respect of the Notes.

The provisions of these Conditions are subject to the detailed provisions of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Issuer Parallel Debt Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Servicing Agreement, the SGB Loan Agreement, the SGB Security Documents, the SGB Parallel Debt Agreement, the SGB Cash Management Agreement, the SGB Corporate Services Agreement, the Share Declaration of Trust and a master definitions schedule dated the Closing Date and signed for identification purposes only by Sidley Austin LLP (the "**Master Definitions Schedule**"), which expression includes such master definitions schedule as from time to time modified in accordance with the provisions of the Note Trust Deed). Copies of the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Issuer Parallel Debt Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Servicing Agreement, the SGB Loan Agreement, the SGB Security Documents, the SGB Parallel Debt Agreement, the SGB Cash Management Agreement, the SGB Corporate Services Agreement, the Share Declaration of Trust and the Master Definitions Schedule will be available in electronic form from, or will

be available for inspection by the Noteholders (in physical form) during business hours at, the registered office for the time being of the Issuer, being at the date hereof at 35 Great St. Helen's, London EC3A 6AP, United Kingdom and at the specified office of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of and definitions contained in the Note Trust Deed, the Agency Agreement, the Issuer Security Documents, the Issuer Parallel Debt Agreement, the Issuer Cash Management Agreement, the Issuer Corporate Services Agreement, the Servicing Agreement, the SGB Loan Agreement, the SGB Security Documents, the SGB Parallel Debt Agreement, the SGB Cash Management Agreement, the SGB Corporate Services Agreement, the Share Declaration of Trust and the Master Definitions Schedule.

The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 11 August 2014 and on or about 20 August 2014.

Capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Master Definitions Schedule.

## 1. GLOBAL NOTES

### (a) Rule 144A Global Note

The Notes initially offered and sold in the United States of America (the "**United States**") to qualified institutional buyers ("**Qualified Institutional Buyers**") (as defined in Rule 144A ("**Rule 144A**") under the United States Securities Act of 1933, as amended (the "**Securities Act**"), that are also qualified purchasers ("**Qualified Purchasers**") within the meaning of Section (2)(a)(51) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and the rules and regulations thereunder, in reliance on Rule 144A will initially each be represented by a permanent global note in fully registered form (the "**Rule 144A Global Note**"). The Rule 144A Global Note will be deposited with and held by Elavon Financial Services Limited, UK Branch (the "**Common Depository**") for Euroclear Bank S.A./N.V. (as operator of the Euroclear System) ("**Euroclear**", which term shall include any successor operator of the Euroclear System) and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**", which term shall include any successor thereto) and registered in the name of a nominee of the Common Depository.

### (b) Reg S Global Note

The Notes initially offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act will initially each be represented by a permanent global note in fully registered form (the "**Reg S Global Note**" and, together with the Rule 144A Global Note, the "**Global Notes**"). The Reg S Global Note will be deposited with and held by the Common Depository for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of the Common Depository.

### (c) Form and Title

Each Global Note shall be issued in fully registered form without any coupons attached.

Each Global Note will be serially numbered which will be recorded in the register (the "**Register**") which the Issuer will procure will be kept by the Registrar at its specified office.

The person in whose name a Note is registered at that time in the Register will, to the fullest extent permitted by applicable law, be deemed and be treated as the absolute owner of such Note by all persons and for all purposes (including the making of any payments), regardless of any notice to the contrary, any notice of ownership, theft or loss thereof, or

of any trust or other interest therein or of any writing on that Note (other than the endorsed form of transfer).

No transfer of a Note will be valid unless and until entered on the Register. Transfers and exchanges of beneficial interests in the Global Notes and entries on the Register relating to the Notes will be made subject to any restrictions on transfers set forth on such Notes and the detailed regulations concerning transfers of such Notes contained in the Agency Agreement, the Note Trust Deed and the relevant legends appearing on the face of the Notes (such regulations and legends being the "**Transfer Regulations**"). Each transfer or purported transfer of a beneficial interest in a Global Note or a Definitive Note made in violation of the Transfer Regulations shall be void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Note Trustee or any intermediary. The Transfer Regulations may be changed by the Issuer with the prior written approval of the Note Trustee, acting in accordance with the provisions of Condition 13 (*Meetings of Noteholders, Modifications, Waiver and Substitution*).

Ownership of interests in the Rule 144A Global Note ("**Restricted Book-Entry Interests**") will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants and who are qualified institutional buyers (as defined in Rule 144A) and qualified purchasers (within the meaning of section 2(a)(51) of the Investment Company Act and the rules thereunder) and have purchased such interest in reliance on Rule 144A or have purchased such interest in accordance with the restrictions legended on the Rule 144A Global Note. Ownership of interests in respect of the Reg S Global Note (the "**Unrestricted Book-Entry Interests**" and, together with the Restricted Book-Entry Interests, the "**Book-Entry Interests**") will be limited to persons who have accounts with Euroclear and/or Clearstream, Luxembourg or persons who hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream, Luxembourg and their participants. Beneficial interests in the Reg S Global Note may not be held by a U.S. Person (as defined in Regulation S under the Securities Act) at any time.

(d) **Denomination**

The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

**2. DEFINITIVE NOTES**

(a) **Issue of Definitive Notes**

A Global Note will be exchanged for individual registered note certificates in registered form (each a "**Definitive Note**") in an aggregate principal amount equal to the Principal Amount Outstanding (as defined in Condition 6(d) (*Principal Amount Outstanding and Note Factor*)) of the relevant Global Note only if any of the following circumstances apply:

- (i) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is in existence; or
- (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes

effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in the form of individual registered note certificates.

If Definitive Notes are issued in accordance with the Note Trust Deed:

- (i) the Book-Entry Interests represented by the Reg S Global Note shall be exchanged by the Issuer for Definitive Notes ("**Reg S Definitive Notes**"); and
- (ii) the Book-Entry Interests represented by the Rule 144A Global Note shall be exchanged by the Issuer for Definitive Notes ("**Rule 144A Definitive Notes**").

The aggregate principal amount of the Reg S Definitive Notes and the Rule 144A Definitive Notes to be issued will be equal to the aggregate Principal Amount Outstanding of the relevant Global Note, at the date on which notice of such issue of Definitive Notes is given to the Noteholders, subject to and in accordance with these Conditions, the Agency Agreement, the Note Trust Deed and the relevant Global Note. The Definitive Notes be issued in registered form only.

(b) **Title to and transfer of Definitive Notes**

Title to a Definitive Note will pass upon registration in the Register. A Definitive Note will have a minimum original principal amount of €100,000 and will be serially numbered. A Definitive Note may be transferred in whole or in part (provided that any partial transfer relates to an original principal amount of €100,000) upon surrender of such Definitive Note, at the specified office of the Registrar. In the case of a transfer of part only of a Definitive Note, a new Definitive Note in respect of the balance not transferred will be issued to the transferor. All transfers of Definitive Notes are subject to any restrictions on transfer set forth in such Definitive Notes and the Transfer Regulations.

Each new Definitive Note to be issued upon the transfer, in whole or in part, of a Definitive Note will, within five Business Days (as defined in Condition 5(b) (*Note Payment Dates and Note Interest Periods*)) of receipt of the Definitive Note to be transferred, in whole or in part, (duly endorsed for transfer) at the specified office of the Registrar, be available for delivery at the specified office of the Registrar or be posted at the risk of the holder entitled to such new Definitive Note to such address as may be specified in the form of transfer.

Registration of a Definitive Note on transfer will be effected without charge by or on behalf of the Issuer or the Registrar, but upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other government charges which may be imposed in relation to it and only if the relevant Definitive Note is presented or surrendered for transfer and endorsed or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by the transferor Noteholder (or his attorney duly authorised in writing) and upon receipt of such certificates and other documents as shall be necessary to evidence compliance with the restrictions on transfer contained in the relevant Definitive Note, the Note Trust Deed and the Agency Agreement.

No transfer of a Definitive Note will be registered in the period beginning 15 Business Days before, or ending on the fifth Business Day after, each Note Payment Date.

For the purposes of these Conditions:

- (i) the "**holder**" of a Note or "**Noteholder**" means (a) in respect of each Global Note, the person in whose name such Global Note is registered at that time in the

Register and (b) in respect of any Definitive Note issued under Condition 2(a) (*Issue of Definitive Notes*), the person in whose name such Definitive Note is registered (or, in the case of a joint holding, the first named thereof), subject as provided in Condition 7(b) (*Definitive Notes*), and related expressions shall be construed accordingly; and

- (ii) references herein to "**Notes**" shall include the Global Notes and the Definitive Notes.

### 3. STATUS, SECURITY AND PRIORITY

#### (a) Status and Relationship among the Notes

- (i) The Notes constitute direct, secured and, subject to the limited recourse provisions in Condition 12 (*Limited Recourse and Non-Petition*), unconditional obligations of the Issuer and are secured by the Issuer Security (as more particularly described in Condition 3(b)).
- (ii) The Notes rank *pari passu* and without preference or priority among themselves.
- (iii) The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the holders of the Notes equally as regards all powers, trusts, authorities, duties and discretions of the Note Trustee.
- (iv) Except where expressly provided otherwise in the Transaction Documents, so long as any of the Notes remain outstanding, the Issuer Security Trustee may act only on the instructions of the Note Trustee (on behalf of the Noteholders) and will not take instructions from any other Issuer Secured Creditor.

#### (b) Issuer Security

The security interests granted in respect of the Notes are set out in the Issuer Security Documents. Pursuant to the Issuer Security Documents, the Issuer has granted the Issuer Security in favour of the Issuer Security Trustee for itself and on trust for the Noteholders, the Note Trustee and the other Issuer Secured Creditors.

The Issuer has created the following security (the "**Issuer Security**"):

- (i) pursuant to the Deed of Charge and Assignment, in favour of the Issuer Security Trustee for itself and on trust for the other Issuer Secured Creditors:
  - (A) a first fixed charge of the Issuer's contractual rights, present and future, to the extent governed by English law, in, to and under the Issuer Greek Bonds (excluding all property, assets, rights and interests situated in or otherwise subject to the laws of Greece);
  - (B) an assignment by way of first-ranking security of the Issuer's rights, title, interest and benefit, present and future, in, to and under the Transaction Documents expressed to be governed by English law (other than the Issuer Security Documents);
  - (C) a fixed first charge over the Issuer's rights, title, interest and benefit, present and future, in, to and under the Issuer Accounts (other than Share Capital Account) and any other bank or securities account in England and Wales in which the Issuer may place and hold its cash or securities resources (other than the Share Capital Account), and in the funds or securities from time to time standing to the credit of such accounts and in the debts represented thereby; and

- (D) a first-ranking floating charge governed by English law over the whole of the undertaking and assets of the Issuer, present and future (other than any property or assets of the Second Greek Bondholder subject to the assignments by way of security and the fixed charges set out in Conditions 3(b)(i)(A), (B) and (C)) (such floating charge being a qualifying floating charge for the purposes of paragraph 14 of Schedule B1 to the Insolvency Act of 1986); and
- (ii) pursuant to the Issuer Bond Pledge Agreement, in favour of the Issuer Security Trustee, a first ranking pledge over all of the Greek law governed rights, claims and interest of the Issuer in the Issuer Greek Bonds in order to secure its obligations to the Issuer Security Trustee under the Issuer Parallel Debt Agreement.

The Issuer Deed of Charge and Assignment contains provisions regulating the priority of application of the Issuer Security (and the proceeds thereof) by the Cash Manager among the persons entitled thereto prior to the service of a Note Acceleration Notice or the Notes otherwise becoming due and repayable in full and provisions regulating such application by the Issuer Security Trustee after the service of a Note Acceleration Notice or the Notes otherwise becoming due and repayable in full.

(c) **Disposal of Issuer Security upon enforcement**

If the Issuer Security has become enforceable otherwise than by reason of a default in payment of any amount due on the Notes, the Issuer Security Trustee will not be entitled to dispose of the undertaking, property or assets secured under the Issuer Security or any part thereof or otherwise realise the Issuer Security unless:

- (i) a sufficient amount would be realised to allow discharge in full of all amounts owing to the Noteholders and any amounts required under the Issuer Security Documents to be paid *pari passu* with, or in priority to, the Notes; or
- (ii) the Issuer Security Trustee is of the opinion, which shall be binding on the Noteholders and the other Issuer Secured Creditors, reached after considering at any time and from time to time the advice of such professional advisers as are selected by the Issuer Security Trustee, upon which the Issuer Security Trustee shall be entitled to rely, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Noteholders and any amounts required under the Issuer Security Documents to be paid *pari passu* with, or in priority to, the Notes; or
- (iii) the Issuer Security Trustee considers, in its discretion, that not to effect such disposal or realisation would place the Issuer Security in jeopardy.

**4. COVENANTS**

(a) **Restrictions**

Save with the prior written consent of the Note Trustee or unless otherwise provided in or envisaged by these Conditions or the Transaction Documents, the Issuer shall, so long as any Note remains outstanding:

(i) ***Negative Pledge***

not create or permit to subsist any mortgage, standard security, sub-mortgage, sub-standard security, assignment, assignation, charge, sub-charge, pledge, lien

(unless arising by operation of law), hypothecation, assignment or assignation by way of security or any other security interest whatsoever over any of its assets, present or future, (including any uncalled capital);

(ii) ***Restrictions on Activities***

- (A) not engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in;
- (B) not have any subsidiaries or any employees or own, rent, lease or be in possession of any buildings or equipment;
- (C) not amend, supplement or otherwise modify its memorandum or articles of association or other constitutive documents; and
- (D) not engage, or permit any of its affiliates, to engage, in any activities in the United States (directly or through agents), derive, or permit any of its affiliates to derive, any income from sources within the United States as determined under United States federal income tax principles, and hold, or permit any of its affiliates to hold, any property that would cause it or any of its affiliates to be engaged or deemed to be engaged in a trade or business within the United States as determined under United States federal income tax principles;

(iii) ***Disposal of Assets***

not transfer, convey, assign, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire any of its assets or undertaking or any interest, estate, right, title or benefit therein other than as expressly contemplated by the Transaction Documents;

(iv) ***Dividends or Distributions***

not pay any dividend or make any other distribution to its shareholders or issue any further shares;

(v) ***Borrowings***

not incur or permit to subsist any indebtedness in respect of borrowed money whatsoever, except in respect of the Notes or the Servicing Agreement or give any guarantee or indemnity in respect of any indebtedness or of any obligation of any person;

(vi) ***Merger***

not consolidate or merge with any other person or convey or transfer all or substantially all of its property or assets to any other person;

(vii) ***Variation***

not permit any of the Transaction Documents to which it is a party to become invalid or ineffective, or the priority of the security interests created thereby to be reduced, amended, terminated, postponed or discharged, or consent to any variation of, or exercise any powers of consent or waiver pursuant to the terms of the Note Trust Deed, these Conditions, the Issuer Security Documents or any of the other Transaction Documents, or permit any party to any of the Transaction Documents or the Issuer Security or any other person whose obligations form



part of the Issuer Security to be released from such obligations or dispose of all or any part of the Issuer Security;

(viii) ***Bank Accounts***

not have an interest in any bank account other than the Issuer Transaction Account and the Share Capital Account, unless such account or interest therein is charged or security is otherwise provided to the Issuer Security Trustee on terms acceptable to it;

(ix) ***Assets***

not own assets other than those representing its share capital, the funds arising from the issue of the Notes, the property, rights and assets secured by the Issuer Security and associated and ancillary rights and interests thereto, the benefit of the Greek Bond Finance Documents, the benefit of the Transaction Documents and any investments and other rights or interests created or acquired thereunder, as all of the same may vary from time to time;

(x) ***Equitable Interest***

not permit any person other than the Issuer and the Issuer Security Trustee to have any equitable or beneficial interest in any of its assets or undertakings or any interest, estate, right, title or benefit therein except as otherwise provided for in the Transaction Documents;

(xi) ***Purchase of Notes***

not purchase any of the Notes;

(xii) ***Business Establishment***

not have any other business establishment or other fixed establishment other than in England;

(xiii) ***Centre of Main Interests***

conduct its business and affairs such that, at all times, its centre of main interests for the purposes of the EU Insolvency Regulation (EC) No. 1346/2000 of 29 May 2000 as amended shall be and remain in England; and

(xiv) ***Tax Status***

ensure that it is at all times solely resident in the United Kingdom for United Kingdom tax purposes and has no branch, business establishment or other fixed establishment outside the United Kingdom.

In giving any consent to the foregoing, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Noteholders but subject to the terms of the Transaction Documents.

(b) **Cash Manager and Servicer**

So long as any of the Notes remains outstanding, the Issuer will procure that there will at all times be a cash manager in respect of the monies from time to time standing to the credit of the Issuer Transaction Account and any other account of the Issuer from time to

time and a servicer in respect of the Greek Bonds and the Greek Bond Security. None of the Cash Manager or the Servicer will be permitted to terminate its appointment unless a replacement cash manager or servicer, as the case may be, is appointed in accordance with the provisions of the Servicing Agreement or, as applicable, the Cash Management Agreement.

## 5. INTEREST

### (a) Period of Accrual

Each Note bears interest on its Principal Amount Outstanding from (and including) the Closing Date.

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, in the case of a Global Note, upon due presentation, or otherwise in the case of a Definitive Note, payment of the relevant amount of principal or any part thereof is improperly withheld or refused on any Global Note or Definitive Note, as applicable.

Where such payment of principal is improperly withheld or refused on any Note, interest will continue to accrue thereon (before as well as after any judgment) at the rate applicable to such Note up to (but excluding) the date on which payment in full of the relevant amount of principal, together with the interest accrued thereon, is made or (if earlier) the seventh day after notice is duly given to the holder thereof (either in accordance with Condition 17 (*Notice to Noteholders*) (or individually) that, upon presentation thereof being duly made, in the case of a Global Note, or otherwise in the case of a Definitive Note, such payment will be made, provided that upon presentation thereof being duly made, payment is in fact made.

Whenever it is necessary to compute an amount of interest for any period (including any Note Interest Period (as defined below)), such interest shall be calculated on the basis of actual days elapsed and a 360 day year.

### (b) Note Payment Dates and Note Interest Periods

Interest on the Notes is payable quarterly in arrear on the 20th day of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day unless such Business Day falls in the next succeeding calendar month in which event the immediately preceding Business Day) (each a "**Note Payment Date**") in respect of the Note Interest Period ending on or immediately prior thereto. The first Note Payment Date in respect of the Notes will be the Note Payment Date falling in October 2014.

In these Conditions:

**"Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Athens and Dublin and which is a TARGET2 Business Day.

**"Note Interest Period"** shall mean the period from (and including) the Closing Date to (but excluding) the first Note Payment Date and, thereafter each successive quarterly period from (and including) each Note Payment Date to (but excluding) the next following Note Payment Date.

**"TARGET2 Business Day"** means any day on which the TARGET2 System is open for business; and

**"TARGET2 System"** means the Trans European Automated Real Time Gross Settlement Express Transfer Payment System which utilises a single shared platform and which was launched on 19 November 2007 (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Note Trustee to be a suitable replacement).

(c) **Rate of Interest**

The interest rate (the **"Rate of Interest"**) for each Note Interest Period shall be equivalent to EURIBOR (as determined in accordance with the provisions below) plus 4.85 per cent. per annum (the **"Margin"**) (the **"Interest Rate"**);

EURIBOR will be determined by the Agent Bank on the following basis:

- (i) at or about 11.00 a.m. (Brussels time) on the second TARGET2 Business Day before the beginning of each Note Interest Period (each such day, a **"EURIBOR Determination Date"**), the Agent Bank will determine the Euro zone Interbank Offered Rate (**"EURIBOR"**) for three-month Euro deposits or, in the case of the first Note Interest Period, a linear interpolation of EURIBOR for one month Euro deposits and EURIBOR for two month Euro deposits (rounded in each case to five decimal places with the mid-point rounded up), by reference to the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) (the **"EURIBOR Screen Rate"**). If the agreed service ceases to be available, the Agent Bank may specify another service displaying the appropriate rate after consultation with the Note Trustee and the Paying Agent; or
- (ii) if the EURIBOR Screen Rate is not then available or is not then available for the relevant Note Interest Period, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal Eurozone office of each of certain European banks (being at least three in number) which the Agent Bank (in consultation with the Note Trustee and the Principal Paying Agent) may appoint from time to time (which shall, for so long as the Greek Bonds are outstanding, be the same European banks as are the reference banks under the Greek Bond Programme Agreement) (the **"Reference Banks"**) at or about 11.00 a.m. (Brussels time) on the EURIBOR Determination Date for the offering of deposits to the leading banks in the Eurozone interbank market for a period comparable to the Note Interest Period for the Notes. If on any EURIBOR Determination Date, only two of three of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such EURIBOR Determination Date, only one quotation is provided as requested, the rate for that EURIBOR Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in the Eurozone selected by the Agent Bank (which bank or banks is or are in the opinion of the Note Trustee suitable for such purpose).

For the purposes of these Conditions, "**Eurozone**" means the region comprised of Member States of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.

(d) **Calculation of Interest Amounts for the Notes**

The Agent Bank shall, on or as soon as practicable after each EURIBOR Determination Date but in no event later than the first day of the Note Interest Period immediately following such EURIBOR Determination Date, calculate and notify the Issuer, the Note Trustee, the Cash Manager and the Paying Agents in writing of the Euro amount payable in respect of interest (the "**Interest Amount**") for the Notes subject to Condition 5(b) (*Note Payment Dates and Note Interest Periods*) and Condition 5(c) (*Rate of Interest*), in respect of such Note Interest Period.

The Interest Amount payable in respect of each Note on any Note Payment Date shall be calculated by applying the Interest Rate for the relevant Note Interest Period to the Principal Amount Outstanding of the Notes immediately prior to the relevant Note Payment Date and multiplying the result by the actual number of days in the relevant Note Interest Period divided by 360, and rounding the result to the nearest full cent, all as determined by the Agent Bank.

(e) **Publication of Interest Amounts and other Notices**

As soon as practicable after receiving notification thereof, the Issuer will cause the Interest Amount applicable to the Notes for each Note Interest Period and the Note Payment Date in respect thereof to be notified in writing to the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") (for so long as the Notes are listed on the Irish Stock Exchange) and will cause notice thereof to be given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*). The Interest Amounts, Note Payment Date and other determinations so notified in respect of the Notes may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Note Interest Period for the Notes.

(f) **Calculation by the Note Trustee**

If the Agent Bank does not at any time for any reason calculate the Interest Amount for the Notes and/or make any other necessary calculations in accordance with this Condition 5, the Note Trustee shall (or shall appoint an agent, on its behalf to) calculate the Interest Amount for the Notes in the manner specified in Condition 5(c) (*Rate of Interest*) and/or make such other necessary calculations in the manner specified in this Condition 5 and any such determination and/or calculation shall be deemed to have been made by the Agent Bank and the Note Trustee shall have no liability in respect thereof.

(g) **Notifications to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5, whether by the Agent Bank or the Note Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent Bank, the Note Trustee, the Servicer, the Cash Manager, the Paying Agents and all Noteholders and (in the absence of wilful default or manifest error) no liability to the Noteholders shall attach to the Issuer, the Agent Bank or the Note Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions hereunder.

(h) **Agent Bank**

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall, at all times, be an Agent Bank. Any purported resignation or termination of the appointment of the Agent Bank shall not take effect until a successor agent bank approved by the Note Trustee has been appointed.

(i) **Make-Whole Payment**

Any:

- (A) Make-Whole Amount received by the Issuer from the Greek Bond Issuer under the terms of the Issuer Greek Bonds; or
- (B) SGB Make-Whole Payment received by the Issuer from the Second Greek Bondholder under the SGB Loan,

shall constitute Revenue Receipts.

On each Determination Date, the Cash Manager shall, in accordance with the terms of the Issuer Cash Management Agreement, determine the Make-Whole Payment that shall be allocated by the Cash Manager to the Notes with respect to the immediately following Note Payment Date.

The "**Make-Whole Payment**" means, with respect to such Determination Date:

- (a) any Make-Whole Amount received by the Issuer in the Collection Period ending on such Determination Date; plus
- (b) any SGB Make-Whole Payment received by the Issuer in the Collection Period ending on such Determination Date; less
- (c) to the extent that any amount of the Issuer Greek Bonds is redeemed during such Collection Period on a date other than a Greek Bond Payment Date, an amount equal to the Margin accruing on Notes of the same principal amount as the Issuer Greek Bonds so redeemed from (and including) the date of such prepayment to (but excluding) the last day of the Note Interest Period in which such redemption took place.

Such Make-Whole Payment shall be payable by the Issuer to the holders of the Notes in accordance with the applicable Priority of Payments and following payment of any prior ranking amounts on the Note Payment Date immediately following such Determination Date.

(j) **Note Default Interest**

Any:

- (A) Greek Bond Default Interest received by the Issuer from the Greek Bond Issuer under the terms of the Issuer Greek Bonds; or
- (B) SGB Default Interest received by the Issuer from the Second Greek Bondholder under the SGB Loan,

shall constitute Revenue Receipts.

On each Determination Date, the Cash Manager shall, in accordance with the terms of the Issuer Cash Management Agreement, aggregate any Greek Bond Default Interest and any

SGB Default Interest received by the Issuer in the Collection Period ending on such Determination Date and allocate such aggregate amount (the "**Note Default Interest**") to the Notes. Such Note Default Interest shall be payable by the Issuer to the holders of the Notes in accordance with the applicable Priority of Payments and following payment of any prior ranking amounts on the Note Payment Date immediately following such Determination Date.

## **6. REDEMPTION AND CANCELLATION**

### **(a) Final Redemption**

Unless previously redeemed in full and cancelled as provided in this Condition 6, the Issuer shall redeem the Notes at their Principal Amount Outstanding together with accrued interest on the "**Final Maturity Date**", being the Note Payment Date falling in July 2026.

The Issuer may not redeem Notes in whole or in part prior to the Final Maturity Date except as provided in this Condition 6 but without prejudice to Condition 10 (*Note Events of Default*).

### **(b) Mandatory Redemption from Principal Distribution Amounts**

Unless such Notes are previously redeemed in full and cancelled as provided in this Condition 6 or the Notes have otherwise become due and repayable in full, the Notes are subject to mandatory early redemption, in whole or in part, on each Note Payment Date in accordance with the Pre-Enforcement Priority of Payments set out in the Issuer Cash Management Agreement in an amount not exceeding the Principal Distribution Amount for such Note Payment Date.

For the purposes of these Conditions, "**Principal Distribution Amount**", in respect of any Note Payment Date, means the amount calculated by the Cash Manager on the Determination Date immediately preceding such Note Payment Date pursuant to the terms of the Issuer Cash Management Agreement as the Principal Receipts received by the Issuer in the relevant Collection Period by way of repayment or prepayment of the principal amount outstanding of the Issuer Greek Bonds and the SGB Loan.

### **(c) Optional Redemption for Tax or other Reasons**

If the Issuer at any time satisfies the Note Trustee immediately prior to giving the notice referred to below that either:

- (i) on the next Note Payment Date, the Issuer or any Paying Agent on its behalf would be required to deduct or withhold from any payment of principal or interest or any other amount in respect of any Note any amount 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 the relevant jurisdiction (or any political sub-division thereof or authority thereof or therein having power to tax) and such requirement cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) on or prior to the next Note Payment Date, the Greek Bond Issuer would be required to deduct or withhold from any payment of principal or interest or any other amount in respect of the Issuer Greek Bonds any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (and the Greek Bond Issuer is not required, pursuant to the Greek Bond Finance Documents, to pay an additional amount such as to ensure that the net full amount received by the Issuer after any deduction or withholding

required by law or regulation is equal to the amount that the Issuer would have received had no such deduction or withholding been made); or

- (iii) on or prior to the next Note Payment Date, the Second Greek Bondholder would be required to deduct or withhold from any payment of principal or interest or any other amount in respect of the SGB Loan any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature; or
- (iv) by reason of a change of law since the Closing Date, it has become or will become unlawful for the Issuer to make, lend or to allow to remain outstanding all or any part of the Issuer Greek Bonds or the SGB Loan,

then the Issuer may, on any Note Payment Date on which any one or more events specified in paragraphs (i), (ii), (iii) or (iv) above is continuing, having given not more than 60 and not less than 30 days' notice to the Note Trustee, the Paying Agents and the Noteholders in accordance with Condition 17 (*Notice to Noteholders*), redeem all, but not some only, of the Notes at their then Principal Amount Outstanding, together with interest accrued and unpaid thereon, provided that in any case and prior to the giving of any such notice, the Issuer has provided to the Note Trustee:

- (A) a certificate signed by two directors of the Issuer stating the circumstances referred to in paragraph (i), (ii), (iii) and/or (iv) above prevail and setting out the details of such circumstances;
- (B) an opinion in form and substance satisfactory to the Note Trustee of independent legal advisors of recognised standing to the effect that the circumstances referred to in paragraph (i), (ii), (iii) and/or (iv) above prevail in relation to the Issuer.

The Note Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in paragraph (i), (ii), (iii) and/or (iv) above, in which event they shall be conclusive and binding on the Noteholders.

The Issuer may only redeem the Notes as aforesaid if, on the relevant Note Payment Date, no Note Acceleration Notice has been served and the Issuer has provided to the Note Trustee a certificate signed by two directors of the Issuer to the effect that it will, on the relevant Note Payment Date, have the funds, not subject to the interest of any other person, required to discharge all of its liabilities in respect of the Notes to be redeemed under this Condition 6(c) and any amounts required to be paid in priority to or *pari passu* with such liabilities, which certificate shall be conclusive and binding.

(d) **Principal Amount Outstanding and Note Factor**

On each Note Payment Date, the Cash Manager shall determine:

- (i) the Principal Amount Outstanding of each Note on the next following Note Payment Date (after deducting any principal payment to be paid on such Note on that Note Payment Date); and
- (ii) the fraction expressed as a decimal to the sixth place (the "**Note Factor**"), the numerator of which is equal to the Principal Amount Outstanding (after deducting any principal payment to be paid on that Note Payment Date) of a Note (calculated on the assumption that the face amount of such Note on the Closing Date is €100,000) and the denominator of which is €100,000.

Each determination by the Cash Manager of the Principal Amount Outstanding of a Note and the Note Factor shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The "**Principal Amount Outstanding**" of a Note on any date will be its face amount less the aggregate amount of principal repayments and prepayments made in respect of that Note since the Closing Date.

The Issuer (or the Cash Manager on its behalf) will cause each determination of a Principal Amount Outstanding and the Note Factor to be notified in writing forthwith to the Note Trustee, the Paying Agents, the Registrar, the Agent Bank and (for so long as the Notes are listed on the Irish Stock Exchange) the Irish Stock Exchange and will cause notice of each determination of a Principal Amount Outstanding and the Note Factor to be given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*) as soon as reasonably practicable thereafter.

If the Issuer (or the Cash Manager on its behalf) does not at any time for any reason determine a Principal Amount Outstanding or the Note Factor in accordance with the preceding provisions of this Condition 6(d), such Principal Amount Outstanding and the Note Factor may be determined by the Note Trustee, in accordance with this Condition 6(d), and each such determination or calculation shall be conclusive and shall be deemed to have been made by the Issuer or the Cash Manager, as applicable, and the Note Trustee shall have no liability in respect thereof.

(e) **Notice of Redemption**

Any such notice as is referred to in Condition 6(c) (*Optional Redemption for Tax or other Reasons*) shall be irrevocable and, upon the expiration of such notice, the Issuer shall be bound to redeem the Notes in the amounts specified in these Conditions. For so long as the Notes are listed on the Irish Stock Exchange, the Issuer will, as soon as reasonably practicable after becoming aware that the same will occur, the Issuer will cause notice of the redemption of the Notes to be given to the Irish Stock Exchange.

(f) **Cancellation**

All Notes redeemed in full pursuant to the foregoing provisions will be cancelled forthwith and may not be resold or re-issued.

(g) **No Purchase by Issuer**

The Issuer will not purchase any of the Notes.

(h) **Regulatory transfer or redemption**

In the event of a transfer of a Note (or an interest therein) to a U.S. person that is not both a Qualified Institutional Buyer (as defined in Rule 144A) and a Qualified Purchaser (within the meaning of Section (2)(a)(51) of the Investment Company Act) and who is not an Eligible Investor (as defined in the Transfer Regulations), the Issuer may, in its discretion, either:

- (i) compel such transferee to sell such Note (or interest therein) within 30 days after notice of the requirement to sell is given to a person who is both a Qualified Institutional Buyer and a Qualified Purchaser and an Eligible Investor; or
- (ii) on the next following Note Payment Date, redeem such Note (or interest therein) at a price equal to the lesser of (A) the purchase price therefor paid by such transferee, (B) 100 per cent. of the then Principal Amount Outstanding thereof, and (C) the fair market value thereof.

In addition, if a holder or beneficial owner of a Note fails for any reason to provide to the Issuer and the Note Trustee information or documentation, or to update or correct such information or documentation, as may be necessary or helpful (in the sole determination



of the Issuer or the Note Trustee or their agents, as applicable) to achieve compliance with FATCA and any related provisions of law, court decisions, or administrative guidance, including the Issuer entering into and complying with an agreement with the IRS contemplated by Section 1471(b) of the Code (or any United Kingdom law implementing an IGA), in each case as necessary so that no tax will be imposed or withheld under FATCA in respect of payments to or for the benefit of the Issuer, or such information or documentation is not accurate or complete, the Issuer may:

- (A) compel or effect the sale of Notes held by any such holder that fails to sell its Notes within 30 days of notice from the Issuer or Note Trustee of its failure to comply with the foregoing requirement;
- (B) assign to such Note a separate ISIN number or numbers; and
- (C) make other amendments to the Note Trust Deed to enable the Issuer to comply with FATCA (including providing for remedies against, or imposing penalties upon, any holder or beneficial owner who fails to deliver to the Issuer information requested by the Issuer that is required by FATCA or a related rule or published IRS interpretation (or any United Kingdom law implementing an IGA) to enable the Issuer to comply with FATCA.

## 7. PAYMENTS

### (a) Global Notes

Each payment of principal, interest, Make-Whole Payment, Note Default Interest or other amount in respect of any Global Note will be made to the person shown as the holder (or, in the case of a joint holding, the first named thereof) on the Register at the opening of business on the day before the due date for such payment (the "**Record Date**").

A record of each payment so made, distinguishing between payments of principal, payments of interest and, in the case of partial payments, of the amount of each partial payment, will be endorsed on the schedule to the relevant Global Note by or on behalf of the relevant Paying Agent, which endorsement shall be *prima facie* evidence that such payment has been made.

Payments in respect of the Rule 144A Global Note will be paid in Euro to holders of interests in such Notes who hold such interests through Euroclear and/or Clearstream, Luxembourg (the "**Rule 144A Euroclear/Clearstream Holders**"). Payments in respect of the Reg S Global Note will be paid in Euro to holders of interests in such Notes (such holders being, together with the Rule 144A Euroclear/Clearstream Holders, the "**Euroclear/Clearstream Holders**").

A Euroclear/Clearstream Holder may receive payments in respect of its interest in any Global Notes in U.S. dollars in accordance with Euroclear's and Clearstream, Luxembourg's customary procedures. All costs of conversion from any such election will be borne by such Euroclear/Clearstream Holder.

### (b) Definitive Notes

Payments of principal, interest, Make-Whole Payments, Note Default Interest and other amounts (except where, after such payment, the unpaid principal amount of the relevant Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Note), in which case the relevant payment of principal, interest, Make-Whole Payments, Note Default Interest and other amounts, as the case may be, will be made against surrender of such Note) in respect of Definitive Notes will be made by transfer to a Euro account maintained by the payee (and notified to the Registrar in accordance with the following paragraph), in accordance with the Conditions not later

than the due date for such payment. If any payment due in respect of any Definitive Note is not paid in full, the Registrar will annotate the Register with a record of the amount, if any, so paid. For the purposes of this Condition 7(b), the holder of a Definitive Note will be deemed to be the person shown as the holder (or, in the case of a joint holding, the first named thereof) on the Register at the opening of business on the Record Date.

Any such payments with respect to a Definitive Note shall be made to the Euro denominated account maintained by the payee with a branch of a designated bank in the European Union and notified to the specified office of the Registrar not later than the 5<sup>th</sup> Business Day before the Record Date for such payment. Any such account so notified shall be deemed to relate to all future payments in respect of such Definitive Note until such time as the Registrar is notified in writing to the contrary by the holder thereof.

(c) **Laws and Regulations**

Payments of principal, interest and other amounts in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto.

(d) **Overdue Principal Payments**

If payment of principal is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note or part thereof in accordance with Condition 5(a) (*Period of Accrual*) will be paid against presentation of such Note at the specified office of any Paying Agent, and in the case of any Definitive Note, will be paid in accordance with Condition 7(b) (*Definitive Notes*).

(e) **Change of Agents**

The Principal Paying Agent is Elavon Financial Services Limited, acting from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom. The Issuer reserves the right, subject to the prior written approval of the Note Trustee, at any time to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar and the Agent Bank and to appoint additional or other Agents. The Issuer will cause at least 30 days' notice of any change in or addition to the Paying Agents or the Registrar or their specified offices to be given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*). The Issuer will, if possible, maintain a Paying Agent in member state of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

(f) **Presentation on Non-Business Days**

If any Note is presented (if required) for payment on a day which is not a business day in the place where it is so presented, payment shall be made on the next succeeding day that is a business day (unless such business day falls in the next succeeding calendar month in which event the immediately preceding business day) and no further payments of additional amounts by way of interest, principal or otherwise shall be due in respect of such Note. For the purposes of Condition 6 (*Redemption and Cancellation*) and this Condition 7, "**business day**" shall mean, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments in that place.

(g) **Accrual of Interest on Late Payments**

If any payment of interest, principal or any other amount in respect of a Note is not made on the date when due and payable (other than because the due date is not a business day (as defined in Condition 7(f) (*Presentation on Non-Business Days*)) or by reason of non-compliance with Condition 7(a) (*Global Notes*) or Condition 7(b) (*Definitive Notes*)), then such unpaid amount shall itself bear interest at the applicable Rate of Interest to (but

excluding) the date on which the full amount of the relevant unpaid amount (together with interest accrued thereon) is available for payment and notice thereof has been duly given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*), provided that such unpaid amount and interest thereon are, in fact, paid.

(h) **Incorrect Payments**

The Cash Manager will (on behalf of the Issuer), from time to time, notify Noteholders in accordance with Condition 17 (*Notice to Noteholders*) of any over-payment or under-payment in respect of any Note of which it has actual notice made on any Note Payment Date to any party entitled to the same pursuant to the applicable Priority of Payments. Following the giving of any such notice, the Cash Manager shall rectify such over-payment or under-payment by increasing or, as the case may be, decreasing payments to the relevant party on any subsequent Note Payment Date. Any notice of over-payment or under-payment pursuant to this Condition 7(h) shall contain reasonable details of the amount of the same, the relevant parties and the adjustments required to be made to future payments to rectify the same. Neither the Issuer nor the Cash Manager shall have any liability to any person for making any such correction.

**8. TAXATION**

All payments in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any relevant Paying Agent is required by applicable law in any jurisdiction to make any payment in respect of the Notes subject to any such withholding or deduction. In that event, the Issuer or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. **Neither the Issuer nor any Paying Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.**

**9. PRESCRIPTION**

Claims for principal in respect of Global Notes shall become void unless the relevant Global Notes are presented for payment within ten years of the appropriate relevant date. Claims for interest in respect of Global Notes shall become void unless the relevant Global Notes are presented for payment within five years of the appropriate relevant date.

Claims for principal, interest, Make-Whole Payments and Note Default Interest in respect of Definitive Notes shall become void unless made within ten years, in the case of principal, and five years, in the case of interest or other amounts, of the appropriate relevant date.

In this Condition 9, the "**relevant date**" means the date on which a payment first becomes due, but if the full amount of the moneys payable has not been received by the relevant Paying Agent or the Note Trustee on or prior to such date, it means the date on which the full amount of such moneys shall have been so received, and notice to that effect shall have been duly given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*).

**10. NOTE EVENTS OF DEFAULT**

(a) **Events**

If any of the events mentioned in Condition 10(a)(A) to (F) inclusive shall occur (each such event being a "**Note Event of Default**"), the Note Trustee at its absolute discretion may, and if either:

- (i) so requested in writing by the holders of not less than 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes; or

(ii) so directed by or pursuant to an Extraordinary Resolution of the Noteholders,

shall, give notice (a "**Note Acceleration Notice**") to the Issuer and the Issuer Security Trustee declaring all the Notes to be due and repayable and the Issuer Security enforceable:

- (A) default is made for a period of three days in the payment of the principal of, or default is made for a period of five days in the payment of interest or any other amount (other than principal) on, any Note when and as the same becomes due and payable in accordance with these Conditions; or
- (B) any representation or warranty made by the Issuer in any of the Notes, the Note Trust Deed, the Issuer Security Documents or the other Transaction Documents to which it is a party, is or proves to have been breached, is incorrect or misleading, in any material respect when made or deemed to be repeated and, in any such case (except where the Note Trustee certifies that, in its opinion, such circumstances are incapable of remedy when no notice will be required), the circumstances giving rise to the misrepresentation continue for a period of 14 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (C) default is made by the Issuer in the performance or observance of any other obligation binding upon it under the Notes, the Note Trust Deed, the Issuer Security Documents or the other Transaction Documents to which it is party and, in any such case (except where the Note Trustee certifies that, in its opinion, such default is incapable of remedy when no notice will be required), such default continues for a period of 14 days (or such longer period as the Note Trustee may permit) following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied; or
- (D) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in Condition 10(a)(E), ceases or, consequent upon a resolution of the board of directors of the Issuer, threatens to cease to carry on business or (in the opinion of the Note Trustee) a substantial part of its business or the Issuer is or is deemed unable to pay its debts as and when they fall due within the meaning of section 123(1)(a), (b) or (e) of the Insolvency Act 1986 (as that section may be amended, modified or re-enacted); or
- (E) an order is made or an effective resolution is passed for the winding-up of the Issuer except a dissolution or winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Note Trustee in writing or by an Extraordinary Resolution of the Noteholders; or
- (F) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order, the filing of documents with the court for the appointment of an administrator or the service of a notice to appoint an administrator) and such proceedings are not, in the opinion of the Note Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order shall be granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator or other similar official shall be appointed (or formal notice is given of an intention of appoint an administrator) in relation to the Issuer or any part of its undertaking, property or assets, or an encumbrancer shall take possession of all or any part of the undertaking, property or assets of the Issuer, or a distress, diligence or execution or other process shall

be levied or enforced upon or sued against all or any part of the undertaking, property or assets of the Issuer and such appointment, possession or process is not discharged or does not otherwise cease to apply within 15 days, or the Issuer (or the shareholders of the Issuer) initiates or consents to judicial proceedings relating to itself under applicable liquidation, bankruptcy, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of or a composition or similar arrangement with its creditors generally or takes steps with a view to obtaining a moratorium in respect of any of the indebtedness of the Issuer,

provided that in the case of each of the events described in Condition 10(a)(B) above, the Note Trustee shall have certified to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders and notice of such certification shall have been given to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*).

(b) **Effect of Declaration by Note Trustee**

Upon the giving of a Note Acceleration Notice in accordance with Condition 10(a) (*Events*), all Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding together with accrued interest, Make-Whole Payment (if any) and Note Default Interest (if any), as provided in the Note Trust Deed and the Issuer Security shall become enforceable.

**11. ENFORCEMENT**

(a) The Note Trustee may, at its discretion and without notice:

(i) at any time, take such proceedings and/or other action or steps as it may think fit under or in connection with the Notes, the Note Trust Deed, these Conditions or any of the other Transaction Documents, including, without limitation, instructing the Issuer Security Trustee to:

(A) take any proceedings and/or other action or steps under or in connection with the Transaction Documents; and/or

(B) direct the SGB Security Trustee to take any proceedings and/or other action or steps under or in connection with the Transaction Documents; and

(ii) at any time:

(A) after the Issuer Security has become enforceable, direct the Issuer Security Trustee to take such proceedings and/or other action or steps as it may think fit to enforce the Issuer Security; and/or

(B) after the SGB Security has become enforceable, direct the Issuer Security Trustee to direct the SGB Security Trustee to take such proceedings and/or other action or steps as it may think fit to enforce the SGB Security,

but neither the Note Trustee, the Issuer Security Trustee nor the SGB Security Trustee shall be bound to take any such proceedings, actions or steps unless:

(1) in the case of the Note Trustee and the Issuer Security Trustee and subject to Condition 11(b), it is directed to do so by an Extraordinary Resolution of the Noteholders or by a notice in writing signed by the holders of at least 25 per cent. in aggregate of the Principal Amount Outstanding of the Notes (and the Note

Trustee and the Issuer Security Trustee shall not have regard to or take instructions or directions from any other Issuer Secured Creditor);

- (2) in relation to the Issuer Security Trustee, it has been so directed by the Note Trustee; and
  - (3) in relation to the SGB Security Trustee, it has been so directed by the Issuer Security Trustee.
- (b) In circumstances where directions or instructions to take proceedings, actions or steps have been given by the Noteholders in accordance with Condition 11(a)(1) and if the Note Trustee or, as applicable, the Issuer Security Trustee and/or the SGB Security Trustee has reasonable grounds (or, where (1) the Issuer Security has become enforceable and such directions or instructions relate to the Issuer Security or (2) the SGB Security has become enforceable and such directions or instructions relate to the SGB Security, grounds) to believe that:
- (i) legal proceedings may be commenced against it or that liability may be asserted against it as a result of its taking such proceedings, actions or steps; and
  - (ii) either:
    - (A) the indemnity provided by the Issuer to the Note Trustee under the Note Trust Deed or, as applicable, provided by the Issuer to the Issuer Security Trustee under any Issuer Security Document or, as applicable provided by the Issuer to the SGB Security Trustee under the SGB Security Documents does not cover such proceedings, actions or steps; or
    - (B) the funds that are expected to be available in accordance with the provisions of the Transaction Documents to meet the indemnity payments due to the Note Trustee, the Issuer Security Trustee or, as applicable, the SGB Security Trustee in respect of such proceedings, actions or steps will be insufficient to meet such payments in full,

the Note Trustee, the Issuer Security Trustee or the SGB Security Trustee, as applicable, shall not be bound to take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction against such proceedings (and all liabilities which it may incur in relation thereto) and liabilities.

- (c) To the extent the Note Trustee, the Issuer Security Trustee or the SGB Security Trustee, as applicable, determines (such determination to be made solely by the Note Trustee, the Issuer Security Trustee or the SGB Security Trustee, as applicable, within the constraints of prevailing law) that it will not, for the reasons set out in Condition 11(b), take such proceedings, actions or steps unless it is indemnified, secured and/or prefunded to its satisfaction then it shall, subject to applicable privilege and confidentiality considerations:
- (i) as soon as reasonably practicable following the making of such determination, deliver to the Noteholders (or, in the case of the SGB Security Trustee, direct the Issuer Security Trustee to deliver to Noteholders) in accordance with Condition 17 (*Notice to Noteholders*), a reasonably detailed summary of the grounds upon which such additional indemnification is requested (including to the extent possible, but not limited to, information as to the relevant legal proceedings or liabilities, an estimate of the costs and monetary liabilities that it expects to incur (including, where applicable, liabilities incurred by it in defence of legal proceedings) and the amount of shortfall between the liabilities and the funds available to meet such liabilities); and

- (ii) as soon as practicable after any such request is made and to the extent possible, provide such other information (or, in the case of the SGB Security Trustee, direct the Issuer Security Trustee to provide such other information) in relation thereto as may be reasonably requested by the Issuer or the Noteholders.
- (d) Amounts available for distribution after enforcement of the Issuer Security shall be distributed in accordance with the terms of the Issuer Deed of Charge and Assignment.
- (e) Amounts available for distribution after enforcement of the SGB Security shall be distributed in accordance with the terms of the SGB Deed of Charge and Assignment.
- (f) In acting in accordance with the instructions or directions provided in accordance with Condition 11(a)(A), neither the Note Trustee, the Issuer Security Trustee nor the SGB Security Trustee will be liable to the Noteholders, any other Issuer Secured Creditor, any of the SGB Secured Creditors or any other person in any way for the consequences of acting in accordance with such instructions or directions.
- (g) Except as otherwise provided for in the Transaction Documents, no Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents or to seek to enforce the Issuer Security unless the Note Trustee or, as applicable, the Issuer Security Trustee, having become bound to do so, fails to do so within a reasonable period of becoming so bound and such failure shall be continuing. Notwithstanding the foregoing and notwithstanding any other provision of the Note Trust Deed, the right of any Noteholder to receive payment of principal, interest, Make-Whole Payment or Note Default Interest on its Notes on or after the due date for such principal or interest, or to institute suit for the enforcement of payment of that principal or interest may not be impaired or affected without the consent of that Noteholder.
- (h) The Issuer Security Trustee shall not, while any of the Notes are outstanding, be required to enforce the Issuer Security at the request of any Issuer Secured Creditor, other than the Note Trustee (or, in the circumstances set out in Condition 11(f), the Noteholders).
- (i) The SGB Security Trustee shall not, while the SGB Loan is outstanding, be required to enforce the SGB Security at the request of any SGB Secured Creditor, other than the Issuer Security Trustee.

## **12. LIMITED RECOURSE AND NON-PETITION**

If the net proceeds of realisation of, or enforcement with respect to, the Issuer Security are not sufficient to make all payments due in respect of the Notes, the other assets (if any) of the Issuer will not be available for payment of any shortfall arising therefrom, and any such shortfall will be borne among the Issuer Secured Creditors and among the Noteholders as provided in the Issuer Deed of Charge and Assignment. All claims in respect of such shortfall, after realisation of or enforcement with respect to all of the Issuer Security, will be extinguished and the Note Trustee, the Noteholders and the other Issuer Secured Creditors will have no further claim against the Issuer in respect of such unpaid amounts. Each Noteholder, by subscribing for or purchasing Notes, is deemed to accept and acknowledge that it is fully aware that:

- (a) in the event of realisation or enforcement of the Issuer Security its right to obtain payment of interest on, repayment of principal of and any other amounts in respect of the Notes in full is limited to recourse against the undertaking, property and assets of the Issuer comprised in the Issuer Security; and
- (b) the Issuer will have duly and entirely fulfilled its payment obligations by making available to such Noteholder its proportion of the proceeds of realisation or enforcement of the Issuer Security in accordance with the payment priorities of the Issuer Deed of Charge and Assignment and all claims in respect of any shortfall will be extinguished.

None of the Note Trustee, the Issuer Security Trustee, the Noteholders or the other Issuer Secured Creditors shall be entitled to petition or take any corporate action or other steps or legal proceedings for the winding-up, dissolution, court protection, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of an administrator, liquidator, examiner, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding or for two years and a day after all sums outstanding and owing in respect of the Notes have been paid in full, provided that the Issuer Security Trustee may prove or lodge a claim in liquidation of the Issuer initiated by another party and provided further that the Issuer Security Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Issuer Security Documents or any other Transaction Document.

### 13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

- (a) The Note Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests including the sanctioning by Extraordinary Resolution of, among other things, the removal of the Note Trustee, a modification of the Notes or the Note Trust Deed (including these Conditions) or the provisions of any of the other Transaction Documents and the sanctioning of a Note Maturity Report prepared by the Servicer in accordance with the terms of the Servicing Agreement.

An "**Ordinary Resolution**" is:

- (i) a resolution (other than a resolution relating to a matter set out in Conditions 13(a)(ii)(A) or 13(a)(ii)(B) below) passed at a meeting duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of more than one half of the persons voting thereat upon a show of hands or if a poll is demanded, by a majority consisting of more than one half of the votes cast on such poll; or
- (ii) in relation to:
  - (A) the appointment of an Operating Adviser by the Noteholders in accordance with Condition 15(a); or
  - (B) the approval of a Note Maturity Report by the Noteholders,a resolution passed at a meeting duly convened and held in accordance with the provisions of the Note Trust Deed by holders of the Notes holding more than one half of the Principal Amount Outstanding the Notes; or
- (iii) a Written Ordinary Resolution.

A "**Written Ordinary Resolution**" is a resolution in writing signed by or on behalf of the holders of the Notes holding more than one half of the Principal Amount Outstanding of the Notes who for the time being are entitled to receive notice of a meeting of Noteholders (whether originally convened or resumed following an adjournment) in accordance with the provisions of the Note Trust Deed, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

An "**Extraordinary Resolution**" is (i) a resolution passed at a meeting duly convened and held in accordance with the provisions of the Note Trust Deed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three-fourths of the votes cast on such poll or (ii) a Written Extraordinary Resolution.



A "**Written Extraordinary Resolution**" is a resolution in writing signed by or on behalf of holders of Notes holding not less than 90 per cent. of the Principal Amount Outstanding of the Notes who for the time being are entitled to receive notice of a meeting of Noteholders (whether originally convened or resumed following an adjournment) in accordance with the provisions of the Note Trust Deed, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes.

- (b) Subject as provided below, the quorum at any meeting of the Noteholders or persons present holding voting certificates or being proxies shall be one or more persons holding or representing more than one half of the Principal Amount Outstanding of the Notes or, at any adjourned meeting, one or more persons being or representing Noteholders whatever the Principal Amount Outstanding of Notes so held or represented.

The quorum at any meeting of the Noteholders for passing an Extraordinary Resolution which would have the effect of:

- (i) modifying the date of maturity of the Notes (or any of them);
- (ii) postponing any day for the payment of interest on the Notes (or any of them);
- (iii) reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes;
- (iv) modifying the method of calculating the amount payable or the date of payment in respect of any interest or principal in respect of the Notes;
- (v) modifying the definition of Basic Terms Modification;
- (vi) modifying the provisions concerning: (A) the quorum required at any meeting of Noteholders or the minimum percentage required to pass an Extraordinary Resolution; or (B) any other requirement in the Transaction Document regarding the minimum percentage of holders required to give any request, direction or consent;
- (vii) altering the currency of payment of the Notes referable thereto; or
- (viii) releasing or modifying any provisions in respect of the Issuer Security (or any part thereof),

(each a "**Basic Terms Modification**" as set out in the Note Trust Deed),

shall be one or more persons holding Notes or voting certificates in respect thereof or proxies representing not less than 75 per cent. of the Principal Amount Outstanding of the Notes for the time being outstanding, or at any adjourned such meeting, not less than 33 $\frac{1}{3}$  per cent. of the Principal Amount Outstanding of the Notes for the time being outstanding. Written notice of such modifications shall be provided to the Irish Stock Exchange.

An Extraordinary Resolution or an Ordinary Resolution passed at any meeting of Noteholders shall be binding on all Noteholders whether or not they are present at such meeting.

- (f) For the purposes of determining:
- (i) the quorum at any meeting of Noteholders or the majority of votes cast at such meeting;

- (ii) the holders of Notes for the purposes of giving any direction to the Note Trustee (or any other party); or
- (iii) the majorities required for any Written Ordinary Resolution or Written Extraordinary Resolution,

the voting or directing rights attaching to the Notes which are held beneficially by or for the account of (or in relation to which the exercise of the right to vote is directed or otherwise controlled by) (A) the Greek Bond Issuer or any Affiliate of the Greek Bond Issuer, (B) the Second Greek Bondholder or any Affiliate of the Second Greek Bondholder, (C) the Servicer of any Affiliate of the Servicer or (D) the Bondholder Agent or any Affiliate of the Bondholder Agent, shall not be exercisable and such Notes shall be treated as if they were not outstanding and shall not be counted in or towards any required quorum, direction or majority.

"Affiliate" means with respect to any specified entity, any other entity controlling or controlled by or under common control with such entity. For the purposes of this definition, "control" when used with respect to any specified entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

- (g) The Note Trustee may (i) agree, (ii) direct the Issuer Security Trustee to agree or (iii) direct the Issuer Security Trustee to direct the SGB Security Trustee to agree, without the consent or sanction of the Noteholders:
  - (A) to any modification (except a Basic Terms Modification) of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents which, in the opinion of the Note Trustee, is not materially prejudicial to the interests of the Noteholders; or
  - (B) to any modification of the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents which, in the opinion of the Note Trustee, is:
    - (1) to correct a manifest error or a proven (to the satisfaction of the Note Trustee) error;
    - (2) to ensure that the Transaction Documents are consistent with the corresponding disclosure or description in the Prospectus (and, for the avoidance of doubt, the disclosure in the Prospectus shall prevail in the event of any inconsistency);
    - (3) to comply with mandatory provisions of law; or
    - (4) is of a formal, minor or technical nature.

Any such modification shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notice to Noteholders*).

- (h) The Note Trustee may, without the consent or sanction of the Noteholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act from time to time and at any time but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, waive or authorise, or direct the Issuer Security Trustee to waive or authorise or direct the Issuer Security Trustee to direct the SGB Security Trustee to waive or authorise, on such terms and subject to such conditions as it shall deem fit and proper, any breach or proposed breach by the Issuer,

the Second Greek Bondholder or any other party thereto of any of the covenants or provisions contained in the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents or determine that any condition, event or act which constitutes a Note Event of Default or Potential Note Event of Default in respect of the Notes shall not be treated as such for the purposes of the Note Trust Deed (including these Conditions) or direct the Issuer Security Trustee to direct the SGB Security Trustee to determine that any condition, event or act which constitutes an SGB Event of Default shall not be treated as such for the purposes of the Transaction Documents. Any such waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notice to Noteholders*).

- (i) The Note Trustee shall, without the consent or sanction of the Noteholders, concur with the Servicer and/or direct the Issuer Security Trustee to concur with the Servicer and/or direct the Issuer Security Trustee to direct the SGB Security Trustee (in each case acting on behalf of the Issuer and/or, as applicable, the Second Greek Bondholder in accordance with the terms of the Servicing Agreement), in:
  - (i) making any modification (which is not a Basic Terms Modification, unless the terms of the Note Trust Deed and these Conditions are complied with in relation to the sanction of such Basic Terms Modification) to the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents; and/or
  - (ii) waiving or authorising any breach or proposed breach by the Issuer, the Second Greek Bondholder or any other party thereto of any of the covenants or provisions contained in the Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents; and/or
  - (iii) giving any consent under Notes, the Note Trust Deed (including these Conditions) or any of the other Transaction Documents,

in each case, that has been notified to the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee, the SGB Security Trustee and the Noteholders by the Servicer and which the Noteholders have not objected to (and with respect to which the Servicer has given notice to the Issuer, the Second Greek Bondholder, the Note Trustee, the Issuer Security Trustee and the SGB Security Trustee that it has not received any such objection) pursuant to and in accordance with the Servicing Agreement, and the Note Trustee shall, in accordance with the provisions of the Note Trust Deed, take such actions or direct the Issuer Security Trustee to take such actions or direct the Issuer Security Trustee to direct the SGB Security Trustee to take such actions as directed by the Servicer, including executing such documents as the Servicer directs, in order to effect any such modification, waiver or consent and none of the Note Trustee, the Issuer Security Trustee nor the SGB Security Trustee shall be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its acting upon such direction. Any such modification, waiver or consent shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 17 (*Notice to Noteholders*).

- (j) The Note Trustee shall not exercise any such powers of waiver, authorisation or determination in contravention of any request in writing under Condition 10(a) (*Events*) by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Notes or any express written direction given by an Extraordinary Resolution of the Noteholders (provided that no such direction or restriction shall affect any authorisation, waiver or determination previously made or given).

- (k) Upon receipt of a Note Maturity Report in draft form from the Servicer (prepared and delivered by the Servicer in accordance with the terms of the Servicing Agreement), the Note Trustee shall, at the cost of the Issuer, convene a meeting of the Noteholders at which the Noteholders will have the opportunity to discuss the various proposals contained in the draft Note Maturity Report with the Servicer.

Following such meeting and following receipt of the final Note Maturity Report from the Servicer (prepared and delivered by the Servicer in accordance with the terms of the Servicing Agreement), the Note Trustee shall, at the cost of the Issuer, convene a meeting of the Noteholders at which such Noteholders will be requested to approve, by way of Ordinary Resolution, the proposed strategy of the Servicer as set forth in such final Note Maturity Report (subject to any adjustments to such strategy approved by the Noteholders at such meeting) and authorise the Servicer to implement such strategy (or direct the Bondholder Agent to implement such strategy).

- (k) Where the Note Trustee is required, in connection with the exercise of its powers, trusts, authorities, duties and discretions, to have regard to the interests of the Noteholders, it shall have regard to the interests of such Noteholders as a class and, in particular, but without prejudice to the generality of the foregoing, the Note Trustee shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer or the Note Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.
- (l) The Note Trustee shall be entitled to determine, in its own opinion, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes, the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders and in making such a determination shall be entitled to take into account such things it may in its absolute discretion consider necessary and/or appropriate.
- (m) The Note Trustee may, without the consent of the Noteholders or any other Issuer Secured Creditor, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition 13(m)) as the principal debtor in respect of the Notes and the Note Trust Deed of another body corporate (being a special purpose vehicle) provided that such substitution would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Noteholders and subject to certain conditions set out in the Note Trust Deed being complied with or to be complied with (or suitable arrangements in place to ensure compliance with such conditions). In the case of substitution of the Issuer, the Irish Stock Exchange shall be notified of such substitution, a supplemental Prospectus will be prepared, approved by the Financial Regulator in Ireland and filed with the Irish Stock Exchange and notice of the substitution will be notified to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*).
- (n) Notwithstanding the foregoing, for so long as the Issuer relies on the exception from registration provided by Section 3(c)(7) of the Investment Company Act, the Issuer may not modify or amend these Conditions, any Transaction Document (including any exhibits, annexes or schedules thereto) or enter into any supplemental documents thereto or hereto if doing so would adversely affect the Issuer's ability to rely on the exception provided by Section 3(c)(7) of the Investment Company Act.
- (o) The Issuer and the Note Trustee may also amend the Note Trust Deed, without the consent of the Noteholders, at any time and from time to time, subject to certain requirements described in the Note Trust Deed, to take any action necessary or advisable to allow the Issuer to comply with FATCA or any rules or regulations promulgated thereunder (or any United Kingdom law implementing an IGA); and to issue a new Note

or Notes in respect of, or issue one or more new sub-classes thereof, in each case with new identifiers (including ISINs and Common Codes, as applicable), to the extent that the Issuer determines such action would be beneficial to segregate Noteholders who have provided FATCA information requested by Issuer from those Noteholders who have not provided FATCA information requested by the Issuer; *provided* that any sub-class of Notes issued pursuant to this clause shall be issued on identical terms as, and rank *pari passu* in all respects with, the existing Notes.

**14. INDEMNIFICATION AND EXONERATION OF THE NOTE TRUSTEE, ISSUER SECURITY TRUSTEE AND SGB SECURITY TRUSTEE**

The Note Trust Deed, the Issuer Security Documents, the SGB Security Documents, the Servicing Agreement and certain of the other Transaction Documents contain provisions governing the responsibility (and relief from responsibility) of each of the Note Trustee, the Issuer Security Trustee and the SGB Security Trustee and for their indemnification in certain circumstances. Neither the Note Trustee nor the Issuer Security Trustee will be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its acting upon requests or directions of the Noteholders made in accordance with the Note Trust Deed (including these Conditions) or for any loss, expense, theft, reduction in value or liability which may be suffered as a result of any assets comprised in the Issuer Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the Note Trustee or the Issuer Security Trustee.

The SGB Security Trustee will not be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its acting upon requests or directions of the Issuer Security Trustee in accordance with the Transaction Documents or for any loss, expense, theft, reduction in value or liability which may be suffered as a result of any assets comprised in the SGB Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by or to the order of other parties to the Transaction Documents, clearing organisations or their operators or by intermediaries such as banks, brokers, depositories, warehousemen or other similar persons whether or not on behalf of the SGB Security Trustee.

The Note Trust Deed and the Issuer Deed of Charge and Assignment contain provisions pursuant to which each of the Note Trustee and the Issuer Security Trustee and, in either case, any of its related companies is entitled, among other things:

- (a) to enter into business transactions with the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiary or associated companies and to act as trustee for the holders of any other securities issued by or relating to the Issuer and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the Issuer Security and/or any of their subsidiary or associated companies;
- (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders or any other Issuer Secured Creditor; and
- (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The SGB Deed of Charge and Assignment contains provisions pursuant to which the SGB Security Trustee and any of its related companies is entitled, among other things:

- (a) to enter into business transactions with the Second Greek Bondholder and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the SGB Security and/or any of their subsidiary or associated companies and to act as

trustee for the holders of any other securities issued by or relating to the Second Greek Bondholder and/or any other person who is a party to the Transaction Documents or whose obligations are comprised in the SGB Security and/or any of their subsidiary or associated companies;

- (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of the Noteholders, any other Issuer Secured Creditor, the Issuer or any other SGB Secured Creditor; and
- (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Issuer Deed of Charge and Assignment provides that the Issuer Security Trustee shall accept, without investigation, requisition or objection, such right and title as the Issuer may have to the Issuer's property secured pursuant to the Issuer Security Documents and shall not be bound or concerned to examine such right and title, and the Issuer Security Trustee shall not be liable for any defect or failure in the right or title of the Issuer to the property secured pursuant to the Issuer Security Documents whether such defect or failure was known to the Issuer Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. Neither the Note Trustee nor the Issuer Security Trustee has any responsibility in relation to the validity, sufficiency and enforceability of the Issuer Security.

The SGB Deed of Charge and Assignment provides that the SGB Security Trustee shall accept, without investigation, requisition or objection, such right and title as the Second Greek Bondholder may have to the Second Greek Bondholder's property secured pursuant to the SGB Security Documents and shall not be bound or concerned to examine such right and title, and the SGB Security Trustee shall not be liable for any defect or failure in the right or title of the Second Greek Bondholder to the property secured pursuant to the SGB Security Documents whether such defect or failure was known to the SGB Security Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. None of the Note Trustee, the Issuer Security Trustee nor the SGB Security Trustee has any responsibility in relation to the validity, sufficiency and enforceability of the SGB Security.

None of the Note Trustee, the Issuer Security Trustee nor the SGB Security Trustee will be obliged to supervise the performance by the Servicer, the Cash Manager or any other person of their obligations under the Transaction Documents and each of the Note Trustee, the Issuer Security Trustee and the SGB Security Trustee shall assume, until it has actual knowledge or express notice to the contrary, that all such persons are properly performing their duties, notwithstanding that the Issuer Security (or any part thereof) or, as applicable, the SGB Security may, as a consequence, be treated as floating rather than fixed security.

## 15. OPERATING ADVISER

- (a) The Noteholders may, by Ordinary Resolution, appoint or make arrangements for the appointment of any person or entity (which may, without limitation, be a Noteholder) to be their representative for the purposes of this Condition 15 (*Operating Adviser*) and the Transaction Documents (each such person, an "**Operating Adviser**").
- (b) In order to appoint an Operating Adviser, the Noteholders will, at the relevant time, be required to select an entity and then negotiate with such entity the terms and conditions on which it will agree to be so appointed as Operating Adviser.
- (c) The terms of the appointment of an Operating Adviser (including as to its remuneration, if any) shall be such terms as may be agreed in writing between the Noteholders and the proposed Operating Adviser, provided that such terms shall include:

- (i) that the Operating Adviser accede to the Servicing Agreement (in its capacity as Operating Adviser) in accordance with the terms of the Servicing Agreement;
  - (ii) that the appointment of the Operating Adviser terminate immediately on the occurrence of the event specified in Condition 15(e); and
  - (iii) that the Operating Adviser delivers notice of its appointment in accordance with Condition 15(d).
- (d) The appointment of any Operating Adviser shall take effect from (and including) the date on which the accession of such Operating Adviser to the Servicing Agreement takes effect (in accordance with the terms thereof), whereupon the Operating Adviser shall promptly give notice of its appointment (and the terms thereof) to the Noteholders in accordance with Condition 17 (*Notice to Noteholders*).
- (e) The appointment of an Operating Adviser will terminate upon the Noteholders directing, by Ordinary Resolution, the termination of the appointment of the Operating Adviser with effect from a specified date.
- (f) Each Noteholder acknowledges and agrees, by its purchase of the Notes, that the Operating Adviser shall not be precluded from making, entering into and maintaining any commercial contracts and/or any commercial transactions with any party to the Transaction Documents or any Noteholders.

## **16. REPLACEMENT OF GLOBAL NOTES AND DEFINITIVE NOTES**

If any Global Note or Definitive Note is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of any Paying Agent or the Registrar upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer, the Registrar, the Paying Agent or the Note Trustee may reasonably require. Mutilated or defaced Global Notes or Definitive Notes must be surrendered before replacements will be issued.

## **17. NOTICE TO NOTEHOLDERS**

- (a) All notices to Noteholders, other than notices given in accordance with Conditions 17(b), shall be deemed to have been validly given if:
- (i) published in a leading daily newspaper printed in the English language and with general circulation in Dublin (which is expected to be The Irish Times) or, if that is not practicable, in such English language newspaper or newspapers as the Note Trustee shall approve having a general circulation in Ireland and the rest of Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required; or
  - (ii) for so long as the Notes are represented by Global Notes and are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so allow, if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to their participants and for communication by such participants to entitled account holders. Any such notice shall be deemed to have been given on the date of delivery of such notice to Euroclear and/or Clearstream Luxembourg; or
  - (iii) for so long as the Notes are represented by Global Notes and are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so allow, if delivered to the relevant electronic communications system maintained by Bloomberg L.P. or such other medium for the electronic display of data as may

be previously approved in writing by the Note Trustee and notified to the Noteholders in such manner as the Note Trustee shall require. Any such notice shall be deemed to have been given on the first date on which such information appeared on the relevant screen.

- (b) A copy of each notice given in accordance with this Condition 17 (*Notice to Noteholders*) shall be provided to (for so long as the Notes are listed on the Irish Stock Exchange) the Company Announcements Office of the Irish Stock Exchange.
- (c) The Note Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders or to a category of them if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Note Trustee shall require.

## **18. FURTHER NOTES AND ADDITIONAL NOTES**

The Issuer shall, subject to the terms of the Note Trust Deed, be at liberty from time to time to create and issue:

- (a) further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single series with the Notes ("**Further Notes**"); or
- (b) additional notes, which may be on different terms and conditions from the Notes issued on the Closing Date ("**Additional Notes**"),

in each case in registered form and secured on the Issuer Security, subject to the condition that the then existing Noteholders have consented to the issue of such Further Notes or Additional Notes by way of Extraordinary Resolution, which consent may have attached to it such conditions, including (without limitation) as to the provision of legal opinions, as the Noteholders shall, by such Extraordinary Resolution, require.

## **19. PRIVACY OF CONTRACT**

The Notes do not confer any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

## **20. GOVERNING LAW**

The Note Trust Deed, the Issuer Deed of Charge and Assignment, the Agency Agreement, the other Transaction Documents (except for the Issuer Parallel Debt Agreement, the Issuer Bond Pledge Agreement, the SGB Parallel Debt Agreement and the SGB Bond Pledge Agreement) and the Notes (and any non-contractual obligations arising out of or in connection with any of them) are governed by English law.

The Issuer Parallel Debt Agreement, the Issuer Bond Pledge Agreement, the SGB Parallel Pledge Agreement and the SGB Bond Pledge Agreement (and any non-contractual obligations arising out of or in connection with any of them) are governed by the laws of the Hellenic Republic.

## **21. U.S. TAX TREATMENT AND PROVISION OF INFORMATION**

- (a) It is the intention of the Issuer, each Noteholder and beneficial owner ("**Owner**") of an interest in the Notes that the Notes will be equity in the Issuer for all United States federal income tax purposes (the "**Intended U.S. Tax Treatment**"). To the extent applicable and absent a final determination to the contrary by the IRS, the Issuer and each Noteholder



and Owner, by acceptance of a Note, or a beneficial interest therein, agree to treat the Notes, for all United States federal income tax purposes in a manner consistent with the Intended U.S. Tax Treatment and to report the Notes on all applicable tax returns in a manner consistent with such treatment.

- (b) For so long as any Notes remain outstanding and are "**restricted securities**" (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, during any period in which it is neither subject to Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, furnish, at its expense, to any holder of, or Owner of an interest in, such Notes in connection with any resale thereof and to any prospective purchaser designated by such holder or Owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes will be approximately €234,911,250 and this sum will be applied by the Issuer towards:

- (a) payment of the subscription price for the Issuer Greek Bonds to the Greek Bond Issuer; and
- (b) advance of the SGB Loan to the Second Greek Bondholder.

Fees and expenses relating to the application for admission of the Notes to trading on the regulated market of the Irish Stock Exchange are expected to be €5,291.20.

## UNITED KINGDOM TAXATION

*The following is a summary of certain United Kingdom tax consequences relating to the Notes and is based on current United Kingdom tax law and the published practice of HM Revenue & Customs relating only to the United Kingdom withholding tax treatment of interest paid on the Notes and certain reporting requirements in relation to that interest, both of which may be subject to change. It does not address any other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. Prospective Noteholders should consult their own advisors about their tax treatment in relation to the Notes in the United Kingdom or in any other jurisdiction in which they may be subject to tax.*

### **Withholding Tax**

Interest on the Notes may be paid without withholding on account of United Kingdom income tax as long as, at the time of payment, the Notes are listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The Irish Stock Exchange has been designated as such a "recognised stock exchange". Securities such as the Notes will be treated as listed on the Irish Stock Exchange if they are included in the Official List of the Irish Stock Exchange and are listed and admitted to trading on the regulated market of the Irish Stock Exchange.

In all other cases, interest on the Notes should be paid subject to withholding on account of United Kingdom income tax at the rate of (currently) 20% subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption that may apply.

### **Reporting Requirements**

Holders of Notes should be aware that any person in the United Kingdom who either pays certain amounts in respect of the Notes to, or receives certain amounts in respect of the Notes for the benefit of, an individual may, in certain cases, be required to supply to HM Revenue & Customs details of the payment and certain details relating to the beneficial owner of the interest (including such person's name and address). Details provided to HM Revenue & Customs may, in certain cases, be passed by HM Revenue & Customs to the tax authorities of other jurisdictions.

## EUROPEAN UNION SAVINGS TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") each member state of the European Union (a "**Member State**") is required to provide to the tax or other relevant authorities of another Member State details of payments of interest or similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-European Union countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding system as from 1 January 2015 and will provide details of payments of interest and other similar income as from that date.

A number of non-European Union countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into reciprocal arrangements for the provision of information or transitional withholding arrangements with certain of those non-EU countries and dependent or associated territories of certain Member States in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those non EU-countries or dependent or associated territories.

On 24 March 2014, the Council of the European Union adopted a directive amending the EU Savings Directive to extend its scope to cover additional types of savings income and products that generate interest or equivalent income as well as a broader range of investment funds. In addition, a "look through" procedure will be established to limit the opportunities for circumventing the application of the EU Savings Directive by the use of certain intermediaries. Member States have until 1 January 2016 to adopt domestic legislation to give effect to these changes, which must be applied from 1 January 2017.

Anyone who may be affected by any of these arrangements are advised to consult their own professional advisors.

## GREEK TAXATION

The following summary of the principal Greek taxation consequences of the purchase, ownership and disposal of Notes and Greek Bonds is of a general nature and is based on the provisions of tax laws currently in force in the Hellenic Republic. The summary below does not constitute a complete analysis and therefore potential investors should consult their own tax advisers as to the tax consequences of such purchase, ownership and disposal, including the effect or availability of any bilateral treaty for the avoidance of double taxation concluded between the Hellenic Republic and any other relevant country. This summary is based on current Greek tax legislation and administrative practice of the Greek tax authorities and, with respect to income taxation, on the provisions of Law 4172/2013, as amended and in force (the "**New Income Tax Law**"). The New Income Tax Law was enacted (and amended) recently and its provisions have not yet been interpreted or clarified by the competent departments of the Greek Ministry of Finance, in accordance with the past practice of the Greek Ministry of Finance; consequently, the below are subject to any contrary or different future interpretations, guidelines or other forms of instruction that may be issued by the Greek Ministry of Finance in the form of circulars, ministerial decisions or other secondary legislation. Finally, the following is a general guide and should be treated with appropriate caution. Anyone who is in any doubt as to their tax position should consult their professional advisers.

### **Payments of interest under the Notes**

#### *Withholding tax - foreign tax residents*

In respect of Noteholders who are not Greek tax residents and/or do not have a permanent establishment in Greece for tax purposes, no Greek withholding tax will apply to interest payments under the Notes or accrued (but unpaid) interest at the time of disposal of the Notes, as the case may be, provided that interest payments are not made through an intermediary banking institution in the Hellenic Republic.

#### *Withholding tax - Greek tax residents*

*Payments to individuals:* Interest payable under the Notes in favour of individuals who are Greek tax residents will be subject to a 15 per cent. income tax. Such tax may be withheld if interest payments are made through an intermediary banking institution in Greece, in which case the tax liability of the individual Greek Noteholders will be exhausted for the specific income.

*Payments to legal entities:* Interest payable under the Notes in favour of legal entities being Noteholders who are either Greek tax residents or maintain a permanent establishment in the Hellenic Republic for tax purposes will be treated as part of their annual gross income taxed at the standard applicable corporate income tax rate (in their annual income tax return). If payment is effected through an intermediary banking institution in the Hellenic Republic, a withholding of 15 per cent. will apply which will not exhaust their tax liability and will be offsettable against their final income tax liability, which is calculated as follows: for legal entities keeping double entry books, the applicable domestic income tax rate is currently 26 per cent. and for legal entities keeping single entry books, a tax scale applies (26 per cent. for taxable income up to €50,000 and 33 per cent. for the excess).

In addition, the Greek income tax payable by Greek tax residents being Noteholders who are either individuals or legal entities will be reduced by the amount of the tax paid abroad for the same income (foreign tax credit) subject to the provisions of the applicable bilateral treaty for the avoidance of double taxation. The payment of the foreign tax must be substantiated in accordance with Greek law 4174/2013. Such credit is available only up to the amount of the tax that would be payable for this type of income in the Hellenic Republic. The procedure for offsetting the tax paid abroad for individuals is yet to be clarified by the Ministry of Finance. The same tax treatment should apply to interest accrued but unpaid at the time of disposal of the Notes.

## **Payments of interest under the Greek Bonds**

### ***Withholding tax - foreign tax residents***

On the basis of the provisions of the UK – Greece bilateral treaty for the avoidance of double taxation, payments of interest under the Greek Bonds to the Issuer are not subject to withholding taxation.

## **Capital gains from the disposal of the Notes**

### ***Capital gains - Greek tax residents***

For Greek tax residents individuals (not professionally engaged in business operation), capital gains from the disposal of Notes will be taxed at 15 per cent.; if such capital gain is treated as deriving from business operations (either on the basis of law or on the basis of specific guidance issued by the Greek Ministry of Finance), it will be calculated according to the following income tax scale: 26 per cent. for taxable income up to €50,000 and 33 per cent. for the excess.

For legal entities which are Greek tax residents or maintain a permanent establishment in the Hellenic Republic for tax purposes, capital gains from the disposal of Notes will be taxed as follows: (i) if they keep double entry books, capital gain from the disposal of Notes will be taxed at the tax rate applicable for business income (currently 26 per cent.); and (ii) if they keep single entry books, capital gain from the disposal of Notes will be taxed at a tax scale (26 per cent. for taxable income up to €50,000 and 33 per cent. for taxable income over €50,000).

### ***Capital gains - foreign tax residents***

For foreign tax resident individuals and legal entities which are not Greek tax residents and do not have a permanent establishment in the Hellenic Republic for tax purposes, no Greek income tax will apply to capital gains realised from the disposal of the Notes, provided that such gain is effected outside the Hellenic Republic.

## **Capital gains from the disposal of the Greek Bonds**

Notwithstanding a possible exemption, which could apply pursuant to the REIC Law (which has not been confirmed to date by the Greek Ministry of Finance), for legal entities that are not resident in the Hellenic Republic and do not maintain a permanent establishment in the Hellenic Republic for tax purposes, capital gains from the transfer of Greek Bonds may be taxed at 15 per cent., subject to the provisions of any bilateral treaty for the avoidance of double taxation which may be applicable.

## **Value Added Tax**

No value added tax is payable upon disposal of the Notes and/or the Greek Bonds.

## **Stamp Duties**

### ***Stamp duty on the Notes***

Provided that all transactions relating to the Notes (including their issuance) are made outside the Hellenic Republic, no stamp duty will be imposed on the Notes.

### ***Stamp duty on the Greek Bonds***

The issuance or transfer of the Greek Bonds is exempt from Greek stamp duties in accordance with article 14 of the REIC Law.

## IMPLEMENTATION OF THE EU SAVINGS DIRECTIVE IN GREECE

Greece implemented the EU Savings Directive by virtue of Law 3312/2005 (Gov. Gazette No B 35/2005) (the "**Implementing Law**").

The purpose of this section is to provide a summary of the mechanics introduced by the Implementing Law for the purposes of such implementation. Capitalised terms used in this Taxation Section and not defined in the prospectus shall have the meaning given to them in the EU Savings Directive.

Under the Implementing Law, Greek paying agents paying interest under the Notes or the Greek Bonds to or securing the payment of such interest for the benefit of any EU individual holder (natural person) of Notes or Greek Bonds, who is not a resident of the Hellenic Republic for tax purposes, will be required to report to the Greek competent authority, being the Directorate of International Financial Affairs of the Ministry of Economy and Finance, certain information (consisting of, among other things, the identity and residence of such individual holder of Notes or Greek Bonds, the name and address of the paying agent).

The Directorate of International Financial Affairs of the Ministry of Economy and Finance shall in turn communicate the above information to the respective competent authority of the Member State in which such holder of Notes or Greek Bonds retains its residence for tax purposes.

A reporting process is established in certain cases where the paying agent is paying interest to or securing the payment of interest for the benefit of certain categories of EU-based entities (other than Greek entities), as defined in the Implementing Law, which interest is secured or collected for the benefit of an ultimate individual holder of Notes or Greek Bonds.

Furthermore, specific obligations are imposed on Greek entities collecting or receiving interest for the benefit of the ultimate individual holder of Notes or Greek Bonds by a ministerial decision of the Ministry of Economy and Finance.

The Implementing Law was enacted as of 1 July 2005.

## UNITED STATES TAXATION

### General

The following is a summary of certain United States federal income tax considerations for beneficial owners of the Notes who are United States holders (as defined below) that hold the Notes as capital assets. This summary does not discuss all aspects of United States federal income taxation that might be important to particular investors in light of their individual investment circumstances, such as investors subject to special tax rules (e.g., financial institutions, insurance companies, tax-exempt institutions, dealers or traders in stocks, securities or currencies, regulated investment companies, persons that will hold Notes as part of a "hedging" or "conversion" transaction, non-United States persons engaged in a trade or business within the United States or persons the functional currency of which is not the United States dollar). In addition, this summary does not discuss any non-United States, any United States state or local, or any estate or gift tax considerations. This summary is based on the Code, and administrative and judicial authorities, all as in effect on the date hereof and all of which are subject to change, possibly on a retroactive basis. Prospective investors should consult their tax advisers regarding the United States federal, state, local, and non-United States income and other tax considerations of owning the Notes. No rulings will be sought from the United States Internal Revenue Service (the "IRS") with respect to the United States federal income tax consequences described below.

For purposes of this summary, a "**United States holder**" means a beneficial owner of a Note who or which is, for United States federal income tax purposes, (i) a citizen or resident individual of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate (other than a foreign estate described in section 7701(a)(31)(A) of the Code), or (iv) a trust if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of such trust. If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) or other pass-through entity holds the Notes, the United States federal income tax treatment of a partner, beneficiary or other stakeholder generally will depend on the status of that person and the tax treatment of the pass-through entity. A partner, beneficiary, or other stakeholder in a pass-through entity holding the Notes should consult its own tax adviser with regard to the United States federal income tax treatment of such entity's investment in the Notes.

### Characterisation of the Notes

While the characterisation of the Notes is not clear and there is no authority directly on this point, the Issuer intends to take the position that the Notes are equity in the Issuer for all United States federal income tax purposes. The Issuer intends to take the position that the Notes are equity in the Issuer for United States federal income tax purposes because there is a strong likelihood that, under United States federal income tax principles, the Notes, although denominated as debt, will be treated as equity.

Absent a final determination to the contrary by the IRS, the Issuer and each Noteholder, by acceptance of a Note or a beneficial interest therein, agree to treat the Notes as equity for all United States federal income tax purposes and each agrees to report its ownership interest in the Notes on all applicable tax returns in a manner consistent with such treatment. In general, the characterisation of an instrument for United States federal income tax purposes as equity by its issuer as of the time of issuance is binding on a holder (but not the IRS), unless the holder takes an inconsistent position and discloses such position in its United States federal tax return.

The Issuer will not obtain any rulings from the IRS or opinions of counsel on the characterisation of the Notes and there can be no assurance that the IRS or the courts will agree with the positions of the Issuer. Unless otherwise indicated, the discussion in the following paragraphs assumes the characterisation of the Notes as equity is correct for United States federal income tax purposes. The following paragraphs are also based on the assumption that the Issuer will not be engaged in a trade or business within the United States.

### Taxation of the Notes

#### *General Treatment of Distributions on the Notes*

Except as provided below under "*Investment in a Passive Foreign Investment Company*" and "*Investment in a Controlled Foreign Corporation*", a United States holder of a Note treated as equity for United States federal income tax purposes will be required to include in income payments on the Notes as distributions on equity of



the Issuer and dividends to the extent paid out of the Issuer's current or accumulated earnings and profits (as determined for United States federal income tax purposes). To the extent that a payment on a Note exceeds the Issuer's earnings and profits, the payment will be treated first as a return of the United States holder's basis in its Notes to the extent of such basis, and then as gain from the sale of a capital asset.

The amount of any payment paid in a currency other than the U.S. dollar will be a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of actual or constructive receipt regardless of whether the payment is in fact converted into U.S. dollars. If the payment is converted into U.S. dollars on the date of receipt, a United States holder generally should not be required to recognise foreign currency exchange gain or loss in respect of such payment. A United States holder may recognise foreign currency exchange gain or loss if the payment is converted into U.S. dollars after the date of its receipt, and any such foreign currency exchange gain or loss will generally be treated as ordinary income or loss from U.S. sources.

In addition, unless the Issuer is treated as being engaged in a U.S. trade or business, generally, payments on a Note that are treated as dividends should constitute foreign source income that will be treated as passive income for United States foreign tax credit purposes (or, in the case of certain United States holders, financial services income). Such dividends will not be eligible for the dividends received deduction for corporations. Because the Issuer expects to be treated as a PFIC, as discussed below, it is expected that such dividends will not be eligible for the reduced tax rate on qualified dividends available to certain non-corporate United States holders. Each United States holder of a Note should consult its own United States tax advisers as to how it should treat this income for purposes of its particular foreign tax credit calculation.

#### ***Investment in a Passive Foreign Investment Company***

Based on the Issuer's currently anticipated investments and activities, the Issuer expects to be treated as a "passive foreign investment company" (a "**PFIC**") for United States federal income tax purposes. A non-U.S. corporation is a PFIC in any taxable year in which either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the quarterly average market value of its assets is attributable to assets that produce or are held to produce "passive income". Whether an entity is a PFIC is determined annually, and its status could change based on changes in its assets, income, activities and the structure through which it holds property. If a United States holder is a U.S. Shareholder of a CFC, as discussed below under "*Investment in a Controlled Foreign Corporation*", the below rules related to investment in a PFIC would not apply and such United States holder should instead refer to the discussion under "*Investment in a Controlled Foreign Corporation*".

In general, a United States holder may desire to make an election to treat the Issuer as a qualified electing fund ("**QEF**"), with respect to such United States holder. Generally, a QEF election should be made on or before the due date for filing a United States holder's United States federal income tax return for the first taxable year for which it held the Notes. An electing United States holder will be required to include in gross income such United States holder's *pro rata* share of the Issuer's ordinary earnings and to include as long-term capital gain such United States holder's *pro rata* share of the Issuer's net capital gain, whether or not distributed, assuming that the Issuer does not constitute a CFC in which the United States holder is a U.S. Shareholder, as discussed further below under "*Investment in a Controlled Foreign Corporation*". A United States holder will not be eligible for the dividends received deduction in respect of such income or gain. In addition, any losses of the Issuer in a taxable year will not be available to a United States holder, and may not be carried back or taken into account when computing the Issuer's ordinary income and net capital gains in other taxable years. Consequently, a United States holder may be taxed on amounts over time that, as an economic matter, exceed the net profits of the Issuer. In addition, a United States holder's *pro rata* share of ordinary earnings are taxable as ordinary income, while any losses recognised on sale, redemption or disposition, are generally capital losses. See the section "*Disposition of the Notes – Sale, Redemption or Other Disposition of the Notes*".

If a timely QEF election has been made, distributions should be allocated first to amounts previously taxed pursuant to the QEF election and, to this extent, would not be taxable to United States holders. Distributions in excess of such previously taxed amounts will generally be treated first as a non-taxable return of capital and then as capital gain.

In certain cases in which a QEF does not distribute all of its earnings in a taxable year, United States holders may also be permitted to elect generally to defer payment of the taxes on the QEF's undistributed earnings until such amounts are distributed or the equity interest in the QEF is disposed of, subject to an interest charge on the deferred amount. In this respect, to the extent that distributions attributable to the Issuer's earnings are deferred, absent an election to defer payment of taxes, United States holders of the Notes that make a QEF election may

owe tax on "phantom" income. In order to comply with the requirements of a QEF election with respect to the Issuer, a United States holder must receive from the Issuer certain information. The Issuer intends to supply United States holders of the Notes (and any other class of Notes that is treated as equity for United States federal income tax purposes), upon the request of a United States holder, with the information needed for such United States holder to comply with the requirements of a QEF election.

United States holders that are considering making a QEF election with respect to the Issuer should consult their United States tax advisers with respect to their particular circumstances, including issues related to their annual United States federal income tax reporting obligations under the PFIC rules and the computations required to effect a QEF election.

A United States holder that holds "marketable stock" in a PFIC may also avoid certain unfavourable consequences of the PFIC rules by electing to mark the stock to market as of the close of each taxable year. If the Notes are considered "marketable stock" in a PFIC for these purposes, a United States holder that makes the mark-to-market election with respect to the Notes would be required to include in income each year as ordinary income an amount equal to the excess, if any, of the fair market value of the United States holder's Notes at the close of the year over the United States holder's adjusted tax basis in the Notes. For this purpose, a United States holder's adjusted tax basis generally would be the United States holder's cost for the Notes, increased by the amount previously included in the United States holder's income pursuant to this mark-to-market election and decreased by any amount previously allowed to the United States holder as a deduction pursuant to such election (as described below). If, at the close of the year, the United States holder's adjusted tax basis exceeds the fair market value of the Notes, then the United States holder would be allowed to deduct any such excess from ordinary income, but only to the extent of net mark-to-market gains on such Notes previously included in income. Any gain from the actual sale of the Notes would be treated as ordinary income, and to the extent of net mark-to-market gains previously included in income any loss would be treated as ordinary loss. Notes would be considered "marketable stock" in a PFIC for these purposes only if they were regularly traded on an exchange which the IRS determines has rules adequate for these purposes. Application has been made to the Official List of the Irish Stock Exchange for listing of the Notes. There can be no assurance that the Notes will, once listed, be "regularly traded" or that such exchange would be considered a qualified exchange for these purposes.

If a United States holder does not make a QEF election or mark-to-market election with respect to the Notes and the PFIC rules are otherwise applicable, a United States holder that has held such Notes during more than one taxable year would be required to report any gain on disposition of any Notes as ordinary income and to compute the tax liability on such gain and certain excess distributions as if the items had been earned ratably over each day in the United States holder's holding period for the Notes and would be subject to the highest ordinary income tax rate for each prior taxable year in which the items were treated as having been earned, regardless of the rate otherwise applicable to the United States holder. Such United States holder would also be liable for an additional tax equal to interest on the tax liability attributable to such income allocated to prior years as if such liability had been due with respect to each such prior year. An excess distribution is the amount by which distributions during a taxable year in respect of a Note exceed 125 per cent. of the average amount of distributions in respect thereof during the three preceding taxable years (or, if shorter, the United States holder's holding period for the Notes). United States holders of Notes should consider carefully whether to make a QEF election or mark-to-market election with respect to the Notes and the consequences of not making such an election.

Each United States holder of a PFIC is required to file an annual information return on IRS Form 8621 containing certain information with respect to their ownership, unless certain exceptions apply. United States holders of the Notes will be required to file IRS Form 8621 if the Issuer is classified as a PFIC. In addition, a United States holder of the Notes will be required to file IRS Form 8621 regarding any gain realised on the disposition of Notes during any year in which the Issuer is classified as a PFIC. United States holders of the Notes should consult their own tax advisers regarding the timing and method for filing IRS Form 8621.

### ***Investment in a Controlled Foreign Corporation***

Depending on the degree of ownership of the Notes by United States holders, the Issuer may constitute a controlled foreign corporation (a "CFC") for United States federal income tax purposes. In general, a non-U.S. corporation will constitute a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, are held, directly or indirectly, by U.S. Shareholders. For this purpose, a "U.S. Shareholder" is any person that is a U.S. person for United States federal income tax purposes that possesses (actually or constructively) 10 per cent. or more of the combined voting power of all classes of shares of the corporation (persons who own interests in a U.S. pass-through entity that is a U.S. Shareholder will

also be subject to the CFC rules). United States holders possessing 10 per cent. or more of the Notes are U.S. Shareholders. If more than 50 per cent. of the equity interests in the Issuer were held by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer is treated as a CFC, a U.S. Shareholder would be treated, subject to certain exceptions, as receiving a dividend at the end of the taxable year of the Issuer in an amount equal to the U.S. Shareholder's pro rata share of the Issuer's "subpart F income" and certain U.S. source income of the Issuer. It is anticipated that all of the Issuer's income will be subpart F income.

If the Issuer is treated as a CFC, a U.S. Shareholder would be taxable on the Issuer's subpart F income under the CFC rules and not under the PFIC rules. As a result, to the extent subpart F income of the Issuer includes net capital gains, such gains would be treated as ordinary income of the U.S. Shareholder under the CFC rules, notwithstanding the fact that the character of such gains generally would otherwise be preserved under the PFIC rules if a QEF election were made.

In addition, certain United States holders that would otherwise use mark-to-market tax accounting treatment may be unable to apply such a method, if they own (actually or constructively) more than 50 per cent. of the Notes.

United States holders of the Notes should consult their United States tax advisers as to the potential tax consequences that may result from the Issuer being treated as a PFIC or CFC.

## **Disposition of the Notes**

### ***Sale, Redemption or Other Disposition of the Notes***

In general, a United States holder of a Note will recognise gain or loss upon the sale, redemption or other disposition of a Note equal to the difference between the amount realised and such holder's adjusted tax basis in the Note. If a United States holder has made a timely QEF selection as described above, such gain or loss will be long-term capital gain or loss if the United States holder held the Notes for more than one year at the time of the disposition. If a United States holder has made a timely mark-to-market election, such gain or loss will be taxed as discussed above under "*Investment in a Passive Foreign Investment Company*".

Initially, the tax basis of a United States holder should equal the amount paid for a Note. Such basis will be increased by amounts taxable to such holder by virtue of a QEF election, mark-to-market election or the CFC rules and decreased by actual distributions from the Issuer that are deemed to consist of such previously taxed amounts or are treated as non-taxable returns of capital.

If a United States holder does not make a QEF election or mark-to-market election, any gain realised on the sale or exchange of a Note will be subject to an interest charge and taxed as ordinary income. See the section entitled "*Investment in a Passive Foreign Investment Company*".

If the Issuer were treated as a CFC and a United States holder were treated as a U.S. Shareholder therein, then any gain realised by such holder upon the disposition of Notes would be treated as ordinary income to the extent of the current and accumulated earnings and profits of the Issuer. In this respect, earnings and profits would not include any amounts previously taxed pursuant to a timely QEF election or pursuant to the CFC rules.

United States holders will determine the U.S. dollar value of amounts realised which are denominated in euros (or other non-U.S. currency) from the sale, redemption or other disposition of a Note by translating the euro (or other non-U.S. currency) payment at the spot rate of exchange on the date of such sale, redemption or other disposition (or, if the Notes are considered traded on an established securities market and a United States holder is a cash-basis or electing accrual basis taxpayer, at the spot rate on the settlement date). A United States holder will have a tax basis in the currency received equal to the U.S. dollar value of the currency on the settlement date. Any foreign currency exchange gain or loss realised on the settlement date or recognised on the subsequent sale, redemption or other disposition of the pounds (or other non-U.S. currency) for a different U.S. dollar amount generally will be U.S. source ordinary income or loss for foreign tax credit limitation purposes.

## **Alternative Characterisations**

As indicated above, there is no direct authority addressing the United States federal income tax characterisation of instruments like the Notes. Accordingly, characterisations other than that described above are possible. For example, it is possible that the Notes could be treated as debt. The timing and character of income under the Notes, and the United States federal income taxation of such income, may differ substantially depending on whether the Notes are treated as debt or equity for United States federal income tax purposes. Prospective investors should consult their own United States tax advisers with respect to the potential impact of an alternative characterisation of the Notes for United States federal income tax purposes.

## **Medicare Contribution Tax**

A United States holder that is an individual, estate or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax on the lesser of (1) the United States holder's "net investment income" for the relevant taxable year and (2) the excess of the United States holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individual will be between \$125,000 and \$250,000, depending on the individual's circumstances). A United States holder's net investment income will generally include its interest income, dividend income and net gains from the disposition of Notes, unless such income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities).

## **Backup Withholding and Information Reporting**

### **General**

Information reporting to the IRS generally will be required with respect to payments of principal or interest or to distributions on the Notes and to proceeds of the sale of the Notes that, in each case, are paid by a United States payor or intermediary to United States holders other than corporations and other exempt recipients. Backup withholding tax will apply to those payments if such United States holder fails to provide certain identifying information (including such holder's taxpayer identification number) to such payor, intermediary or other withholding agent or such holder is notified by the IRS that it is subject to backup withholding. Backup withholding tax is not an additional tax and generally may be credited against a holder's United States federal income tax liability provided that such holder timely provides the necessary information to the IRS.

### **Transfer Reporting Requirement**

The United States Treasury Department has issued regulations with regard to reporting requirements relating to the transfer of property (including certain transfers of cash) to a foreign corporation by United States persons or entities. In general, these rules require United States holders who acquire Notes that are characterised as equity of the Issuer to file Form 926 with the IRS and to supply certain additional information to the IRS. In the event a United States holder fails to file any such required form, the United States holder may be subject to a penalty equal to 10 per cent. of the fair market value of the Notes as of the date of purchase (generally up to a maximum penalty of U.S.\$100,000 in the absence of intentional disregard of the filing requirement; in case of intentional disregard, no maximum applies).

### **Form 5471**

In addition, if the Issuer is treated as a CFC for United States federal income tax purposes, certain United States holders will generally be subject to additional information reporting requirements on Form 5471. Prospective investors should consult with their United States tax advisers concerning the additional information reporting requirements with respect to holding equity interest in foreign corporations.

## **Tax Shelter Reporting Requirements – Currency Exchange Losses**

Under United States Treasury regulations on tax shelter disclosure and list maintenance, taxpayers that enter into "reportable transactions" are required to file information returns. In the case of a corporation, a reportable transaction includes any transaction that generates, or reasonably can be expected to generate, a loss claimed under Section 165 of the Code (without taking into account any offsetting items) (a "**Section 165 Loss**") of at least U.S.\$10 million in any one taxable year or U.S.\$20 million in any combination of taxable years. In the case of an individual or trust, a reportable transaction includes any transaction that generates, or reasonably can be

expected to generate, a Section 165 Loss of at least U.S.\$50,000 in any one taxable year arising from a currency exchange loss. In determining whether a transaction results in a taxpayer claiming a loss that meets the threshold over a combination of taxable years, only losses claimed in the taxable year that the transaction is entered into and the five succeeding taxable years are combined. Accordingly, if a United States holder realises foreign currency exchange losses on the Notes satisfying the monetary thresholds discussed above, such United States holder would have to file an information return. Prospective investors should consult their tax advisers regarding these information return requirements.

### **Foreign Financial Assets**

Under Section 6038D of the Code, certain United States holders will generally be subject to reporting obligations with respect to their Notes if the aggregate value of their Notes and other "specified financial assets" exceed U.S.\$50,000 and if they do not hold the Notes through accounts with certain financial institutions. Significant penalties may apply if a United States holder fails to disclose its interest in the Notes pursuant to this legislation. United States holders are urged to consult with their tax advisers regarding these reporting requirements.

### **FATCA**

Under FATCA, starting in 2017, the Issuer may be subject to a 30 per cent United States withholding tax on payments made to it under rules applicable to "foreign pass-thru payments." In order to avoid withholding under FATCA, the Issuer may be required to enter into a FATCA Agreement. In addition, starting in 2017, the Issuer may be required to withhold tax from payments (including interest, principal and redemption proceeds) on the Notes, to the extent such payments are considered foreign pass-thru payments, and are not otherwise exempt from withholding. In the event withholding under FATCA is required with respect to any Notes, the Issuer will withhold on payments on such Notes if the relevant Noteholders fail to provide the Issuer with information or documentation, or to update or correct such information or documentation, as may be necessary or helpful for the Issuer to achieve compliance with FATCA. The United Kingdom has recently entered into an IGA with the United States with respect to FATCA. For so long as the IGA is in effect, the IGA will likely enable the Issuer to report the required information to the Commissioners for Her Majesty's Revenue and Customs, instead of directly to the IRS, which would provide such information to the IRS under existing Exchange of Information protocols. Further, the Issuer would be relieved of the requirements to enter into a FATCA Agreement with the IRS and to withhold from payments to, or close the accounts of, certain account holders, but will still be required to identify certain United States accounts. Further guidance is anticipated prior to the effective date of these rules, which may significantly modify these rules as they apply to the Issuer and to Noteholders. The rules relating to FATCA are complex and subject to change in the future. Prospective investors should consult their tax advisers regarding the applicability of the FATCA rules to their investment in the Notes.

## ERISA CONSIDERATIONS

The Notes sold in reliance on Rule 144A (the "**Rule 144A Notes**") will be eligible for purchase by employee benefit plans and other plans subject to the US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and/or the provisions of Section 4975 of the Code and by governmental or church plans that are subject to state, local or other federal law of the United States that is substantially similar to ERISA or Section 4975 of the Code (each, a "**Similar Law**"), subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in Section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, "**ERISA Plans**") and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under the section entitled "*Risk Factors*" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of the Notes.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as Keogh plans, individual retirement accounts and other plans subject to Section 4975 of the Code (together with ERISA Plans, the "**Plans**")) and certain persons (referred to as "**parties in interest**" under ERISA or "**disqualified persons**") under the Code having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, the Servicer or any other party to the transactions contemplated by the Transaction Documents may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Rule 144A Notes is acquired or held by a Plan with respect to which the Issuer, the Servicer or any other party to such transactions, is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any such Notes and the circumstances under which such decision is made. Included among these exemptions are Prohibited Transaction Class Exemption ("**PTCE**") 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) PTCE 96-23 (relating to transactions determined by in-house asset managers) and the service provider exemption under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Each purchaser and subsequent transferee of any Rule 144A Notes will be deemed by such purchase or acquisition of any such Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note through and including the date on which the purchaser or transferee disposes of such Note, either that (A) it is not a Plan, an entity whose underlying assets include the assets of any such Plan (each of the foregoing a "**benefit plan investor**"), or a governmental or church plan which is subject to a Similar Law or (B) its purchase, holding and disposition of such Note will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental or church plan, any Similar Law) for which an exemption is not available.

Each purchaser and subsequent transferee of any Notes other than Rule 144A Notes will be deemed by such purchase or acquisition of any such note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note through and including the date on which the purchaser or transferee disposes of such Note, it is not a Plan, an entity whose underlying assets include the assets of any Plan, or a governmental or church plan which is subject to any Similar Law.

In addition, Section 3(42) of ERISA and a regulation promulgated by the US Department of Labor at 29 C.F.R. Section 2510.3-101 (collectively, the "**Plan Asset Regulation**"), describe what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an "equity interest" of an entity that is neither a "publicly-offered security" nor a security issued by an investment company registered under the 1940 Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in debt form may be considered an "equity interest" if it has "substantial equity features". If the Issuer were deemed under the Plan Asset Regulation to hold Plan assets by reason of a Plan's investment in any of the Rule 144A Notes, such Plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Notes sold in reliance on Rule 144A should determine whether, under the documents and instruments governing the Plan, an investment in the notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment mortgage portfolio. Any Plan proposing to invest in such Notes (including any governmental or church plan) should consult with its counsel to confirm, among other things, that such investment will not result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental or church plan, any substantially similar state, local or other federal law).

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Servicer or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

## SUBSCRIPTION

Pursuant to a subscription agreement dated the Closing Date between the entity identified therein as the purchaser of the Notes (the "**Note Purchaser**") and the Issuer (the "**Subscription Agreement**"), the Note Purchaser has agreed with the Issuer to purchase the Notes on the Closing Date.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Note Purchaser in certain circumstances prior to the payment by the Note Purchaser to the Issuer of the purchase price for the Notes.

The Issuer has agreed to indemnify the Note Purchaser in connection with the issue of the Notes.

The settlement mechanics for the subscription of the Notes are set out in a settlement agency agreement dated 12 August 2014 between the Issuer and Elavon Financial Services Limited, in its capacity as settlement agent (the "**Settlement Agency Agreement**").



## TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Without limitation, the attention of purchasers is drawn to the following transfer restrictions.

### *United Kingdom*

In the United Kingdom, this Prospectus is only being distributed to, and is only directed at, persons who either (1) have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (2) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (each such person being referred to as a "**Relevant Person**"). Any investment or investment activity to which this Prospectus relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This Prospectus must not be acted or relied on by persons who are not Relevant Persons.

### *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), no offer of the Notes may be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor (as defined in the Prospectus Directive);
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer shall result in a requirement for the publication of a prospectus by the Issuer pursuant to Article 3 of the Prospectus Directive.

For the purpose of the above provisions, the expression "**an offer to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe to any Notes, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directing**" means Directive 2010/73/EU.

### *United States*

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any jurisdiction, and the Issuer will not be registered as an investment company under the provisions of the Investment Company Act. Accordingly, the Notes may only be offered and sold, and may be re-offered, re-sold, pledged or otherwise transferred only (i) outside the United States to a person who is not a U.S. person (as defined in Regulation S, "**U.S. Person**") in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person that is both a Qualified Purchaser and a Qualified Institutional Buyer.

To ensure compliance with these restrictions, each purchaser (and each such owner of a beneficial interest therein, collectively, the "**Purchaser**") (including each subsequent transferee) of Notes (or a beneficial

interest therein) by purchasing or otherwise acquiring such interest will be deemed to have represented, warranted, acknowledged and covenanted to the Issuer, the Note Trustee and the Arranger as follows:

1. The Purchaser is purchasing the Notes for its own account or for the account of one or more beneficial owners for which such person is acting as fiduciary or agent with complete investment discretion and with authority to bind such other person and not with a view to any public resale or distribution thereof.
2. The Purchaser and each person for which it is acting understands and acknowledges that the Notes and any beneficial interest therein have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered, sold or otherwise transferred except pursuant to an exemption from registration and in compliance with the provisions of paragraphs 1 through 6 hereof. Notwithstanding the availability of an exemption from the registration requirements under the Securities Act, the Notes may not be resold or transferred except (i) outside the United States to a person who is not a U.S. Person in a transaction meeting the requirements of Rule 903 or 904 of Regulation S, or (ii) to a U.S. Person that is both a qualified institutional buyer ("**Qualified Institutional Buyer**") (within the meaning of Rule 144A under the Securities Act) and a qualified purchaser (as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations thereunder ("**Qualified Purchaser**")) in a transaction meeting the requirements of Rule 144A.
3. The Purchaser and each person for which it is acting is (a) either (i) outside the United States and not a U.S. Person (as defined in Regulation S) or (ii) both a Qualified Purchaser and a Qualified Institutional Buyer; (b) an institution that, in the normal course of business, invests in or purchases securities similar to the Notes and a highly sophisticated investor that has such knowledge and experience in financial and business matters that is capable of evaluating the merits and risks of an investment in the Notes, and able to bear the economic risk, and sustain a complete loss, of such investment in the Notes; and (c) without a need for liquidity with respect to its investment in the Notes and without a reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Notes.
4. If it is a U.S. Person, the Purchaser and each person for which it is acting understands and acknowledges that any sale of the Notes to it will be made in reliance on Rule 144A and the exclusion from the definition of an investment company provided in Section 3(c)(7) of the Investment Company Act, and such acquisition will be for its own account or for the account of another Qualified Institutional Buyer and Qualified Purchaser that is also aware that the sale to it is being made in reliance on Rule 144A and, if a U.S. Person, that the Issuer is relying on the exception from registration provided in Section 3(c)(7) of the Investment Company Act. The Purchaser, and each person for which it is acting, understands and agrees that the Issuer will not register as an investment company under the Investment Company Act and that the Issuer and the Note Trustee shall have the right to request and receive such additional documents, certification, representations and undertakings from time to time as the Issuer or, as applicable, the Note Trustee may deem necessary in order to comply with the applicable legal requirements.
5. The Purchaser and each account for which it is purchasing is acquiring the Notes (or beneficial interest therein) for its own account for investment purposes and not for sale in connection with any distribution thereof and will purchase, hold or transfer at least €100,000 of the Notes or beneficial interests therein. It and each person for which it is acting (a) if a U.S. Person, was not formed, reformed or recapitalised for the purpose of investing in the Notes (or beneficial interest therein) and/or other securities of the Issuer, except when each beneficial owner of the purchaser and each person for which it is acting is a Qualified Purchaser, (b) to the extent the purchaser or any person for which it is acting is an investment company excluded from the definition of an investment company under the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a Qualified Purchaser in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated

thereunder, (c) if a U.S. Person, is not a participant-directed employee plan, such as a 401(k) plan or any other type of plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, unless investment decisions with respect to the plan are made solely by the fiduciary, trustee or sponsor of such plan, (d) if a U.S. Person, is not a broker-dealer that owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities (as such term is defined in Rule 144A) of issuers unaffiliated with such broker-dealer, (e) (if a U.S. Person) is not a (i) partnership, (ii) common trust fund, (iii) corporation, or (iv) special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investment to be made, or the allocation thereof, unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both Qualified Institutional Buyers and Qualified Purchasers, (f) (if a U.S. Person) has not invested more than 40 per cent. of its assets in the Notes (or beneficial interests therein) and/or other securities of the Issuer after giving effect to the purchase of the Notes (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both Qualified Institutional Buyers and Qualified Purchasers), (g) will provide notice of these transfer restrictions to any subsequent transferees who must agree to comply with such restrictions as a condition to any purchase of the Notes and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic or beneficial interest in the Notes acquired or reoffer, resell, pledge or otherwise transfer the Notes (or any beneficial interests therein), to any person except to a person that (x) meets all of the requirements in paragraphs 1 through the following paragraph 6 and (y) agrees not to subsequently transfer the Notes or any beneficial interest therein except in accordance with these transfer restrictions, and (h) understands that the Issuer may receive a list of participants holding positions in securities from one or more book-entry depositaries, including without limitation Euroclear and Clearstream, Luxembourg.

6. The Purchaser and each person for which it is acting understands and agrees that: (a) any purported sale or transfer of the Notes (or a beneficial interest therein) to a purchaser that does not comply with the requirements set forth in these paragraphs 1 through 6 will be of no force and effect and will be void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Note Trustee or any intermediary; (b) in the event of a transfer of the Notes (or beneficial interest therein) to a U.S. Person that is not both a Qualified Institutional Buyer and a Qualified Purchaser (and does not meet the other requirements set forth in paragraphs 1 through 6) at the time of acquisition of the Notes (or beneficial interest therein), the Issuer may, in its discretion, either (a) compel such transferee to sell such Notes or interest herein (within 30 days after notice of the sale requirement is given) to a person (i) that is a Qualified Institutional Buyer and, (ii) if such Qualified Institutional Buyer is a US Person, a Qualified Purchaser, and meets the requirements set forth in paragraphs 1 through 6 hereof in a transaction exempt from registration under the Securities Act, or (b) if such transferee fails to effect the sale within such 30-day period, the Issuer has the right on behalf of such transferee (and such transferee by its accepting delivery of the Notes or beneficial interest therein irrevocably grants to the Issuer and the Issuer's agents full power and authority to, on behalf of such transferee), sell the Notes or such transferee's interest therein to a person designated by or acceptable to the Issuer who meets the requirements set forth herein at a price equal to the least of (1) the purchase price therefor paid by the original transferee, (2) 100 per cent. of the Principal Amount Outstanding thereof and (3) the fair market value thereof; and (c) the Issuer has the right to refuse to honour the sale or transfer of an interest in the Notes to a U.S. person who is not both a Qualified Institutional Buyer and a Qualified Purchaser (and does not meet the other requirements set forth in paragraphs 1 through 6 above) at the time of acquisition of such Notes (or such beneficial interest).
7. The Purchaser (on its own behalf and on behalf of each account for which it is purchasing or acquiring the Notes) (a) has made own independent investigation and appraisal of the business, results, financial condition, prospects, creditworthiness, status and affairs of the Issuer, and has made its own investment decision to acquire the Notes; and (b) understands that there may be certain consequences under U.S. and other tax laws resulting from an investment in the Notes, and will make such investigation and consult such tax and other advisors with respect thereto as it

deems appropriate and will satisfy itself concerning, without limitation, the effects of U.S. federal, state and local income tax laws and foreign tax laws on an investment in the Notes. The Purchaser (i) has been given the opportunity to ask questions of and receive answers from the Issuer concerning the terms and conditions of the offering of the Notes and other matters pertaining to an investment in the Notes, (ii) has been given the opportunity to request and review such additional information necessary to evaluate the merits and risks of a purchase of the Notes and to verify the accuracy of or to supplement the information contained in the Prospectus to the extent the Issuer possesses such information and (iii) has received all documents and information reasonably necessary to make an investment decision, subject to contractual restrictions on the Issuer's ability to disclose confidential information. The Purchaser understands the terms, conditions and risks of the Notes and that the Notes involve a high degree of risk as described in the Prospectus, including possible loss of the Purchaser's entire investment. The Purchaser has not relied upon any advice or recommendation of the Issuer, the Arranger or any of their respective affiliates, and is making its own investment decision based upon its own judgment and upon the advice of such professional advisors, either employed or independently retained by the Purchaser, as it has deemed necessary to consult. It has not relied on any other version of the Prospectus other than the final version thereof in making its investment decision with respect to the Notes. The Purchaser acknowledges that no person has been authorised to give any information or to make any representations concerning the Issuer or the Notes other than those contained in the Prospectus and, if given or made, such other information or representations have not been relied upon. The Purchaser acknowledges that it has carefully reviewed the Prospectus, including the "*Risk Factors*" and the legends in the forward part of the Prospectus. The Purchaser has determined that it has the legal power, authority and right to purchase the Notes. The Purchaser understands that (i) there is no assurance that a secondary market for the Notes will develop, (ii) the fair market value of the Notes may reflect a substantial discount from the Purchaser's initial investment (iii) the Notes may trade at a value other than that which may be inferred from the current levels of interest rates, due to other factors including, but not limited to changes in ratings, expectations of the future levels of interest rates and the occurrence of certain risk events.

8. The Purchaser agrees on its own behalf and on behalf of each investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, reoffer, sell or otherwise transfer such Notes only in accordance with all applicable securities laws of the United States, any state of the United States and any other applicable jurisdiction, subject in each case to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control. Such Purchaser acknowledges that the Global Notes will bear a legend substantially to the following effect:

**Reg S Global Note and Reg S Definitive Notes**

BY PURCHASING OR OTHERWISE ACQUIRING ANY BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER THAT IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY TO A NON-U.S. PERSON AND IN COMPLIANCE WITH THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT. ACCORDINGLY, ANY TRANSFERS OF THE NOTES FOLLOWING THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD MAY ONLY BE MADE: (A) TO A NON-U.S. PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT OR (B) TO OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON (AS DEFINED IN REGULATION S) IN A TRANSACTION PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO PERSONS WHO QUALIFY AS "ELIGIBLE INVESTORS" (AS DEFINED IN THE NOTE TRUST DEED). IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (B), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST

IN THE RULE 144A GLOBAL NOTE (AS DEFINED IN THE NOTE TRUST DEED); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE TO THE REGISTRAR (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT AND AVAILABLE FROM THE REGISTRAR).

EACH PURCHASER OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION AND HOLDING OF SUCH NOTE, REPRESENTS AND WARRANTS THAT ON EACH DAY THAT IT HOLDS SUCH NOTE OR ANY INTEREST THEREIN IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") WHICH IS SUBJECT THERETO (A "**BENEFIT PLAN**"), OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") WHICH IS SUBJECT THERETO (A "**PLAN**"), OR A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW OF THE UNITED STATES THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A BENEFIT PLAN, PLAN, OR GOVERNMENTAL OR CHURCH PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH BENEFIT PLAN, PLAN, GOVERNMENTAL OR CHURCH PLAN. ANY ATTEMPTED TRANSFER OF SUCH NOTE OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

#### **Rule 144A Global Note and Rule 144A Definitive Notes**

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND THE ISSUER (AS DEFINED IN THE NOTE TRUST DEED) HAS NOT REGISTERED AND DOES NOT INTEND TO REGISTER AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN RELIANCE ON THE EXCLUSION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT.

BY PURCHASING OR OTHERWISE ACQUIRING A BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE REPRESENTED FOR THE BENEFIT OF THE ISSUER AND FOR ANY AGENT OR SELLER WITH RESPECT TO THE NOTES THAT IT (I)(A) IS AN "ELIGIBLE INVESTOR" (AS DEFINED BELOW), (B) WILL PROVIDE NOTICE OF APPLICABLE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREE, (C) IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNTS OF ONE OR MORE OTHER PERSONS EACH OF WHOM MEETS ALL THE PRECEDING REQUIREMENTS AND (D) AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN TO ANY PERSON EXCEPT TO A PERSON THAT MEETS ALL THE PRECEDING REQUIREMENTS AND AGREES NOT TO SUBSEQUENTLY TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST HEREIN EXCEPT IN ACCORDANCE WITH THIS CLAUSE (D) OR (II) IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE PURSUANT TO RULE 903 OR 904 OF REGULATION S. IN THE CASE OF ANY SUCH TRANSFER PURSUANT TO CLAUSE (II), (1) THE TRANSFEREE WILL BE REQUIRED TO HAVE THE NOTES SO TRANSFERRED TO BE REPRESENTED BY AN INTEREST IN THE REG S GLOBAL NOTE (AS DEFINED IN THE NOTE TRUST DEED); (2) THE TRANSFEROR WILL BE REQUIRED TO DELIVER A TRANSFER CERTIFICATE TO THE REGISTRAR (THE FORM OF WHICH IS ATTACHED TO THE AGENCY AGREEMENT AND IS AVAILABLE FROM THE REGISTRAR), AND (3) THE TRANSFEREE WILL BE REQUIRED TO EXECUTE AN INVESTMENT LETTER (THE FORM OF WHICH IS ALSO ATTACHED TO THE AGENCY AGREEMENT AND AVAILABLE FROM THE REGISTRAR).

**"ELIGIBLE INVESTORS"** ARE DEFINED FOR THE PURPOSES HEREOF AS PERSONS WHO ARE BOTH (A) QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND (B) QUALIFIED PURCHASERS (AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, ACTING FOR THEIR OWN ACCOUNT OR FOR THE ACCOUNT OF OTHER ENTITIES THAT ARE BOTH QUALIFIED INSTITUTIONAL BUYERS AND QUALIFIED PURCHASERS AND EXCLUDES THEREFROM: (I) QUALIFIED INSTITUTIONAL BUYERS THAT ARE BROKER-DEALERS THAT OWN AND INVEST ON A DISCRETIONARY BASIS LESS THAN U.S. \$25 MILLION IN SECURITIES IF IT IS A DEALER OF THE TYPE DESCRIBED IN PARAGRAPH (a)(1)(ii) OF RULE 144A UNDER THE SECURITIES ACT, (II) A PARTNERSHIP, COMMON TRUST FUND, CORPORATION, SPECIAL TRUST, PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES, SHAREHOLDERS, EQUITY OWNERS, BENEFICIAL OWNERS OR PARTICIPANTS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE OR THE ALLOCATION THEREOF AND IN A TRANSACTION THAT MAY BE EFFECTED WITH LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION, (III) AN ENTITY THAT WAS FORMED, REFORMED OR RECAPITALISED FOR THE SPECIFIC PURPOSE OF INVESTING IN THE ISSUER, UNLESS EACH BENEFICIAL OWNER OF SUCH ENTITY AND EACH PERSON FOR WHICH IT IS ACTING IS BOTH A QUALIFIED INSTITUTIONAL BUYER AND A QUALIFIED PURCHASER, (IV) ANY INVESTMENT COMPANY EXCEPTED FROM THE INVESTMENT COMPANY ACT PURSUANT TO SECTION 3(c)(1) OR SECTION 3(c)(7) (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(d) THEREOF RELYING ON SECTION 3(c)(1) OR 3(c)(7) WITH RESPECT TO ITS HOLDERS THAT ARE U.S. PERSONS), WHICH FORMED PRIOR TO 30 APRIL, 1996, THAT HAS NOT RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WITH RESPECT TO THE TREATMENT OF SUCH ENTITY AS A QUALIFIED PURCHASER IN THE MANNER REQUIRED BY SECTION 2(a)(51)(c) OF THE INVESTMENT COMPANY ACT AND RULES THEREUNDER, (V) ANY PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(K) PLAN OR ANY OTHER TYPE OF PLAN REFERRED TO IN PARAGRAPH (a)(1)(i)(D) OR (a)(1)(i)(E) OF RULE 144A, OR A TRUST FUND REFERRED TO IN PARAGRAPH (a)(1)(i)(F) OF RULE 144A THAT HOLDS THE ASSETS OF SUCH A PLAN, AND (VI) ANY ENTITY THAT WILL HAVE INVESTED MORE THAN 40 PER CENT. OF ITS ASSETS IN THE SECURITIES OF THE ISSUER IMMEDIATELY SUBSEQUENT TO ANY PURCHASE OF THE NOTES.

THE PURCHASER ACKNOWLEDGES THAT EACH OF THE ISSUER AND THE NOTE TRUSTEE RESERVES THE RIGHT PRIOR TO ANY SALE OR OTHER TRANSFER TO REQUIRE THE DELIVERY OF SUCH CERTIFICATIONS, LEGAL OPINIONS AND OTHER INFORMATION AS THE ISSUER OR THE NOTE TRUSTEE MAY REASONABLY REQUIRE TO CONFIRM THAT THE PROPOSED SALE OR OTHER TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS. EACH HOLDER OF A BENEFICIAL INTEREST IN THIS GLOBAL NOTE ACKNOWLEDGES THAT IN THE EVENT THAT AT ANY TIME THE ISSUER DETERMINES OR IS NOTIFIED BY A PERSON ACTING ON BEHALF OF THE ISSUER THAT SUCH PURCHASER WAS IN BREACH, AT THE TIME GIVEN OR DEEMED TO BE GIVEN, OF ANY OF THE REPRESENTATIONS OR AGREEMENTS SET FORTH IN THIS LEGEND OR OTHERWISE DETERMINES THAT ANY TRANSFER OR OTHER DISPOSITION OF ANY NOTES WOULD, IN THE SOLE DETERMINATION OF THE ISSUER OR A PERSON ACTING ON ITS BEHALF, REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE PROVISIONS OF THE INVESTMENT COMPANY ACT, SUCH PURCHASE OR OTHER TRANSFER WILL BE VOID AB INITIO AND WILL NOT BE HONoured BY THE NOTE TRUSTEE. ACCORDINGLY, ANY SUCH PURPORTED TRANSFEREE OR OTHER HOLDER WILL NOT BE ENTITLED TO ANY RIGHTS AS A NOTEHOLDER AND THE ISSUER SHALL HAVE THE RIGHT, IN ACCORDANCE WITH THE CONDITIONS OF THE NOTES, TO FORCE THE TRANSFER OF, OR REDEEM, ANY SUCH NOTES.

EACH PURCHASER OF THIS NOTE OR ANY INTEREST THEREIN, BY ITS ACQUISITION AND HOLDING OF SUCH NOTE, REPRESENTS AND WARRANTS THAT ON EACH DAY THAT IT HOLDS SUCH NOTE OR ANY INTEREST THEREIN EITHER (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") WHICH IS SUBJECT

THERE TO (A "**BENEFIT PLAN**"), OR ANY PLAN AS DEFINED IN SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") WHICH IS SUBJECT THERE TO (A "**PLAN**"), OR A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW OF THE UNITED STATES THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), OR AN ENTITY USING THE ASSETS OR ACTING ON BEHALF OF SUCH A BENEFIT PLAN, PLAN, OR GOVERNMENTAL OR CHURCH PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH BENEFIT PLAN, PLAN, GOVERNMENTAL OR CHURCH PLAN OR (B) ITS ACQUISITION, HOLDING AND DISPOSITION OF SUCH NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE (OR IN THE CASE OF A GOVERNMENTAL OR CHURCH PLAN, ANY SIMILAR LAW). ANY ATTEMPTED TRANSFER OF SUCH NOTE OR ANY INTEREST THEREIN IN VIOLATION OF SUCH REPRESENTATION AND WARRANTY SHALL BE VOID AB INITIO.

## REPORTS TO NOTEHOLDERS

The Servicer will be required to aim to publish within five Business Days of the Note Payment Date in respect of the immediately preceding Greek Bond Interest Period (and will be required to publish within ten Business Days of such Note Payment Date), on Bloomberg a Servicer Quarterly Report (as to which, see "*The Servicing Arrangements – The Servicing Agreement – Reporting*") in relation to that preceding Greek Bond Interest Period and payments made or to be made by the Issuer on the corresponding Note Payment Date.

Each Servicer Quarterly Report will be available on request from the Servicer (including by email) and will be published on the website of the Corporate Services Provider at <http://www.sfmeurope.com/transaction/466>.

Servicer Quarterly Reports will not be sent to beneficial owners of the Notes by the Servicer.

Except as outlined in this Prospectus, the Issuer does not intend to provide any post-issuance information in relation to the Notes.



## GENERAL INFORMATION

### Authorisation

The issue of the Notes was authorised by resolutions of the board of directors of the Issuer passed on 11 August 2014 and on or about 20 August 2014.

### Listing

It is expected that admission of the Notes to the Official List of the Irish Stock Exchange and to trading on its regulated market will be granted on or about the Closing Date, subject only to the issue of the Global Notes. The listing of the Notes will be cancelled if the Global Notes are not issued. Transactions will normally be effected for settlement in euro and for delivery on the third working day after the day of the transaction.

### Clearing and Settlement

The Global Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg as follows. The International Securities Identification Numbers and Common Codes for the Notes are set out in the section entitled "*Overview of the Terms and Conditions of the Notes*".

### Litigation

None of the Issuer, the Second Greek Bondholder nor the Greek Bond Issuer is, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, the Second Greek Bondholder or, as applicable, the Greek Bond Issuer is aware) which may have, or have had, since the date of its incorporation, a significant effect on the Issuer's, the Second Greek Bondholder's or, as applicable, the Greek Bond Issuer's financial position.

### Accounts

Since the date of incorporation of the Issuer (5 June 2014), no statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. Save as disclosed in this Prospectus, since the date of its incorporation, the Issuer has not entered into any contracts not in the normal course of its business.

Since the date of incorporation of the Second Greek Bondholder (5 June 2014), no statutory or non-statutory accounts in respect of any financial year of the Second Greek Bondholder have been prepared. Save as disclosed in this Prospectus, since the date of its incorporation, the Second Greek Bondholder has not entered into any contracts not in the normal course of its business.

The 2012 Greek Bond Issuer Financial Statements and the 2013 Greek Bond Issuer Financial Statements of the Greek Bond Issuer have previously been published on the website of the Irish Stock Exchange at <http://www.ise.ie/Debt-Securities/Individual-Debt-Securities-Data/> and are deemed to be incorporated in, and to form part of, this Prospectus. More information is provided under the section headed "*Documents Incorporated by Reference*" regarding how to access the 2012 Greek Bond Issuer Financial Statements and the 2013 Greek Bond Issuer Financial Statements on the website of the Irish Stock Exchange.

### Significant or material change

Since the date of incorporation of the Issuer and save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Issuer.

Since the date of incorporation of the Second Greek Bondholder and save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Second Greek Bondholder.

Since the date of the last audited statutory accounts of the Greek Bond Issuer (31 December 2013), there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Greek Bond Issuer.

### **Display documents**

For so long as the Notes are listed on the Official List of the Irish Stock Exchange, copies of the following documents will be available electronically or may be inspected in physical/electronic form during usual business hours on any week day (excluding Saturdays, Sundays, and public holidays) at the specified offices of the Paying Agents and at the registered office of the Issuer:

- (a) the Articles of Association of the Issuer;
- (b) the Articles of Association of the Second Greek Bondholder;
- (c) the Articles of Association of the Greek Bond Issuer;
- (d) the [2012 Greek Bond Issuer Financial Statements](#) and the [2013 Greek Bond Issuer Financial Statements](#) and all future audited accounts of the Greek Bond Issuer;
- (e) prior to the Closing Date, drafts (subject to minor amendment) and, after the Closing Date, copies of the following documents:
  - (i) the Global Notes;
  - (ii) the Note Trust Deed;
  - (iii) the Issuer Parallel Debt Agreement;
  - (iv) the Issuer Security Documents;
  - (v) the Issuer Cash Management Agreement;
  - (vi) the Issuer Corporate Services Agreement;
  - (vii) the Agency Agreement;
  - (viii) the Subscription Agreement;
  - (ix) the Settlement Agency Agreement;
  - (x) the SGB Loan Agreement;
  - (xi) the SGB Parallel Debt Agreement
  - (xii) the SGB Security Documents;
  - (xiii) the Issuer Deed of Charge and Assignment;
  - (xiv) the SGB Cash Management Agreement;
  - (xv) the SGB Corporate Services Agreement;
  - (xvi) the Servicing Agreement;
  - (xvii) the Facility Fee Letter;
  - (xviii) the Greek Bond Purchase Agreement; and

- (xix) the Master Definitions Schedule,  
  
(the "**Transaction Documents**" and the documents listed in sub-paragraphs (x) to (xix) (inclusive), the "**SGB Transaction Documents**");
- (f) copies of the following documents:
  - (i) the Greek Bond Programme Agreement;
  - (ii) the Bondholder Agent Agreement; and
  - (iii) the Greek Bond Security Documents;
- (g) the Portfolio Valuation; and
- (h) each Servicer Quarterly Report.

### **Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the Main Securities Market of the Irish Stock Exchange.

### **Foreign language text**

The language of the Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Rating Agencies**

Each of the following entities, referred to in this Prospectus, is a credit rating agency established and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council dated 16 September 2009 on credit rating agencies (the "**CRA Regulation**"):

- (a) Fitch Italia S.p.A.;
- (b) Fitch Ratings Limited;
- (c) Moody's Investors Service Cyprus Ltd;
- (d) Moody's Investors Service Ltd;
- (e) Standard & Poor's Credit Market Services France S.A.S.; and
- (f) Standard & Poor's Credit Market Services Europe Limited.

Each of the following entities, referred to in this Prospectus, is not a credit rating agency established and registered under the CRA Regulation:

- (a) Fitch Ratings Inc;
- (b) Moody's Investors Service Inc; and
- (c) Standard & Poor's Financial Services LLC.

**APPENDIX 1**  
**THE PROPERTY DETAILS**

The following table describes the general characteristics of the Portfolio the Greek Bond Issuer owns.

Data regarding "Number of tenants" and "Occupancy Rate" is provided as at 31 March 2014.

S/N	Location	City	Prefecture	Country	Primary use	Area per use (sq.m.)				Number of tenants	Primary tenant	Occupancy rate
						Retail	Office	Other	Total			
1	Kifissias Ave 178 and Agisilaou	Chalandri	Attica	Greece	Retail	9,427	854	-	10,281	2	NBG	100.0%
2	Akti Miaouli - Mpoumpoulina 2 and Agiou Spiridona	Piraeus	Attica	Greece	Office	1,997	1,577	-	3,574	1	NBG	100.0%
3	Omirou 30	Athens	Attica	Greece	Office	-	3,942	-	3,942	1	NBG	100.0%
4	Topali, Iasonos and Dimitriadou	Volos	Magnissia	Greece	Retail	1,140	-	-	1,140	1	NBG	100.0%
5	Agiou Meletiou 55 and Fokionos Negri	Athens	Attica	Greece	Retail	800	-	-	800	1	NBG	100.0%
6	Kifissias Ave 2 and Feidipidou 1-3	Athens	Attica	Greece	Office	528	2,466	-	2,994	1	NBG	100.0%
7	Skoufa 11-13	Athens	Attica	Greece	Retail	1,056	-	-	1,056	1	NBG	100.0%
8	Kypselis 102 (Plateia Kypselis)	Athens	Attica	Greece	Retail	675	-	-	675	1	NBG	100.0%
9	Eleftheriou Venizelou 35	Nea Smyrni	Attica	Greece	Retail	1,041	-	-	1,041	1	NBG	100.0%
10	Eftichidou 45 and 45a, Pagrati	Athens	Attica	Greece	Retail	1,577	-	-	1,577	1	NBG	100.0%
11	Praxitelous 12	Athens	Attica	Greece	Office	-	2,324	-	2,324	2	NBG	100.0%
12	Karageorgi Servias 6 (Plateia Syntagmatos)	Athens	Attica	Greece	Retail	1,300	3,830	-	5,130	2	NBG	92.5% <sup>1</sup>
13	Karageorgi Servias 2 (Plateia Syntagmatos)	Athens	Attica	Greece	Retail	695	-	-	695	1	NBG	100.0%
14	Amfitritis 5	P.Faliro	Attica	Greece	Retail	1,172	-	-	1,172	1	NBG	100.0%
15	Plateia Eleftheroton and Gini	Chalandri	Attica	Greece	Retail	870	-	-	870	1	NBG	100.0%
16	Akti Kondili 12	Piraeus	Attica	Greece	Office	884	1,733	-	2,617	1	NBG	100.0%
17	Ethnikis Antisaseos 3 and Makras Stoa	Piraeus	Attica	Greece	Office	975	2,042	-	3,017	1	NBG	100.0%

<sup>1</sup> By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer, the occupancy rate increases from 92.5% to 100.0%.

S/N	Location	City	Prefecture	Country	Primary use	Area per use (sq.m.)				Number of tenants	Primary tenant	Occupancy rate
						Retail	Office	Other	Total			
18	Plateia Agiou Nikolaou and Akti Miaouli 65	Piraeus	Attica	Greece	Retail	1,656	615	-	2,271	3	NBG	87.9%
19	Soulou Ave and Xarilaou Trikoupi	Agrinio	Aetolia-Acarmania	Greece	Retail	1,872	-	-	1,872	2	NBG	79.3%
20	Dimocratias Ave 240 and Mitropolitou Ioakim	Alexandroupoli	Evros	Greece	Retail	1,050	-	-	1,050	1	NBG	100.0%
21	Iasonos 50 and Pavlou Mela	Volos	Magnissia	Greece	Retail	1,612	-	-	1,612	1	NBG	100.0%
22	El. Venizelou, Tabot Kefalinou, and Plateia Dion. Solomou	Zakinthos	Zakinthos	Greece	Retail	936	-	-	936	1	NBG	100.0%
23	25th Avgoustou, Koronaïou, Papagiamali and Plateia Agiou Titou	Heraklion	Heraklion	Greece	Retail	297	-	-	297	1	NBG	100.0%
24	Egnatia Odos 152 and Kamvounion	Thessaloniki	Thessaloniki	Greece	Retail	1,193	256	-	1,449	2	NBG	100.0%
25	Thira Nisou Santorinis (Kentriki Odos)	Thira	Cyclades	Greece	Retail	434	-	-	434	1	NBG	100.0%
26	Aristomenous 25 and Nikitara	Kalamata	Messinia	Greece	Retail	1,501	1,023	-	2,524	5	NBG	91.9%
27	St. Lappa and Nikolaou Plastira	Karditsa	Karditsa	Greece	Retail	1,279	-	-	1,279	1	NBG	100.0%
28	Evgeniou Aitolou 1	Karpenisi	Evrytania	Greece	Retail	621	-	-	621	1	NBG	100.0%
29	Kleomenous Oikonomou and Mitropoleos	Egialia	Achaia	Greece	Retail	1,440	-	-	1,440	2	NBG	100.0%
30	Eirinis 5	Katerini	Pieria	Greece	Retail	1,517	-	-	1,517	1	NBG	100.0%
31	Evgeniou Voulgareos 63, Agion Pateron and Pezodromos Sotiros	Kekrira	Corfu	Greece	Retail	1,281	-	-	1,281	1	NBG	100.0%
32	Plateia Nikis 1, Pavlou Mela and Tsontza	Kozani	Kozani	Greece	Retail	1,236	-	-	1,236	1	NBG	100.0%
33	Thiseos 1, Orfeos and Bakalmpasi	Komotini	Rodope	Greece	Retail	2,149	-	-	2,149	1	NBG	100.0%
34	Ethnikis Antistaseos and Pylarinou	Korinthos	Corinth	Greece	Retail	1,052	-	-	1,052	2	NBG	100.0%
35	Plateia Parkou and Kapodistriou 1	Lamia	Phthiotis	Greece	Retail	1,795	956	-	2,751	4	NBG	88.0%
36	Kiprou 87 and Alexandrou Papanastasiou 48-52	Larissa	Larisa	Greece	Retail	2,144	496	-	2,640	1	NBG	100.0%
37	Mpoufidou 2 and Plateia Ethnikis Antistaseos	Livadia	Viotia	Greece	Retail	702	-	-	702	1	NBG	100.0%
38	Kountouriotou 29 and Ermou	Lesvos (ex Mitilini)	Lesbos	Greece	Retail	638	-	-	638	1	NBG	100.0%
39	Konitsis 13	Xanthi	Xanthi	Greece	Retail	1,620	-	-	1,620	1	NBG	100.0%

S/N	Location	City	Prefecture	Country	Primary use	Area per use (sq.m.)				Number of tenants	Primary tenant	Occupancy rate
						Retail	Office	Other	Total			
40	Plateia Trion Simmaxon, Agiou Andreou and Othonos - Amalias	Patra	Achaea	Greece	Retail	1,329	-	-	1,329	1	NBG	100.0%
41	D. Gounari and Korinthou 327	Patra	Achaea	Greece	Office	1,563	2,863	-	4,426	1	NBG	99.4%
42	Emm. Tsouderou and G. Tsagri	Rethimno	Rethymno	Greece	Retail	751	-	-	751	2	NBG	100.0%
43	Plateias Kiprou and Ethnarxou Makariou	Rhodes	Dodecanese	Greece	Retail	2,382	-	-	2,382	1	NBG	100.0%
44	Leoforos Them. Sofouli 72 and Arx. Kirillou	Vathi - Samos	Samo	Greece	Retail	1,217	-	-	1,217	1	NBG	100.0%
45	Vas. Vasileos 2, Gr. Lampraki, Prig. Xristoforou and Kiprou	Serres	Serres	Greece	Retail	1,827	-	-	1,827	1	NBG	100.0%
46	28is Oktovriou and Kondili	Trikala	Trikala	Greece	Retail	856	-	-	856	1	NBG	100.0%
47	Eleftheriou Venizelou and I. Ioannidou and Syggrou	Chalkida	Evia	Greece	Retail	1,756	229	-	1,985	1	NBG	100.0%
48	Irakleiou Ave 243 and Ag. Vasileiou	N. Ionia	Attica	Greece	Retail	936	1,614	-	2,550	1	NBG	100.0%
49	Kifisias Ave 273 and Andrianou	Kifissia	Attica	Greece	Retail	4,222	-	-	4,222	2	NBG	100.0%
50	Iera Odos 25-27-29, Evneidon and Evmolpidon	Athens	Attica	Greece	Retail	1,640	-	-	1,640	2	NBG	100.0%
51	Ionos Dragoumi 1 and Megalou Alexandrou	Kavala	Kavala	Greece	Retail	2,273	-	-	2,273	1	NBG	100.0%
52	Ethnikis Antistaseos 41-45 and Panioniou	Kaisariani	Attica	Greece	Retail	1,093	-	-	1,093	1	NBG	100.0%
53	Eleftheriou Venizelou 59 and Charilaou Trikoupi	N. Erithrea	Attica	Greece	Retail	869	-	-	869	1	NBG	100.0%
54	Evergetou Giavasi 2 and Iroon Politechniou 8	Agia Paraskevi	Attica	Greece	Retail	575	-	-	575	1	NBG	100.0%
55	Athinon Ave 128-132, Ifigenias and Patili	Athens	Attica	Greece	Office	873	24,469	-	25,342	3	NBG	100.0%
56	Leoforos Vouliagmenis 208	Dafni	Attica	Greece	Retail	1,015	-	-	1,015	1	NBG	100.0%
57	Mesogeion Ave 226 and Aetideon	Cholargos	Attica	Greece	Retail	938	-	-	938	1	NBG	100.0%
58	Nikitara 2, Parkou and Vasileos Georgiou	Argos - Mikynes	Argolida	Greece	Retail	2,420 <sup>2</sup>	-	-	2,420	1	NBG	100.0%
59	Komninon and Vazelonos 30	Kalamaria	Thessaloniki	Greece	Retail	627	-	-	627	1	NBG	100.0%

<sup>2</sup> The Greek Bond Issuer owns 50% of the first basement and the figures herein represent the Greek Bond Issuer's share of the ownership

S/N	Location	City	Prefecture	Country	Primary use	Area per use (sq.m.)				Number of tenants	Primary tenant	Occupancy rate
						Retail	Office	Other	Total			
60	Ioannou Metaxa 13	Glyfada	Attica	Greece	Retail	705	-	-	705	1	NBG	100.0%
61	Soutsou and Ieras Odou 310-312	Egaleo	Attica	Greece	Retail	1,445	-	-	1,445	1	NBG	100.0%
62	Leoforos Vasileos Georgiou A' 27 and Androutsou 148-150	Piraeus	Attica	Greece	Retail	792	-	-	792	1	NBG	100.0%
63	Leoforos Ethnarxou Makariou 52 and Arkadias	Peristeri	Attica	Greece	Retail	1,398	-	-	1,398	1	NBG	100.0%
64	Porou, Gargitou and Side road of L. Stavrou - Elefsinas	Gerakas	Attica	Greece	Office	-	38,518	-	38,518	2	NBG	100.0%
65	Alexandrou Papanastasiou 124 Perioxi Xarilaou	Thessaloniki	Thessaloniki	Greece	Retail	1,400	-	-	1,400	1	NBG	100.0%
66	Amerikis 13	Athens	Attica	Greece	Office	294	1,972	-	2,266	1	NBG	100.0%
67	Akadimias 68, Charilaou Trikoupi and Zoodoxou Pigis	Athens	Attica	Greece	Office	325	5,176	-	5,501	1	NBG	100.0%
68	Michail Aggelou 3 and Grigoriou Sakka 1	Ioannina	Ioannina	Greece	Retail	530	-	-	530	1	NBG	100.0%
69	Plateia Ethnikis Antistaseos and Antonopoulou	Kalamata	Messinia	Greece	Retail	543	-	-	543	1	NBG	100.0%
70	Leoforos Mesogeion 1 and Leoforos Vasilissis Sofias 118	Athens	Attica	Greece	Office	2,335	6,255	-	8,590	1	NBG	100.0%
71	38 Stadiou Str.	Athens	Attica	Greece	Office	3,680	5,782	-	9,462	1	NBG	100.0%
72	6 Sofokleous Str.	Athens	Attica	Greece	Office	-	2,788	-	2,788	1	NBG	100.0%
73	8-10 Sofokleous Str.	Athens	Attica	Greece	Office	-	11,832	-	11,832	1	NBG	100.0%
74	11 I. Dragoumi Str. & Mitropoleos Str.	Thessaloniki	Thessaloniki	Greece	Retail	1,821	2,563	-	4,384	1	NBG	100.0%
75	11 Tsimiski Str.	Thessaloniki	Thessaloniki	Greece	Retail	567	-	-	567	1	NBG	100.0%
76	37 Agias Paraskevis Str. and Epidamnou Str.	Athens	Attica	Greece	Archive	-	-	4,536	4,536	1	NBG	100.0%
77	Ermou 19	Athens	Attica	Greece	Retail	888	-	-	888	0	N/A	0.0%
<b>Total /Average</b>						<b>98,049</b>	<b>126,176</b>	<b>4,536</b>	<b>228,761</b>			<b>98.9<sup>3</sup>%</b>

<sup>3</sup> By excluding the part of the Karageorgi Servias 6 Property that is occupied by the Greek Bond Issuer, the occupancy rate increases from 98.9% to 99.1%.

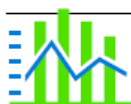
## APPENDIX 2 PORTFOLIO VALUATION

SUMMARY VALUATION REPORT  
SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
OWNED BY "NBG PANGAEA REIC"

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### SUMMARY VALUATION REPORT

Valuation Subject	: Seventy seven (77) properties in Greece
Valuation requested by	: NBG PANGAEA REIC, by the 23.12.2013 and 08.05.2014 letters
Addressees	: (a) NBG PANGAEA REIC; (b) Alpha Bank S.A as Bondholder Agent; (c) the Noteholders as at the Closing Date; (d) Pangaea Funding 1 Plc as Issuer; and (e) Pangaea Funding 1 (Second Greek Bondholder) Ltd as Second Greek Bondholder  together, the "Beneficiaries" and each a "Beneficiary"
Valuation Date	: 31.12.2013 (for 76 properties) and : 31.05.2014 (for 1 property)
Report Date	: 31.05.2014
Scope of Valuation	: Valuation for the needs of REIC, IAS and IFRS
Legislation	: L.2778/1999, L. 2992/2002, L.3581/2007, L.4141/2013, JMD 26294/B1425/19.7.2000
Final Valuation	: 476.357.477 €



MARIA N. VLACHOGIANNI, MRICS - REV  
CERTIFIED VALUER

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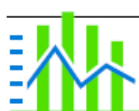


SUMMARY VALUATION REPORT  
SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
OWNED BY "NBG PANGAEA REIC"

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## 1 SUBJECT MATTER AND METHODOLOGY OF VALUATIONS

### 1.1 Generally

#### 1.1.1 Introduction

The valuation reports were requested by the NBG PANGAEA REIC, by the 23.12.2013 and 31.05.2014 letters, to be used for the purposes of the Real Estate Investment Company (REIC) according to the Laws L.2778/1999, L.2992/2002, L.3581/2007 and L.4141/2013, and the International Financial Reporting Standards (IFRS).

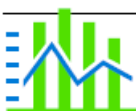
Preparing the reports the current legislation was taken into account, as well as any kind of objective data that can affect the value of real estate, the European Valuation Standards (EVS 2012), as defined by TEGoVA (The European Group Of Valuers' Associations) and Valuation Standards (RICS Valuation - Professional Standards 2012) of the British Royal Institute of Chartered Surveyors (RICS), which are in line with the International Valuation Standards (IVS 2011) of IVSC (International Valuation Standards Council). In addition, IFRS (International Financial Reporting Standards) were taken into account. Specifically, the IVS 300 (Valuation Applications - Valuations for Financial Reporting) of IVS 2011, and the IAS 40 were taken into account, since the subjects are investment properties.

The values listed are estimated at fair (market) value, and generally correspond to the optimal use of property (Highest and Best Use - HABU) that make up the considered portfolio.

The various factors taken into account when assessing the value of the properties include the information provided by "NBG PANGAEA REIC" (such as the rental income generated from the properties), prior valuations for the same properties and other factors arising from recent inspections and market research, generated from the properties and as further described in Section 2.3.

#### 1.1.2 Reliance

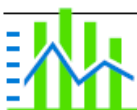
The report will be for the use only of the Beneficiaries and no responsibility will be accepted to any third party for the whole or any part of its contents.



### 1.1.3 Disclosure

The Beneficiaries may disclose the report (and any other advice, letters, certificates or other documents relating to such report (without reliance)):

- (a) where disclosure is required or requested by any applicable law or regulation, by any court or competent judicial, governmental, supervisory or regulatory body or in connection with legal proceedings, pending or threatened, relating to the report;
- (b) to any affiliate of a Beneficiary;
- (c) to any of their respective agents or advisers and to any of the agents or advisers of any person listed in (d) to (i) below, in connection with the Greek Bonds or any securitisation of, or referable to, the Greek Bonds;
- (d) to any financial institution or other entity in connection with the Greek Bonds or any securitisation of, or referable to, the Greek Bonds, and their respective advisers;
- (e) to future owners, or prospective purchasers, of any property financed under the Greek Bonds;
- (f) to the investors in connection with any securitisation of, or referable to, the Greek Bonds;
- (g) where disclosure is required by the rules of any stock exchange, listing authority or similar body on which their shares or other securities are listed or the securities of any securitisation of, or referable to, the Greek Bonds are listed or where disclosure is reasonably required for the successful marketing or syndication of debt or equity securities of NBG Pangaea REIC and/or its affiliates or to enable U.S. counsel to delivery customary 10b-5 disclosure letters in connection with such marketing or syndication;
- (h) to any potential transferee or assignee of any bondholder under the Greek Bonds;
- (i) to any party whose consent is required for the purposes of implementing any transaction contemplated or required in connection with paragraphs (c) to (f) and (h) above; and
- (j) where the report (or any draft or part thereof) is in the public domain, unless it is as a result of any breach of a confidentiality undertaking.



The Beneficiaries may also make reference to the existence of the report, and include all or a part only of the report, in any offering material or on-going investor reporting materials relating to any securitisation or, or referable to, the Greek Bonds.

#### 1.1.4 Publication

Except as provided above under the heading "Disclosure", neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without the prior written approval, not to be unreasonably withheld or delayed, of the form and context in which it will appear, subject to the clause below where the Beneficiaries may disclose the report (without reliance);

- (a) where the publication is requested or required by law or by any court or competent judicial or governmental body or in respect of legal proceedings, pending or threatened, in connection with the report; or
- (b) where the publication is requested or required by the mandatory rules or regulations of any competent supervisory or regulatory board of the Beneficiary.

The Beneficiaries may also make reference to the existence of the report in any offering material or on-going investor reporting materials relating to any securitisation or, or referable to, the Greek Bonds.

For the avoidance of doubt, nothing in this letter shall restrict the use, reliance, disclosure and publication of the Report by NBG Pangaea REIC.

#### 1.1.5 Subject

As of November 2013, the entire portfolio of NBG PANGAEA REIC consisted of 243 properties all over Greece.

On November 25<sup>th</sup> 2013, the National Bank of Greece (Sole shareholder of "NBG PANGAEA REIC") agreed to sell 66% of its subsidiaries shares to "INVEL REAL ESTATE (NETHERLANDS) II B.V." In accordance with this agreement, NBG PANGAEA REIC proceeded to a share capital increase, where on one hand NBG contributed, in the form of real estate assets, eight (8) properties, on the other hand "INVEL REAL ESTATE (NETHERLANDS) II B.V." contributed in the form of stocks, ownership of the company Nash SrL.



Nash SrL, is the owner of a property consisting of existing mixed use (Industrial – Office) buildings with a total area of 4.234 M2, on a land plot of c. 1.855.669 M2 with remaining coefficient building, on Via Siviglia 16, in Torvaianica, South of Rome, in Italy.

The eight properties that were contributed by NBG (following the 56921/18.12.2013 and 56924/19.12.2013 contracts of share capital increase by Notary of Athens, Maria – Poulantza - Agrevi), are the following:

1. Property with S/N 30692: Listed multi-storeyed office/retail building , 38 Stadiou str., Athens
2. Property with S/N 30663.2: Listed multi-storeyed office building, 6 Sofokleous str., Athens
3. Property with S/N 30663.3: Listed multi-storeyed office building, 8-10 Sofokleous str., Athens
4. Property with S/N 30741: Listed multi-storeyed retail building, 11 Ionos Dragoumi str. & Mitropoleos str., Thessaloniki
5. Property with S/N 30745: Retail (bookstore), 11 Tsimiski str., Thessaloniki
6. Property with S/N 70621: Multi-storeyed archive building, 34 Epidamnou Str. & 37 Ag. Paraskevis Str., Athens
7. Property with S/N 30811: Listed, ground floor retail building with basement, mezzanine and attic, 5 Kalomenopoulou str., Ermoupoli, Syros
8. Property with S/N 10003: Multi-storeyed office/retail building, 69-71 Panagi Tsaldari str., Peristeri, Attica

On 27.12.2013 a lease contract was signed between “National Bank of Greece” and “NBG PANGAEA REIC” regarding the aforementioned 8 properties.

On 31.12.2013 an amended lease contract was signed between “National Bank of Greece” and “NBG PANGAEA REIC”, for all the properties in the portfolio that are leased to the first of the parties.

Conclusively, on 31.12.2013 the entire portfolio of “NBG PANGAEA REIC” consisted of 252 properties, 76 of which are part of this report.

The 70 of the above properties have been assessed in the past with valuation dates on 30.9.2009, and on June 30 and December 31 of each year, starting from 2010 until today.

In addition, due to imminent alterations of the lease contracts of most of them, new valuation reports had been provided as of 01.09.2013.



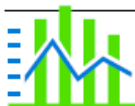
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On 03.02.2014, a new retail property was purchased by "NBG PANGAEA REIC", under the 56992/03.02.2014 contract by Notary of Athens, Maria – Poulantza – Agrevi. The property is the following:

- Property with S/N 10005: Listed multi-storeyed retail building, 19 Ermou str., Athens

The 77 properties to be assessed in this report are:

S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION
1	30060	Office and Retail	Kifissias Ave 178 and Agisilaou	Chalandri	Attica
2	30076	Office and Retail	Akti Miaouli - Mpoumpoulinas 2 and Agiou Spiridona	Piraeus	Attica
3	30176	Office	Omirou 30	Athineon	Attica
4	30462	Retail and Office	Topali, Iasonos and Dimitriadou	Volos	Magnissia
5	30648	Retail	Agiou Meletiou 55 and Fokionos Negri	Athineon	Attica
6	30651	Office and Retail	Kifissias Av. 2 and Feidipidou 1-3	Athineon	Attica
7	30663.2	Office	Sofokleous 6	Athineon	Attica
8	30663.3	Office	Sofokleous 8-10	Athineon	Attica
9	30665	Retail	Skoufa 11-13	Athineon	Attica
10	30671	Retail and Office	Kypselis 102 (Plateia Kypselis)	Athineon	Attica
11	30679	Retail	Eleftheriou Venizelou 35	Nea Smyrni	Attica
12	30685	Retail	Eftichidou 45 and 45a, Pagrati	Athineon	Attica
13	30688	Office	Praxitelous 12	Athineon	Attica
14	30692	Office and Retail	Stadiou 38	Athineon	Attica
15	30693	Office and Retail	Karageorgi Servias 6 (Syntagma Square)	Athineon	Attica
16	30694	Retail	Karageorgi Servias 2 (Plateia Syntagmatos)	Athineon	Attica
17	30695	Retail	Amfifritis 5	Palaio Faliro	Attica
18	30697	Retail	Plateia Eleftheroton and Gini	Chalandri	Attica
19	30700	Office and Retail	Akti Kondili 12	Piraeus	Attica
20	30702	Office and Retail	Ethnikis Antisaseos 3 and Makras Stoas	Piraeus	Attica
21	30706	Office and Retail	Plateia Agiou Nikolaou and Akti Miaouli 65	Piraeus	Attica
22	30712	Retail	Leoforos Soulou and Xarilaou Trikoupi	Agrinio	Aetolia-Acarnania



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S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION
23	30715	Retail	Leoforos Dimocratias 240 and Mitropolitou Ioakim	Alexandroupoli	Evros
24	30725	Retail and Office	Iasonos 50 and Pavlou Mela	Volos	Magnissia
25	30737	Retail	El. Venizelou, Tabot Kefalinou, and Plateia Dion. Solomou	Zakinthos	Zakinthos
26	30739	Retail	25th Avgoustou, Koronaiou, Papagiamali and Plateia Agiou Titou	Heraklion	Heraklion
27	30741	Retail	I. Dragoumi 11 & Mitropoleos	Thessaloniki	Thessaloniki
28	30742	Office and Retail	Egnatia Odos 152 and Kamvounion	Thessaloniki	Thessaloniki
29	30745	Bookstore	Tsimiski 11	Thessaloniki	Thessaloniki
30	30748	Retail	Fira Nisou Santorinis (Kentriki Odos)	Thira	Cyclades
31	30755	Office and Retail	Aristomenous 25 and Nikitara	Kalamata	Messinia
32	30758	Retail	St. Lappa and Nikolaou Plastira	Karditsa	Karditsa
33	30759	Retail	Evgeniou Aitolou 1	Karpenissi	Evrytania
34	30762	Retail and Office	Kleomenous Oikonomou and Mitropoleos	Aigaleia (formerly Aigiou)	Achaea
35	30763	Retail	Eirinis 5	Katerini	Pieria
36	30764	Retail and Office	Evgeniou Voulgareos 63, Agion Pateron and Pezodromos Sotiros	Kerkira	Corfu
37	30768	Retail	Plateia Nikis 1, Pavlou Mela and Tsontza	Kozani	Kozani
38	30769	Retail and Office	Thiseos 1, Orfeos and Bakalmpasi	Komotini	Rodope
39	30770	Retail	Ethnikis Antistaseos and Pylarinou	Corinth	Corinth
40	30777	Office and Retail	Plateia Parkou and Kapodistriou 1	Lamia	Phthiotis
41	30778	Office and Retail	Kiprou 87 and Alexandrou Papanastasiou 48-52	Larisa	Larisa
42	30779	Retail	Mpoufidou 2 and Plateia Ethnikis Antistaseos	Livadeia	Viotia
43	30784	Retail	Kountouriotou 29 and Ermou	Lesbos (formerly Mitilini)	Lesbos
44	30792	Retail	Konitsis 13	Xanthi	Xanthi



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S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION
45	30798	Retail and Office	Plateia Trion Simmaxon, Agiou Andreou and Othonos - Amalias	Patra	Achaea
46	30799	Office and Retail	D. Gounari and Korinthou 327	Patra	Achaea
47	30804	Retail	Emm. Tsouderou and G. Tsagri	Rethymno	Rethymno
48	30805	Retail and Office	Plateias Kiprou and Ethnarxou Makariou	Rhodes	Dodecanese
49	30807	Retail	Leoforos Them. Sofouli 72 and Arx. Kirillou	Vatheos Samos	Samos
50	30808	Retail	Vas. Vasileiou 2, Gr. Lampraki, Prig. Xristoforou and Kiprou	Serres	Serres
51	30812	Retail	28is Oktovriou and Kondili	Trikaion	Trikala
52	30817	Office and Retail	Eleftheriou Venizelou and I. Ioannidou and Syggrou	Chalkida	Evia
53	30827	Office and Retail	Leoforos Irakleiou 243 and Ag. Vasileiou	Nea Ionia	Attica
54	30828	Retail	Leoforos Kifisias 273 and Andrianou	Kifissia	Attica
55	30829	Retail and Office	Iera Odos 25-27-29, Evneidon and Evmolpidon	Athineon	Attica
56	30834	Retail and Office	Ionos Dragoumi 1 and Megalou Alexandrou	Kavala	Kavala
57	30845	Retail	Ethnikis Antistaseos 41-45 and Panioniou	Kaisariani	Attica
58	30849	Retail	Eleftheriou Venizelou 59 and Charilaou Trikoupi	Nea Erythrea	Attica
59	30852	Retail	Evergetou Giavasi 2 and Iroon Politechniou 8	Agia Paraskevi	Attica
60	30857	Office and Retail	L. Athinon 128-132, Ifigeneias and Patili	Athineon	Attica
61	30858	Retail	Leoforos Vouliagmenis 208	Dafni	Attica
62	30860	Retail	Leoforos Mesogeion 226 and Aetideon	Cholargos	Attica
63	30871	Retail	Nikitara 2, Parkou and Vasileos Georgiou	Argos - Mykinon (formerly Argos)	Argolida
64	30877	Retail	Komnion and Vazelonos 30	Kalamaria	Thessaloniki
65	30920	Retail	Ioannou Metaxa 13	Glyfada	Attica





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S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION
66	30935	Retail	Soutsou and Ieras Odou 310-312	Aigaleo	Attica
67	30982	Retail	Leoforos Vasileos Georgiou A' 27 and Androutsou 148-150	Piraeus	Attica
68	31129	Retail and Office	Leoforos Ethnarxou Makariou 52 and Arkadias	Peristeri	Attica
69	31171	Office	Porou, Gargitou and Side road of L. Stavrou - Elefsinas	Gerakas	Attica
70	31370	Retail and Office	Alexandrou Papanastasiou 124 Perioxi Xarilaou	Thessaloniki	Thessaloniki
71	32442	Office and Retail	Amerikis 13	Athineon	Attica
72	70485	Office and Retail	Akadimias 68, Charilaou Trikoupi and Zoodoxou Pigis	Athineon	Attica
73	70621	Archives	Epidamnou 34 & Ag. Paraskevis 37	Athineon	Attica
74	70747	Retail	Michail Aggelou 3 and Grigoriou Sakka 1	Ioannina	Ioannina
75	70756	Retail	Plateia Ethnikis Antistaseos and Antonopoulou	Kalamata	Messinia
76	70775	Office and Retail	Leoforos Mesogeion 1 and Leoforos Vasilissis Sofias 118	Athineon	Attica
77	10005	Retail	Ermou 19	Athineon	Attica

### 1.1.6 Valuation Methods

JMD 26924/V1.425/19.7.2000 provides that the evaluation of the properties that make up the portfolios of REIC should be assessed using two (2) at least of the following valuation methods:

- The comparative method or method of comparative data (Market approach)
- The income method (DCF method)
- The residual method
- The profit method
- The cost approach method
- The method of "antiparochi"



Regarding the comparative method, comparative prices obtained by investigating the current real estate market (for each property) were used.

The profit method was applied in one property, where the rent is determined as the highest on a fixed monthly amount and a variable, as a quota of the turnover.

The method of "antiparochi" was not applied, since it is used only in cases that primarily seek the value of land located within city boundaries.

The method of residuals (or residual valuation method) has been used in cases where there was residual structure in the plot of the estimated property and the value of land was sought.

Finally, the cost approach method or the depreciated replacement cost method (DRC) was applied in cases of special buildings (specifically in the building installations of the IT Centre located in Gerakas Attica), where it was necessary to implement this method also, because of particular, increased construction requirements, making the property 'special'.

Regarding the valuation based on the DCF method, commercial (market) value of property result from cumulative projections of future net revenues from existing or future achievable rents (if under development) of its holding, plus the resale value at the end of the considered investment time horizon.

The method is based on specific assumptions regarding property income, vacancy rates, future changes / adjustments of rent, etc., and applies to both completed and leased properties and properties under completion as well.

The annual income that is taken into account in the cashflow is the remaining pre-tax income, if from the annual Gross Potential Income the percentage of voids (according to projections) is removed.

The gross potential rent is adjusted every year (annual rental growth) based on the assumptions made.

The achieved rent is essentially the actual rent paid to the owner by the tenant as return for the use of the property.

The resale value of the property is obtained by direct capitalization of the adjusted net income for the following year's investment horizon which is taken into account, using an appropriate capitalization rate  $y$  (exit capitalization yield). Then the resulting resale value is discounted to be converted to present value.



The aforementioned income of each year is discounted at an appropriate rate R, to come to the present value of the property, after previously adding the resale value, which is also discounted at the same rate R. As in net income, the discount rate is taken into consideration as pre-tax.

The discount rate R (discount rate or required rate of return) of each type of investment represents the desired return or the opportunity cost of the investor for alternative investments of similar risk ratios and is defined by the following equation:

$$R = \text{risk-free rate} + \text{risk premium.}$$

Especially in the real estate investment market, setting the risk premium, the following factors are taken into account:

*(Red Book – RICS – 7th Edition – GN 7 – 2011)*

A. Market risks

- Illiquidity upon sale (e.g. lot size, transaction times, availability of finance)
- Failure to meet market rental expectations (forecast rental growth)
- Failure to meet market yield expectations (forecast yield shift)
- Risk of locational, economic, physical and functional depreciation through structural change
- Risks associated with legislative change (e.g. planning/privity of contract, changes in fiscal policy)

B. Specific Risks

- Tenant default on rental payment (covenant risk)
- Risk of failure to re-let (void risks)
- Costs of ownership and management
- Differing lease structures (e.g. rent review structure, lease breaks)

It should be noted that all of the above data involved in the cash flows in order to calculate the market value of the property, derive both from the analysis of the market direction thus far (based on historical data) and on the other hand by the assumptions / predictions made about future conditions and relevant factors affecting supply / demand, rents and their adjustment, investment risk, etc.

Also, from comparative analysis, through market research, cash flows (revenues) and market values corresponding to the respective estimated properties, market based discount rates or IRR may arise.

The IRR is the discount rate that eliminates the net present value, i.e. the cost of the investment is the sum of discounted revenues.



## 2 SUMMARY EVALUATION

### 2.1 Introduction

This valuation report refers to the evaluation of seventy seven (77) real estate properties, which at present time, are part of the portfolio of "NBG PANGAEA REIC".

The valuation date, this report refers to, is the 31.12.2013 for 76 of them and the 31.05.2014 for one of them.

### 2.2 Changes

As for the composition of the entire portfolio, and in accordance with the aforementioned section 1.1.5, it consisted of two hundred fifty two (252) properties on 31.12.2013 and two hundred fifty three (253) properties on 03.02.2014, that is ten (10) more than on 01.09.2013.

As for the composition of the 77 properties, 70 of them have been part of the portfolio since 2010, 6 of them have been contributed from NBG on 18 and 19 December 2013 and 1 of them was purchased on 3 February 2014.

For 68 properties of the total 70, that had been valued on 01.09.2013, new valuation reports weren't requested on 31.12.2013, as no new evidence was presented that would alter their value.

Specifically:

- A) The conditions of the real estate market have not differentiated since the valuation as of 01.09.2013.
- B) During the preparation of the reports, following the valuation request, the following scenarios, which were finally inserted in the amended lease contract as of 31.12.2013 between the "National Bank of Greece" and "NBG PANGAEA REIC", had been taken into consideration for all properties that are leased to the first party:
  - On January 1st 2014, and for 18 of the 68 properties, the current rents remain constant and are indexed according to the lease contract.
  - For the 50 properties, which are leased to NBG, new rents are taken into account, which were delivered by the interested party.
  - The first indexation for the new rents occurs on 01.01.2015
- C) According to the company's statement, no other changes have occurred that could significantly alter the image of the properties.



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For the remaining 2 properties of the 70, new valuation reports were prepared, with a critical date of 31.12.2013, as some assumptions that were taken into consideration on 01.09.2013 had changed according to the amended lease contract of 31.12.2013.

In the table that follows, the two properties are presented, along with the assumptions made on 01.09.2013 and the realized scenarios of 31.12.2013.

S/N	P/C	ADDRESS	ASSUMPTIONS FOR 01.09.2013	ASSUMPTIONS FOR 31.12.2013
1	30060	Kifissias Ave 178 and Agisilaou, Chalandri, Attica	Annual re-adjustment of the rent equal to CPI+1% for the whole period	Annual re-adjustment of the rent equal to CPI+1% for the first year and equal to CPI for the rest period Waiver of the right to terminate the lease before the lapse of 25 years after the Lease Amendment
2	31171	Porou, Gargitou and Side road of L. Stavrou - Elefsinas, Gerakas, Attica	Annual re-adjustment of the rent equal to CPI+1% for the whole period	Annual re-adjustment of the rent equal to CPI+1% for the first year and equal to CPI for the rest period Waiver of the right to terminate the lease before the lapse of 25 years after the Lease Amendment

Furthermore, valuation reports were prepared for the 6 properties contributed by the National Bank of Greece and the property that was purchased by "NBG PANGAEA REIC".

### 2.3 Application of Valuation Methodology and Final Value

For 76 out of the 77 properties the Market approach and the DCF technique were used, while for one property (S/N 31171) the DRC method was also used, because of the specialised technical specifications of the asset (IT Center). In addition, for 8 of the properties (S/N 30712, 30725, 30762, 30763, 30779, 30804, 30829, 30834), a residual value was estimated, due to development potential that has not yet been exploited.

The portfolio's total market value was derived as the aggregate of the weighted average outcomes of the aforementioned valuation methods for each property.

The outcomes of the valuation methodologies applied and the relevant weighting of the portfolio of the 77 properties is presented below:



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SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
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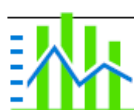
Methodology	Market Value (€)	Weight (%)	Weighted Market Value (€)
<b>Group of seventy-six (76) properties</b>			
Market approach	397.979.380	19,84%	78.955.056
DCF technique	427.209.490	80,15%	342.408.613
<b>One (1) property</b>			
Market approach	48.314.193	15,00%	7.247.129
DCF technique	51.479.743	70,00%	36.035.820
DRC approach	49.592.401	15,00%	7.438.860
<b>Sub Total (residual value excl.)</b>			<b>472.085.477</b>
Residual Value	4.272.000		4.272.000
<b>Total</b>			<b>476.357.477</b>

The total weighted value of the 77 properties derived with the Market approach amounts to c. € 86 million, with the DCF technique c. € 378 million and with the DRC approach to c. € 7 million. The total weighted value sums up to c. € 472 million, to which the estimated residual value of c. € 4 million is added to derive the portfolio's final value of c. € 476 million.

The DCF technique has the biggest effect on the estimated value. The relevant summary cash flow of the 77 properties is the following:

ASSUMPTIONS	Period	Year	Passing rent (€)	Exit value	Net income (€)	Discount factor	Discounted Cash Flow (€)
Exit Yield 9,01%	1	2014	45.796.717		44.422.815	0,899	39.937.786
Discount rate 11,23%	2	2015	47.170.618		45.755.500	0,808	36.982.743
Vacancy Rate 3,0%	3	2016	48.585.737		47.128.165	0,727	34.246.347
C.P.I 2,0%	4	2017	50.043.309		48.542.010	0,653	31.712.420
Rent Review 1,0%	5	2018	51.544.608		49.998.270	0,587	29.365.981
Total Rent Review 3,0%	6	2019	53.090.946		51.498.218	0,528	27.193.158
	7	2020	54.683.675		53.043.165	0,475	25.181.105
	8	2021	56.324.185		54.634.460	0,427	23.317.926
	9	2022	58.013.911		56.273.493	0,384	21.592.606
	10	2023	59.754.328	548.352.598	606.314.296	0,345	209.159.161
	<b>Total</b>			49.403.295			<b>478.689.233</b>

As demonstrated in the above table, the passing rent on year 1 was c. € 45,8 million whereas the exit rent € 49,4 million. The cash flow was discounted at an average discount rate of 11,23%, while the exit value was estimated using an exit yield of 9,01%.



#### 2.4 Summary Table

All the properties, with reference to the corresponding value (by valuation method and total) are included in the summary table of values below.

##### Notes:

1. The estimated market value does not include any transfer taxes, expenses for attorneys, realtors, notaries etc.
2. The main and auxiliary areas considered to be perfectly legal.



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SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
OWNED BY "NBG PANGAEA REIC"

**SUMMARY TABLE OF 31.12.2013 (for 76 properties) AND 31.05.2014 (for 1 property)**

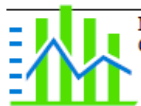
S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.12.2013
1	30060	Office and Retail	Kifissias Ave 178 and Agisilaou	Chalandri	Attica	11.536.598	13.993.326	13.501.980		13.501.980
2	30076	Office and Retail	Akti Miaouli - Mpoumpoulinas 2 and Agiou Spiridona	Piraeus	Attica	7.945.689	8.837.558	8.659.184		8.659.184
3	30176	Office	Omirou 30	Athineon	Attica	7.443.356	8.032.674	7.914.811		7.914.811
4	30462	Retail and Office	Topali, Iasonos and Dimitriadou	Volos	Magnissia	3.226.783	3.521.724	3.462.736		3.462.736
5	30648	Retail	Agion Meletiou 55 and Fokionos Neri	Athineon	Attica	2.200.000	2.544.534	2.475.627		2.475.627
6	30651	Office and Retail	Kifissias Av. 2 and Feidipidou 1-3	Athineon	Attica	5.279.855	6.323.997	6.115.169		6.115.169
7	30663.2	Office	Sofokleous 6	Athineon	Attica	4.696.670	4.750.450	4.739.694		4.739.694
8	30663.3	Office	Sofokleous 8-10	Athineon	Attica	22.133.855	21.625.947	21.727.529		21.727.529
9	30665	Retail	Skoufa 11-13	Athineon	Attica	9.982.908	12.647.203	12.114.344		12.114.344
10	30671	Retail and Office	Kypselis 102 (Plateia Kypselis)	Athineon	Attica	1.419.982	1.500.244	1.484.191		1.484.191
11	30679	Retail	Eleftheriou Venizelou 35	Nea Smyrni	Attica	3.473.125	3.687.616	3.644.718		3.644.718
12	30685	Retail	Eftichidou 45 and 45a, Pagrati	Athineon	Attica	4.789.323	5.512.366	5.367.758		5.367.758
13	30688	Office	Praxitelous 12	Athineon	Attica	3.247.009	3.353.478	3.332.185		3.332.185
14	30692	Office and Retail	Stadiou 38	Athineon	Attica	22.817.406	21.454.228	21.726.864		21.726.864
15	30693	Office and Retail	Karageorgi Servias 6 (Syntagma Square)	Athineon	Attica	15.780.430	17.383.131	17.062.591		17.062.591
16	30694	Retail	Karageorgi Servias 2 (Plateia Syntagmatos)	Athineon	Attica	7.442.379	8.219.141	8.063.788		8.063.788
17	30695	Retail	Amfitritis 5	Palaio Faliro	Attica	3.999.393	4.374.731	4.299.663		4.299.663
18	30697	Retail	Plateia Eleftheroton and Gini	Chalandri	Attica	3.444.749	3.547.957	3.527.315		3.527.315
19	30700	Office and Retail	Akti Kondili 12	Piraeus	Attica	4.977.440	4.980.756	4.980.093		4.980.093
20	30702	Office and Retail	Ethnikis Antisaseos 3 and Makras Stoas	Piraeus	Attica	5.508.103	6.032.942	5.927.974		5.927.974





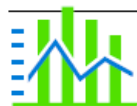
SUMMARY VALUATION REPORT  
SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
OWNED BY "NBG PANGAEA REIC"

S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.12.2013
21	30706	Office and Retail	Plateia Agiou Nikolaou and Akti Miaouli 65	Piraeus	Attica	3.839.482	3.844.013	3.843.107		3.843.107
22	30712	Retail	Leoforos Soulou and Xarilaou Trikoupi	Agrinio	Aetolia-Acamania	2.898.381	3.164.993	3.111.671	285.000	3.396.671
23	30715	Retail	Leoforos Dimocratias 240 and Mitropolitou Ioakim	Alexandroupoli	Evros	1.830.770	2.007.491	1.972.147		1.972.147
24	30725	Retail and Office	Iasonos 50 and Pavlou Mela	Volos	Magnissia	5.052.605	4.858.567	4.897.375	177.000	5.074.375
25	30737	Retail	El. Venizelou, Tabot Kefalinou, and Plateia Dion, Solomou	Zakinthos	Zakinthos	1.925.452	1.989.179	1.976.433		1.976.433
26	30739	Retail	25th Avgoustou, Koronaïou, Papagiamaï and Plateia Agiou Titou	Heraklion	Heraklion	1.785.618	1.827.186	1.818.872		1.818.872
27	30741	Retail	I. Dragoumi 11 & Mitropoleos	Thessaloniki	Thessaloniki	13.498.917	12.078.086	12.362.252		12.362.252
28	30742	Office and Retail	Egnatia Odos 152 and Kamvounion	Thessaloniki	Thessaloniki	4.157.538	4.537.453	4.461.470		4.461.470
29	30745	Bookstore	Tsimiski 11	Thessaloniki	Thessaloniki	3.317.600	3.283.195	3.290.076		3.290.076
30	30748	Retail	Fira Nisou Santorinis (Kentriki Odos)	Thira	Cyclades	4.228.575	4.306.356	4.290.800		4.290.800
31	30755	Office and Retail	Aristomenous 25 and Nikitara	Kalamata	Messinia	4.634.642	4.552.453	4.568.891		4.568.891
32	30758	Retail	St. Lappa and Nikolaou Plastira	Karditsa	Karditsa	2.560.255	2.809.079	2.759.314		2.759.314
33	30759	Retail	Evgeniou Aitolou 1	Karpenissi	Evrytania	934.037	1.020.444	1.003.163		1.003.163
34	30762	Retail and Office	Kleomenous Oikonomou and Mitropoleos	Aigaleia (formerly Aigiou)	Achaia	2.104.153	2.150.589	2.141.302	97.000	2.238.302
35	30763	Retail	Eirinis 5	Katerini	Pieria	2.467.223	2.873.951	2.792.606	217.000	3.009.606
36	30764	Retail and Office	Evgeniou Voulgareos 63, Agion Pateron and Pezodromos Sofiros	Kerkira	Corfu	3.305.980	3.388.091	3.371.669		3.371.669
37	30768	Retail	Plateia Nikis 1, Pavlou Mela and Tsontza	Kozani	Kozani	2.544.120	2.850.976	2.789.605		2.789.605



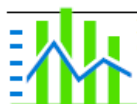
SUMMARY VALUATION REPORT  
SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
OWNED BY "NBG PANGAEA REIC"

S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.12.2013
38	30769	Retail and Office	Thiseos 1, Orfeos and Bakalmpasi	Komotini	Rodope	2.920.710	3.201.545	3.145.378		3.145.378
39	30770	Retail	Ethnikis Antistaseos and Pylarinou	Corinth	Corinth	2.486.728	2.550.632	2.537.851		2.537.851
40	30777	Office and Retail	Plateia Parkou and Kapodistriou 1	Lamia	Phthiotis	3.852.299	4.148.849	4.089.539		4.089.539
41	30778	Office and Retail	Kiprou 87 and Alexandrou Papanastasiou 48-52	Larisa	Larisa	5.921.853	7.049.471	6.823.947		6.823.947
42	30779	Retail	Mpoufidou 2 and Plateia Ethnikis Antistaseos	Livadeia	Viotia	1.776.718	1.972.776	1.933.565	92.000	2.025.565
43	30784	Retail	Kountouriotou 29 and Ermou	Lesbos (formerly Mitilini)	Lesbos	2.656.359	2.725.890	2.711.984		2.711.984
44	30792	Retail	Konitsis 13	Xanthi	Xanthi	3.054.780	2.969.128	2.986.259		2.986.259
45	30798	Retail and Office	Plateia Trion Simmaxon, Agiou Andreou and Othonos - Amalias	Patra	Achaea	4.577.220	4.901.365	4.836.536		4.836.536
46	30799	Office and Retail	D. Gounari and Korinthou 327	Patra	Achaea	6.695.636	7.030.600	6.963.607		6.963.607
47	30804	Retail	Emm. Tsouderou and G. Tsagri	Rethymno	Rethymno	1.782.353	1.804.494	1.800.066	590.000	2.390.066
48	30805	Retail and Office	Plateias Kiprou and Ethnarxou Makariou	Rhodes	Dodecanese	5.186.338	6.270.648	6.053.786		6.053.786
49	30807	Retail	Leoforos Them. Sofouli 72 and Arx. Kirillou	Vatheos Samos	Samos	1.929.903	2.009.333	1.993.447		1.993.447
50	30808	Retail	Vas. Vasileiou 2, Gr. Lampraki, Prig. Xristoforou and Kiprou	Serres	Serres	3.489.031	4.009.320	3.905.262		3.905.262
51	30812	Retail	28is Oktovriou and Kondili	Trikaion	Trikala	1.489.058	1.848.263	1.776.422		1.776.422
52	30817	Office and Retail	Eleftheriou Venizelou and I. Ioannidou and Syggrou	Chalkida	Evia	3.279.891	3.444.661	3.411.707		3.411.707
53	30827	Office and Retail	Leoforos Irakleiou 243 and Ag. Vasileiou	Nea Ionia	Attica	4.199.373	4.748.510	4.638.682		4.638.682
54	30828	Retail	Leoforos Kifisias 273 and Andrianou	Kifissia	Attica	12.979.068	15.525.119	15.015.908		15.015.908



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S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.12.2013
55	30829	Retail and Office	Iera Odos 25-27-29, Evneidon and Evmolpidon	Athineon	Attica	2.428.663	2.571.040	2.542.565	2.211.000	4.753.565
56	30834	Retail and Office	Ionos Dragoumi 1 and Megalou Alexandrou	Kavala	Kavala	4.191.288	4.791.292	4.671.292	603.000	5.274.292
57	30845	Retail	Ethnikis Antistaseos 41-45 and Panioniou	Kaisariani	Attica	1.921.128	2.330.512	2.248.635		2.248.635
58	30849	Retail	Eleftheriou Venizelou 59 and Charilaou Trikoupi	Nea Erythrea	Attica	3.086.315	3.316.155	3.270.187		3.270.187
59	30852	Retail	Evergetou Giavasi 2 and Iroon Politechniou 8	Agia Paraskevi	Attica	1.620.200	1.832.102	1.789.721		1.789.721
60	30857	Office and Retail	L. Athinon 128-132, Ifigeneias and Patili	Athineon	Attica	31.991.531	33.297.894	33.036.622		33.036.622
61	30858	Retail	Leoforos Vouliagmenis 208	Dafni	Attica	2.660.632	3.029.642	2.955.840		2.955.840
62	30860	Retail	Leoforos Mesogeion 226 and Aetideon	Cholargos	Attica	2.177.391	2.461.663	2.404.808		2.404.808
63	30871	Retail	Nikitara 2, Parkou and Vasileos Georgiou	Argos - Mykinon (formerly Argos)	Argolida	2.444.222	2.908.096	2.815.321		2.815.321
64	30877	Retail	Komninon and Vazelonos 30	Kalamaria	Thessaloniki	2.313.527	2.506.150	2.467.626		2.467.626
65	30920	Retail	Ioannou Metaxa 13	Glyfada	Attica	6.426.536	7.755.365	7.489.599		7.489.599
66	30935	Retail	Soutsou and Ieras Odou 310-312	Aigaleo	Attica	2.582.180	2.886.948	2.825.994		2.825.994
67	30982	Retail	Leoforos Vasileos Georgiou A' 27 and Androutsou 148-150	Piraeus	Attica	2.139.400	2.288.543	2.258.714		2.258.714
68	31129	Retail and Office	Leoforos Ethnarxou Makariou 52 and Arkadias	Peristeri	Attica	2.372.669	2.689.562	2.626.183		2.626.183
69	31171	Office	Porou, Gargitou and Side road of L. Stavrou - Elefsinas	Gerakas	Attica	48.314.193	49.829.742	50.721.809		50.721.809
70	31370	Retail and Office	Alexandrou Papanastasiou 124 Perioxi Xarilaou	Thessaloniki	Thessaloniki	2.113.727	2.621.478	2.519.928		2.519.928
71	32442	Office and Retail	Amerikis 13	Athineon	Attica	5.674.835	6.060.838	5.983.637		5.983.637



SUMMARY VALUATION REPORT  
SEVENTY SEVEN REAL ESTATE PROPERTIES IN GREECE  
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S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.12.2013
72	70485	Office and Retail	Akadimias 68, Charilaou Trikoupi and Zoodoxou Pigis	Athineon	Attica	10.983.050	12.755.708	12.401.176		12.401.176
73	70621	Archives	Epidamnou 34 & Ag. Paraskevis 37	Athineon	Attica	5.135.255	4.885.545	4.935.487		4.935.487
74	70747	Retail	Michail Aggelou 3 and Grigoriou Sakka 1	Ioannina	Ioannina	1.869.417	2.048.988	2.013.074		2.013.074
75	70756	Retail	Plateia Ethnikis Antistaseos and Antonopoulou	Kalamata	Messinia	1.675.081	1.814.473	1.786.595		1.786.595
76	70775	Office and Retail	Leoforos Mesogeion 1 and Leoforos Vasilissis Sofias 118	Athineon	Attica	15.056.414	15.870.581	15.707.747		15.707.747
<b>SUB TOTAL 1</b>						439.885.370	470.629.026	465.675.472	4.272.000	469.947.472
S/N	P/C	DESCRIPTION OF THE PROPERTY	ADDRESS	MUNICIPALITY	REGION	COMPARATIVE METHOD	DCF METHOD	VALUE	RESIDUAL VALUE	FINAL VALUE FOR 31.05.2014
77	10005	Retail	Ermou 19	Athineon	Attica	6.408.203	6.410.206	6.410.005		6.410.005
<b>SUB TOTAL 2</b>						6.408.203	6.410.206	6.410.005		6.410.005
<b>TOTAL</b>						<b>446.293.572</b>	<b>477.039.232</b>	<b>472.085.477</b>	<b>4.272.000</b>	<b>476.357.477</b>

**That is, Four Hundred Seventy Six Million Three Hundred Fifty Seven Thousand Four Hundred Seventy Seven EUROS (476.357.477 €) as of December 31<sup>st</sup> 2013 and May 31<sup>st</sup> 2014.**

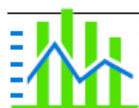
THE CERTIFIED VALUER



*M. Vlachogianni*



M. VLACHOGIANNI  
MRICS – REV



MARIA N. VLACHOGIANNI, MRICS – REV  
CERTIFIED VALUER

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