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**AGREEMENT**

**DATED December 2010**

**£3,226,960,000**

**CREDIT FACILITY**

**FOR**

**IRELAND**

**PROVIDED BY**

**THE COMMISSIONERS OF HER MAJESTY'S TREASURY**

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**ALLEN & OVERY**

Allen & Overy LLP

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**THIS AGREEMENT** is dated December 2010 and is made **BETWEEN**:

- (1) **IRELAND** represented by the Minister of Finance of Ireland (the **Borrower**); and
- (2) **THE COMMISSIONERS OF HER MAJESTY'S TREASURY** (the **Lender**).

**IT IS AGREED** as follows:

## **1. INTERPRETATION**

### **1.1 Definitions**

In this Agreement:

**AG Legal Opinion** means the legal opinion of the Borrower's Attorney General which is addressed to the Lender and delivered to it pursuant to Clause 4.1 (Conditions precedent documents) and is substantially in the form set out at Schedule 3 (Form of AG Legal Opinion).

**Availability Period** means the period from and including the date of this Agreement to and including the date falling thirty Business Days after the IMF tenth Review under its Memoranda of Understanding.

**Break Costs** means the amount (if any) which the Lender is entitled to receive under Clause 17.3 (Break Costs).

**Business Day** means a day (other than a Saturday or a Sunday) on which banks are open for general business in London and Dublin.

**Central Bank** means the Central Bank of Ireland or any entity holding all or a substantial part of the foreign reserves or investments of Ireland.

**Central Bank Financial Indebtedness** means any indebtedness of the Central Bank for or in respect of:

- (a) moneys borrowed;
- (b) any acceptance credit (including any dematerialised equivalent);
- (c) any bond, note, debenture or other similar instrument;
- (d) any finance lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) the acquisition cost of any asset or service to the extent payable before or after its acquisition or possession by the party liable where the advance or deferred payment:
  - (i) is arranged primarily as a method of raising finance or of financing the acquisition of that asset or service or the construction of that asset or service;  
or

- (ii) involves a period of more than six months before or after the date of acquisition or supply;
- (g) any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (h) any counter-indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution; or
- (i) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any item referred to in the above paragraphs.

**Commitment** means £3,226,960,000 to the extent not cancelled, transferred or reduced under this Agreement.

**EFSSF** means the European Financial Stability Facility a *société anonyme* incorporated in Luxembourg with its registered office at 43, avenue John F. Kennedy, L-1855 Luxembourg (R.C.S. Luxembourg B153.414).

**EFSSF Framework Agreement** means the agreement dated 7 June 2010 between the EFSSF and certain Member States of the European Union.

**EFSM** means the European financial stability mechanism established by the Council of the European Union under Council Regulation (EU) N°407/2010 of 11 May 2010.

**Event of Default** means an event or circumstance specified as such in Clause 14 (Events of Default).

**External Indebtedness** means General Government Debt (including all indebtedness of the Borrower and the National Treasury Management Agency) which:

- (a) is denominated or payable in a currency other than the lawful currency of the Borrower; and
- (b) was not originally incurred or assumed under an agreement or instrument made with, or issued to, creditors substantially all of whom are residents of Ireland.

**Facility** means the credit facility made available under this Agreement.

**Final Maturity Date** means for a Loan, the date falling seven years and six months after the first Utilisation Date for that Loan.

**Financial Indebtedness** means any:

- (a) External Indebtedness;
- (b) Public Internal Indebtedness; or
- (c) General Government Debt in the form of a loan which is denominated in the lawful currency of the Borrower.

**General Government Debt** means indebtedness which is general government debt as determined in accordance with European System of Accounts (ESA 95) as laid down by Regulation No (EC) 2223/96 of the European Parliament and the Council as amended from time to time but shall not include the indebtedness of Irish Banks or former Irish Banks

(whether owed directly by those Irish Banks or by an agency which has assumed such liabilities).

**IMF** means the International Monetary Fund.

**Initial Utilisation Period** has the meaning given to it in Clause 5.2 (Disbursement).

**Interest Payment Date** means 15 June and 15 December in any year.

**Irish Bank** means any bank or credit institution incorporated in Ireland.

**Loan** means, unless otherwise stated in this Agreement, the principal amount of each borrowing under this Agreement or the principal amount outstanding of that borrowing.

**Margin** means 2.29 per cent. per annum.

**Market Disruption Event** means the occurrence of events or circumstances affecting national or international financial, political or economic conditions or international capital markets or currency exchange rates or exchange controls which in the reasonable opinion of the Lender are likely to prejudice materially the ability of the Lender to fund a requested Loan in the financial markets.

**Memoranda of Understanding** means the documents detailing the understanding reached in respect of budgetary discipline and economic policy guidelines between:

- (a) the Borrower, the European Commission (acting on behalf of certain euro-area Member States) and the Central Bank; and
- (b) the Borrower and the IMF.

**Party** means a party to this Agreement.

**Public Internal Indebtedness** means General Government Debt (including all indebtedness of the Borrower and the National Treasury Management Agency) which:

- (a) is denominated in the lawful currency of the Borrower;
- (b) is in the form of, or represented by, bonds, notes or other securities or any guarantee in respect of any bond, note or other security; and
- (c) is or may be quoted or listed or ordinarily purchased and sold on any stock exchange, automated trading system or over the counter or other securities market.

**Relevant Irish Bank** means Anglo Irish Bank Corporation Limited, Allied Irish Banks p.l.c. or The Governor and Company of the Bank of Ireland.

**Repayment Instalment** means each scheduled instalment for repayment of the Loans.

**Repeating Representations** means at any time the representations and warranties which are then made or deemed to be repeated under Clause 11.4 (Times for making representations and warranties).

**Request** means a request for a Loan, substantially in the form of Schedule 2 (Form of Request).

**Restructuring Plan** means the restructuring plan agreed between the Borrower, the IMF, the European Commission and the European Central Bank in respect of the restructuring of the Irish banking sector (including, but not limited, to the overseas operations of Irish Banks the subject of the Restructuring Plan).

**Security Interest** means any mortgage, pledge or other encumbrance.

**Subsequent Utilisation Period** has the meaning given to it in Clause 5.2 (Disbursement).

**Support Facility** means any facility provided to the Borrower by or pursuant to:

- (a) the EFSF;
- (b) the EFSM;
- (c) the IMF; or
- (d) the Kingdom of Denmark or the Kingdom of Sweden (each a **Supporting Sovereign**),

in each case on or around the date of this Agreement and, for the purposes of Clause 1.2(b)(xiv) (Construction) includes this Facility.

**Support Facility Document** means a document relating to or evidencing a Support Facility and including any ancillary documents (other than the Memoranda of Understanding).

**Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) imposed in Ireland.

**Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under this Agreement.

**UK** means the United Kingdom.

**Utilisation Date** means each date on which the Borrower borrows a Loan.

## 1.2 Construction

- (a) In this Agreement, references to the Borrower include any state agency or department acting on behalf of the Borrower and any minister acting as agent of any such state agency or department.
- (b) In this Agreement, unless the contrary intention appears, a reference to:
  - (i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;
  - (ii) **assets** includes present and future properties, revenues and rights of every description;
  - (iii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;

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- (iv) **disposal** means a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
- (v) **indebtedness** includes any obligation (whether incurred as principal or as surety and whether present or future, actual or contingent) for the payment or repayment of money;
- (vi) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
- (vii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (viii) a currency is a reference to the lawful currency for the time being of the relevant country;
- (ix) an Event of Default or an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under this Agreement or any combination of them) an Event of Default being **outstanding** means that it has not been remedied or waived;
- (x) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
- (xi) a Clause, a Subclause or a Schedule is a reference to a clause or subclause of, or a schedule to, this Agreement;
- (xii) a Party or any other person includes its successors in title, permitted assigns and permitted transferees;
- (xiii) this Agreement or other document or security includes (without prejudice to any prohibition on amendments) any amendment to this Agreement or other document or security, including any change in the purpose of, any extension of or any increase in the amount of a facility or any additional facility;
- (xiv) for the purposes of Clauses 7.1 (Mandatory prepayment and cancellation) and 7.4 (Voluntary cancellation), **pro rata** for a Support Facility means the proportion which the amount prepaid or cancelled (as applicable) under that Support Facility bears:
  - (A) in respect of a prepayment, to the amount outstanding under all the Support Facilities immediately prior to that prepayment; or
  - (B) in the case of a cancellation, to the total commitments (howsoever described) under all the Support Facilities immediately prior to that cancellation;
- (xv) for the purposes of Clause 14.5 (Cross-acceleration), no provision which precludes the Borrower from availing of credit but which does not have the effect of making

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due and payable prematurely any of the Borrower's Financial Indebtedness shall be deemed to constitute a provision having a similar effect to an event of default; and

- (xvi) a time of day is a reference to London time.
- (c) Unless the contrary intention appears:
  - (i) a reference to a Party will not include that Party if it has ceased to be a Party under this Agreement;
  - (ii) a word or expression used in any notice given in connection with this Agreement has the same meaning in that notice as in this Agreement; and
  - (iii) any obligation of the Borrower under this Agreement which is not a payment obligation remains in force for so long as any payment obligation of the Borrower is, may be or is capable of becoming outstanding under this Agreement.
- (d) The headings in this Agreement do not affect its interpretation.

## **2. FACILITY**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a term loan facility in an aggregate amount equal to the Commitment.

## **3. PURPOSE**

### **3.1 Loans**

The Loans may only be used for the purpose of supporting the Borrower's economic stabilisation plan as set out in the Memoranda of Understanding and to restore its capacity to finance itself on the capital markets.

### **3.2 No obligation to monitor**

The Lender is not bound to monitor or verify the utilisation of the Facility.

## **4. CONDITIONS PRECEDENT**

### **4.1 Conditions precedent documents**

A Request may not be given until:

- (a) the Lender has notified the Borrower that in its opinion it has received (or waived receipt of) all of the documents and evidence set out in Schedule 1 (Conditions precedent documents) in form and substance satisfactory to the Lender; and
- (b) the Borrower has consulted with the Lender in accordance with Clause 13.6 (Consultation) prior to finalising the Restructuring Plan and has taken into consideration any amendments requested, or issues raised in relation to it, by the Lender.

**4.2 Further conditions precedent**

- (a) Except to the extent expressly waived by the Lender, the obligations of the Lender to make any Loan are subject to the further conditions precedent that on both the date of the Request and the Utilisation Date for that Loan:
- (i) the Repeating Representations are correct in all material respects;
  - (ii) no event has occurred which would render incorrect any statement made in the AG Legal Opinion if the statement were to be applied to the circumstances existing on the date of the Request and the Utilisation Date;
  - (iii) the Borrower has provided evidence that the IMF and the European Union are satisfied that it is complying with the provisions of the Restructuring Plan and is meeting the targets set out therein;
  - (iv) no Event of Default or an event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under this Agreement or any combination of them) an Event of Default has occurred and is outstanding;
  - (v) no event of default (howsoever described) or an event which would be (with the expiry of a grace period, the giving of notice or the making of a determination under the relevant Support Facility Document or any combination of them) an event of default (howsoever described) under a Support Facility Document has occurred which has not been (A) remedied; (B) irrevocably waived by the relevant Support Provider; or (C) if the relevant event is still outstanding, it is not an event that the relevant Support Provider has indicated to the Lender that it intends to waive irrevocably;
  - (vi) no material adverse change has occurred since the date of this Agreement which would, in the opinion of the Lender (after consultation with the Borrower) be likely to prejudice materially the ability of the Borrower to fulfil its payment obligations under this Agreement (i.e. to pay interest on the Loans and repay the Loans);
  - (vii) no Support Facility Document or Memoranda of Understanding has been amended or waived in a manner which would in the opinion of the Lender (acting reasonably) have a material and adverse effect on (A) the Borrower's ability to restore its capacity to access the capital markets or perform its obligations under this Agreement or (B) the Lender's interests under this Agreement;
  - (viii) the Restructuring Plan has not been amended in a manner which would in the opinion of the Lender (acting reasonably after consultation with the Borrower) have a material and adverse financial impact on the UK operations of any Relevant Irish Bank;
  - (ix) no Financial Indebtedness in an aggregate amount in excess of €250,000,000 remains due and unpaid (after the expiry of any applicable grace period);
  - (x) no Event of Default has occurred under Clause 14.6 (Insolvency) or 14.7 (Central Bank) except for this purpose substantial will be regarded as an amount in excess of €250,000,000 or its equivalent; and

- (xi) the Lender has not notified the Borrower that it reasonably considers, on the basis of statements made by the government of Ireland, any agency on its behalf, its ministers on behalf of the government of Ireland or the Central Bank, that the Borrower intends to repudiate this Agreement or a Support Facility Document.
- (b) The Borrower must notify the Lender promptly if it is aware that any conditions specified in paragraph (a) above will not be, or have not been satisfied.

**5. UTILISATION**

**5.1 Giving of Requests**

- (a) The Borrower may borrow a Loan during the Initial Utilisation Period and the Subsequent Utilisation Period (as appropriate) by giving to the Lender a duly completed Request.
- (b) Unless the Lender otherwise agrees, the latest time for receipt by the Lender of a duly completed Request is 11.00 a.m. ten Business Days before the Utilisation Date for the proposed borrowing.
- (c) Each Request is irrevocable.

**5.2 Disbursement**

- (a) Subject to the terms of this Agreement and if, in the opinion of the Lender (acting reasonably), all the conditions precedent to the relevant Loan being made have been and will be satisfied at the time of the disbursement, the Loans shall be disbursed to the Borrower in eight instalments in the following amounts after the relevant review of the Memoranda of Understanding has been approved by (as applicable) the IMF and (subject to paragraph (b) below) the European Commission (the **Relevant Approvals**):

<b>Review (IMF):</b>	<b>Amount:</b>
Third	£403,370,000
Fourth	£403,370,000
Fifth	£403,370,000
Sixth	£403,370,000
Seventh	£403,370,000
Eighth	£403,370,000
Ninth	£403,370,000
Tenth	£403,370,000

- (b) If the review by the European Commission of its Memorandum of Understanding is less frequent than the IMF's review of its Memorandum of Understanding, the reference to approval from the European Commission in paragraph (a) above will be to the most recent review by the European Commission.
- (c) The utilisation period for each instalment set out in paragraph (a) above (the **Initial Utilisation Period**) will be thirty-Business Days following the Relevant Approvals.

- (d) The Borrower may, in a Request, request: (i) a Loan in a smaller amount than that referred to in paragraph (a) above; and (ii) subject to paragraph (b)(ii) of Clause 5.3 (Completion of Requests), that the remaining balance is carried over to the next relevant review of the Memoranda of Understanding (a **Subsequent Review**).
- (e) The utilisation period for any amount carried over in accordance with paragraph (d) above (the **Subsequent Utilisation Period**) will be thirty Business Days from the date on which (subject to paragraph (b) above) Relevant Approvals have been obtained in respect of the Subsequent Review.

### **5.3 Completion of Requests**

A Request will not be regarded as having been duly completed unless:

- (a) the Utilisation Date is a Business Day falling within the Availability Period; and
- (b) the amount of the Loan requested is:
  - (i) a minimum of £1,000,000 or, if less, the maximum undrawn amount available under the Facility on the proposed Utilisation Date;
  - (ii) a maximum of £806,740,000 (but without taking account of any Loan postponed under clause 5.4(c) (Advance of Loan)) ; or
  - (iii) such other amount as the Lender may agree.

### **5.4 Advance of Loan**

- (a) The Lender is not obliged to make a Loan if:
  - (i) as a result of making that Loan, the Loans would exceed the Commitment; or
  - (ii) the Lender certifies in writing to the Borrower that a Market Disruption Event has occurred.
- (b) If the conditions set out in this Agreement have been met, the Lender must make the requested Loan available to the Borrower on the Utilisation Date.
- (c) Where the Lender certifies that a Market Disruption Event has occurred the Lender is not obliged to make a Loan until the next Relevant Approvals after the Lender confirms in writing to the Borrower that the events or circumstances which gave rise to such Market Disruption Event have ended.

## **6. REPAYMENT**

The Borrower must repay each Loan in full on its Final Maturity Date.

## **7. PREPAYMENT AND CANCELLATION**

### **7.1 Mandatory prepayment and cancellation**

- (a) The Borrower must notify the Lender if there is a prepayment or cancellation under any Support Facility.

- (b) If the Borrower makes a prepayment under a Support Facility, the Borrower must prepay the Loans in a pro rata amount.
- (c) If any part of any Support Facility is cancelled, the Facility will be immediately cancelled by a pro rata amount and (if applicable) the Borrower must prepay the Loans in an amount necessary to effect such a cancellation.
- (d) This Clause will not apply to:
  - (i) a repayment of the Support Facility provided by the EFSF which is made to finance the creation of the Loan Specific Cash Buffer (as defined in its Support Facility Document); or
  - (ii) any scheduled repayment of a Support Facility in accordance with the terms of the relevant Support Facility Document.

## **7.2 Voluntary prepayment**

- (a) The Borrower may, with the consent of the Lender (such consent not to be unreasonably withheld) and by giving not less than ten Business Days' prior notice to the Lender, prepay any Loan at any time in whole or in part.
- (b) A prepayment of part of a Loan must be in a minimum amount of £1,000,000 and an integral multiple of £1,000,000.
- (c) For the purposes of this Clause the consent of the Lender will not be unreasonably withheld if the IMF, EFSF, EFSM or a Supporting Sovereign has refused to accept a prepayment under its Support Facility.

## **7.3 Automatic cancellation**

The Commitment will be automatically cancelled at the close of business on the last day of the Availability Period.

## **7.4 Voluntary cancellation**

- (a) The Borrower may, with the consent of the Lender (such consent not to be unreasonably withheld) and by giving not less than ten Business Days' prior notice to the Lender, cancel the unutilised amount of the Commitment in whole or in part.
- (b) Partial cancellation of the Commitment must be in a minimum amount of £1,000,000 and an integral multiple of £1,000,000.
- (c) For the purposes of this Clause the consent of the Lender will not be unreasonably withheld if the IMF, EFSF, EFSM or a Supporting Sovereign has refused to accept a cancellation of all or part of its Support Facility.
- (d) The Lender may cancel the unutilised amount of the Commitment by a pro rata amount (in respect of paragraph (i) or (ii) below) or in whole or in part (in respect of paragraph (iii) below) if:
  - (i) a Memoranda of Understanding is amended in a way that reduces the amount of a Support Facility;

- (ii) a Support Facility is reduced (other than in accordance with paragraph (i) above) or cancelled in accordance with its terms; or
  - (iii) the Borrower notifies the Lender that it does not intend to utilise the Facility.
- (e) The Lender may suspend or delay utilisation of all or part of the Commitment for so long as utilisation of all or part of another Support Facility is suspended or delayed in accordance with its terms.

#### **7.5 Partial prepayment of Loans**

- (a) Any partial prepayment of a Loan will be applied against the remaining Repayment Instalments in order of maturity.
- (b) No amount of a Loan prepaid under this Agreement may subsequently be re-borrowed.

#### **7.6 Miscellaneous provisions**

- (a) Any notice of prepayment and/or cancellation under this Agreement is irrevocable and must specify the relevant date(s) and the affected Loans. Any amount of the Commitment cancelled under this Agreement will be, for the purposes of Clause 5.2(d) (Disbursement) and 16.1 (Commitment fee), applied against the latest Loans to be disbursed in inverse order.
- (b) All prepayments under this Agreement must be made with accrued interest on the amount prepaid. No premium or penalty is payable in respect of any prepayment except for Break Costs.
- (c) No prepayment or cancellation is allowed except in accordance with the express terms of this Agreement.
- (d) No amount of the Commitment cancelled under this Agreement may subsequently be reinstated.
- (e) The Borrower must promptly notify the Lender of any prepayment, cancellation or unscheduled reduction of a Support Facility.

### **8. INTEREST**

#### **8.1 Calculation of interest**

The rate of interest on each Loan is the percentage rate per annum equal to the aggregate of:

- (a) the Margin; and
- (b) the semi-annual swap rate for Sterling swap transactions with a duration from the Utilisation Date of that Loan to its Final Maturity Date expressed as a percentage rate per annum and determined by the Lender on the basis of mid-market semi-annual swap quotations provided by leading Sterling swap providers in London selected by the Lender.

#### **8.2 Payment of interest**

Except where it is provided to the contrary in this Agreement, the Borrower must pay accrued interest on each Loan made to it on each Interest Payment Date.

### **8.3 Interest on overdue amounts**

- (a) If the Borrower fails to pay any amount payable by it under this Agreement, it must immediately on demand by the Lender pay interest on the overdue amount from its due date up to the date of actual payment, both before, on and after judgment.
- (b) Interest on an overdue amount is payable at a rate determined by the Lender to be two per cent. per annum above the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan bearing interest at a rate equal to the Margin plus the applicable weekly costs of funds of the Lender.
- (c) Interest (if unpaid) on an overdue amount will be compounded weekly with that overdue amount but will remain immediately due and payable.

### **8.4 Notification of rates of interest**

The Lender must promptly notify the Borrower of the determination of a rate of interest under this Agreement.

## **9. TAXES**

### **9.1 Tax gross-up**

- (a) The Borrower must make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

### **9.2 Stamp taxes**

The Borrower must pay and indemnify the Lender against any cost, loss or liability the Lender incurs in relation to all stamp duty, stamp duty land tax, registration or other similar Tax payable in connection with the entry into, performance or enforcement of this Agreement.

## **10. PAYMENTS**

### **10.1 Place**

All payments by a Party under this Agreement must be made to the relevant Party to its account at such office or bank in London, as it may notify to the other Party for this purpose by not less than five Business Days' prior notice.

### **10.2 Funds**

Payments under this Agreement to the Lender must be made for value on the due date at such times and in such funds as the Lender may specify to the Borrower as being customary at the time for the settlement of transactions in Sterling in the U.K.

### **10.3 Currency**

All amounts payable under this Agreement are payable in Sterling.

#### **10.4 No set-off or counterclaim**

All payments made by the Borrower under this Agreement must be calculated and made without (and free and clear of any deduction for) set-off or counterclaim.

#### **10.5 Business Days**

- (a) If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal under this Agreement interest is payable on that principal at the rate payable on the original due date.

#### **10.6 Timing of payments**

If this Agreement does not provide for when a particular payment is due, that payment will be due within three Business Days of demand by the Lender.

#### **10.7 IMF administered account**

If the Lender elects to use an IMF administered account this Agreement will be amended so that:

- (a) the words "Zurich and Washington D.C." will be deemed to be included after "Dublin" in the definition of Business Day in Clause 1.1 (Definitions); and
- (b) the words "or (in the case of a payment to be made through an IMF administered account), if different, in such city in which it is, in the opinion of the Lender, necessary or desirable for the account to be held in order to facilitate the use of such IMF administered account in respect of that payment" will be deemed to be included after "London" in Clause 10.1 (Place).

### **11. REPRESENTATIONS AND WARRANTIES**

#### **11.1 Representations and warranties**

The representations and warranties set out in this Clause are made by the Borrower to the Lender.

#### **11.2 AG Legal Opinion**

Each statement in the AG Legal Opinion is accurate and correct.

#### **11.3 No adverse consequences**

It is not necessary under the laws of its jurisdiction:

- (a) in order to enable the Lender to enforce its rights under this Agreement; or
- (b) by reason of the entry into of this Agreement or the performance by it of its obligations under this Agreement,

that the Lender should be licensed, qualified or otherwise entitled to carry on business in Ireland.

#### **11.4 Times for making representations and warranties**

- (a) The representations and warranties set out in this Clause are made by the Borrower on the date of this Agreement.
- (b) Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty is deemed to be repeated by the Borrower on the date of each Request.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

### **12. INFORMATION COVENANTS**

#### **12.1 Information**

As a condition to the availability of the Facility, the Borrower must on a continuing basis supply to the Lender:

- (a) all documents dispatched by the Borrower to its creditors under the Support Facilities at the same time as they are dispatched;
- (b) all documents dispatched by the Borrower to its creditors generally, or any class of them, at the same time as they are dispatched;
- (c) promptly such information in relation to the economy of the Borrower, the financial condition and operations of the Borrower and any other information material to the interests of the Lender under this Agreement as the Lender may reasonably request;
- (d) promptly details of any amendments or waivers to the Memoranda of Understanding;
- (e) promptly details of any refusal by a Support Provider to permit drawdown under its Support Facility;
- (f) promptly details of any condition to drawdown under a Support Facility which has been waived by the relevant Support Provider; and
- (g) copies of any reports dispatched by the Borrower to the IMF, the European Union or the European Commission in respect of the Memoranda of Understanding.

#### **12.2 Access**

The Borrower must provide the Lender with full access to all monitoring reports provided by the IMF, the European Commission or the European Central Bank relating to the implementation of the Memoranda of Understanding and the Restructuring Plan.

#### **12.3 Notification and confirmation**

- (a) The Borrower must notify the Lender of any Event of Default or any event or circumstance which would be (with the expiry of a grace period, the giving of notice or the making of any determination under this Agreement or any combination of them) an Event of Default or any event of default (howsoever described) under a Support Facility Document (and, in each case, the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

- (b) The Borrower must promptly notify the Lender if it begins negotiations with any creditor for the rescheduling or restructuring of any of its Financial Indebtedness by reason of actual or anticipated insolvency.
- (c) The Borrower must confirm on demand that no Support Provider has refused to allow a drawdown under its Support Facility.

#### **12.4 AG Legal Opinion**

The Borrower must notify the Lender prior to each Utilisation Date of the occurrence of any event which would render incorrect any statement given in the AG Legal Opinion immediately prior to that Utilisation Date.

### **13. GENERAL COVENANTS**

#### **13.1 Compliance**

The Borrower must comply in all respects with all laws and regulations to which it is subject, if failure to so comply might affect the ability of the Borrower to perform its obligations under this Agreement.

#### **13.2 Authorisations**

The Borrower must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation in Ireland to enable it to perform its obligations under, or for the validity or enforceability of, this Agreement.

#### **13.3 Pari passu ranking**

The Borrower must ensure that its payment obligations under this Agreement at all times rank at least *pari passu* with all its other present and future unsecured indebtedness.

#### **13.4 Negative pledge**

- (a) In this Subclause, **financing for a specific investment project** means any financing of the acquisition, construction or development of any properties in connection with a project if the providing entity for such financing expressly agrees to look to the properties financed and the revenues to be generated by the operation of, or loss or damage to, such properties as the principal source of repayment for the moneys advanced.
- (b) Except as provided below, the Borrower must not create any Security Interest on any of its assets to secure its External Indebtedness or its Public Internal Indebtedness unless the obligations of the Borrower under this Agreement are simultaneously also secured by those assets on a *pari passu* and pro rata basis or are equally and rateably secured by a comparable Security Interest on other assets acceptable to the Lender in form and substance satisfactory to the Lender.
- (c) Paragraph (b) does not apply to:
  - (i) any Security Interest on a property or asset which is, and only to the extent that it is, given solely as security for the whole or any part of the purchase price of such property or asset and any extension or renewal of that Security Interest provided it is limited to the asset originally subject to that Security Interest and the amount secured does not exceed the amount of the original purchase price;

- (ii) any Security Interest on commercial goods arising in the course of ordinary commercial transactions (and expiring at the latest within one year thereafter) to finance the import or export of such goods into or from Ireland;
- (iii) any Security Interest securing or providing for the payment of Financial Indebtedness incurred exclusively in order to provide financing for a specific investment project, provided that the properties to which any such Security Interest applies are properties which are the subject of such project financing, or which are revenues or claims which arise from the project;
- (iv) any Security Interest granted by the Borrower prior to the date of this Agreement provided that:
  - (A) the Security Interest is restricted to those assets which were the subject of that Security Interest on the date of this Agreement or, as a result of an agreement entered into prior to the date of this Agreement, would be so subject; and
  - (B) the liabilities secured by that Security Interest are not increased after the date of this Agreement;
- (v) any Security Interest granted or consented to under a securitisation transaction which has been consented to in advance by the Lender and provided that such transaction is:
  - (A) consistent with the policy conditions of the Memoranda of Understanding; and
  - (B) is accounted for in the accounts of Member State governments in accordance with ESA 95 principles and Eurostat guidance on securitisation operations conducted by Member States' governments;
- (vi) all other statutory encumbrances and privileges which operate solely by virtue of law and which cannot be reasonably avoided by the Borrower;
- (vii) any Security Interest securing the Borrower's obligations owed to any central securities depository (such as, but not limited to, Euroclear) given in the normal course of business; and
- (viii) any Security Interest securing indebtedness which is less than €3,000,000 or its equivalent provided that the maximum aggregate amount of indebtedness secured by any Security Interest at any time does not exceed €50,000,000 in aggregate.

### **13.5 More favoured debt**

- (a) Subject to paragraphs (b) and (c) below, the Borrower may not without the consent of the Lender:
  - (i) prepay any of its Financial Indebtedness prior to its existing repayment schedule or stated maturity unless the Loans are prepaid pro rata; or
  - (ii) subject to paragraph (i) above, prefer the creditors under any of its Financial Indebtedness to, or otherwise treat those creditors more favourably than, the Lender.
- (b) Paragraph (a) above shall not apply to:

- (i) the IMF or the European Commission in respect of the Support Facility provided pursuant to the EFSM; or
  - (ii) Financial Indebtedness which in aggregate is less than £2,000,000,000 (Pounds Sterling two billion).
- (c) Paragraph (a) above shall not prevent or restrict the Borrower from:
- (i) performing any bank restructuring or recapitalisation activities which result in the prepayment of any Financial Indebtedness; or
  - (ii) purchasing or cancelling Financial Indebtedness in the ordinary course of its treasury management activities.

### **13.6 Consultation**

The Borrower must consult with the Lender if an amendment or waiver is proposed in respect of a Support Facility Document, the Memoranda of Understanding or any term of the Restructuring Plan which would in the opinion of the Lender (acting reasonably) have:

- (a) a material and adverse impact on: (i) the Borrower's ability to restore its capacity to access the capital markets or perform its obligations under this Agreement; or (ii) the Lender's interests under this Agreement; or
- (b) a material and adverse financial impact on the UK operations of any Relevant Irish Bank.

### **13.7 Inspections and audits**

- (a) The Lender may send its own agents or duly authorised representatives (including accountants or other professional advisers) to carry out any technical or financial controls or audits of the Borrower that it considers necessary in relation to the management of this Agreement, the Facility and any Loan.
- (b) The Borrower must supply all relevant information and documents which may be requested by (or on behalf of) the Lender in order to carry out the controls or audits referred to in paragraph (a) above and take all suitable measures to facilitate the work of the persons instructed to carry them out. The Borrower must give those persons access to sites and premises where the relevant information and documents are kept.
- (c) The Borrower must ensure the investigation and satisfactory treatment of any suspected and actual cases of fraud, corruption or any other illegal activity in relation to the management of this Agreement, the Facility and any Loan. All such cases as well as any related measures taken by national competent authorities shall be reported by the Borrower to the Lender without delay.
- (d) The rights and obligations under paragraphs (a) to (c) above shall not be exercised for such time as the Borrower supplies the following information to the Lender:
  - (i) copies of all audits, reports, information or other documentation supplied to the Borrower by the IMF or the European Commission; and

- (ii) copies of all audits, reports, information or other documentation supplied by the Borrower to the IMF or the European Commission,

unless in the opinion of the Lender any such audit, report, information or other documentation discloses a material issue relating to the management of this Agreement or the Lender otherwise becomes aware of such a material issue.

- (e) Prior to making a determination under paragraph (d) above the Lender will consult with the Borrower.

## **14. EVENTS OF DEFAULT**

### **14.1 Events of Default**

Each of the events or circumstances set out in this Clause (other than Clause 14.12 (Acceleration)) is an Event of Default.

### **14.2 Non-payment**

The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement, unless the non-payment is caused by technical or administrative error and is remedied within three Business Days of the due date.

### **14.3 Breach of other obligations**

The Borrower does not comply with any other term of this Agreement (including the obligation set out in Clause 3 (Purpose) to apply the proceeds of the Facility in accordance with the terms of the Memoranda of Understanding but excluding any other obligations under the Memoranda of Understanding and any term referred to in Clause 14.2 (Non-payment)), unless the non-compliance is remedied within one month of the Lender giving written notice of the failure to comply to the Borrower.

### **14.4 Misrepresentation**

- (a) A representation or warranty made or deemed to be repeated by the Borrower in this Agreement is inaccurate, untrue or misleading;
- (b) that misrepresentation or breach of warranty, in the opinion of the Lender, could have a negative impact on the capacity of the Borrower to fulfil its obligations under this Agreement or on the rights of the Lender under this Agreement; and
- (c) as a result of the occurrence of the events described in paragraphs (a) and (b) above the Lender notifies the Borrower in writing that it has declared an Event of Default.

### **14.5 Cross-acceleration**

Any of the Borrower's Financial Indebtedness in an aggregate amount equal to or greater than €250,000,000 or its equivalent is declared to be prematurely due and payable as a result of an event of default or any provision having a similar effect (howsoever described).

### **14.6 Insolvency**

Any of the following occurs in respect of the Borrower:

- (a) it is unable to pay a substantial portion of its Financial Indebtedness as it falls due;

- (b) it admits inability to pay a substantial portion of its Financial Indebtedness as it falls due; or
- (c) a substantial portion of its Financial Indebtedness is not paid when due, any of its Financial Indebtedness is subject to a moratorium or it suspends making payments in respect of its Financial Indebtedness.

#### **14.7 Central Bank**

Any of the following occurs in respect of the Central Bank:

- (a) it is unable to pay a substantial portion of Central Bank Financial Indebtedness as it falls due;
- (b) it admits inability to pay a substantial portion of Central Bank Financial Indebtedness as it falls due; or
- (c) any Central Bank Financial Indebtedness is subject to a moratorium or it suspends making payments in respect of Central Bank Financial Indebtedness.

#### **14.8 Unlawfulness and effectiveness of this Agreement or a Support Facility Document**

- (a) The Lender notifies the Borrower that it has declared an Event of Default following the determination by a court of competent jurisdiction that:
  - (i) it is unlawful for the Borrower to perform any of its obligations under this Agreement; or
  - (ii) this Agreement is not effective in accordance with its terms.
- (b) The Lender notifies the Borrower that it has declared an Event of Default as a result of the engagement by the Borrower in an act of fraud or corruption or any other illegal activity in relation to this Agreement or any other actions taken by it which are detrimental to the Lender.
- (c) The Borrower repudiates this Agreement or a Support Facility Document.

#### **14.9 Support Facility Documents**

Any Support Provider declares a default (howsoever described) under its Support Facility Document.

#### **14.10 Support from international communities**

- (a) The Borrower is not or ceases to be a member of the IMF or in good standing and eligible to use the resources of the IMF.
- (b) The Borrower ceases to be a member of the European Union.
- (c) There are no longer sufficient funds available from the Eurosystem, the Irish government (including its departments and agencies), the Central Bank or market sources of funding to enable the restructuring of Irish Banks which are the subject of the Restructuring Plan in accordance with the terms set out in the Restructuring Plan.

**14.11 Deposit Protection**

Payment obligations to retail or wholesale depositors are not generally being met under The Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009, as amended, of Ireland (or any replacement thereof) or the European Communities (Deposit Guarantee Schemes) Regulations 1995, as amended, of Ireland (or any replacement thereof) in accordance with its terms and provision for the payment of the relevant obligations has not otherwise been made by or on behalf of the Irish government.

**14.12 Acceleration**

If an Event of Default is outstanding, the Lender may, by notice to the Borrower:

- (a) cancel all or any part of the Commitment; and/or
- (b) declare that all or part of any amounts outstanding under this Agreement, are:
  - (i) immediately due and payable; and/or
  - (ii) payable on demand by the Lender.

Any notice given under this Subclause will take effect in accordance with its terms.

**15. EVIDENCE AND CALCULATIONS****15.1 Accounts**

Accounts maintained by the Lender in connection with this Agreement are prima facie evidence of the matters to which they relate for the purpose of any litigation or arbitration proceedings.

**15.2 Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

**15.3 Calculations**

Any interest or fee accruing under this Agreement accrues from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days.

**16. FEES****16.1 Commitment fee**

- (a) The Borrower must pay to the Lender a commitment fee computed at the rate of 0.5 per cent. per annum on the undrawn amount of the Commitment scheduled to be drawn down in the current year. For this purpose the period from the third IMF review of the Memoranda of Understanding to 31 December 2011 will be treated as the first year, with the commitment fee payable at 0.5 per cent. per annum for the portion of a year concerned and Loans will be treated as being scheduled to be drawn down as follows:

<b>Amount of Commitment to be borrowed</b>	<b>Year</b>
--	-------------

£806,740,000	2011
£1,613,480,000	2012
£806,740,000	2013

- (b) The schedule in paragraph (a) above will be adjusted as follows:
- (i) the amount of Loans scheduled to be made in a year will be increased by any amount which could have been made in the previous year but was carried forward into the subsequent year under Clause 5.2(d) (Disbursement); and
  - (ii) the amount of Loans scheduled to be made will be reduced by the amount of any cancellation of the Commitment under this Agreement in the manner referred to in Clause 7.6 (Miscellaneous provisions).
- (c) Accrued commitment fee is payable in arrear on each Interest Payment Date. Accrued commitment fee is also payable on:
- (i) each Utilisation Date (in which case it will be deducted from the relevant Loan); and
  - (ii) the date that the Commitment is cancelled in full.

## **17. INDEMNITIES AND BREAK COSTS**

### **17.1 Currency indemnity**

- (a) The Borrower must, as an independent obligation, indemnify the Lender against any loss or liability which the Lender incurs as a consequence of:
- (i) the Lender receiving an amount in respect of the Borrower's liability under this Agreement; or
  - (ii) that liability being converted into a claim, proof, judgment or order,
- in a currency other than the currency in which the amount is expressed to be payable under this Agreement.
- (b) Unless otherwise required by law, the Borrower waives any right it may have in any jurisdiction to pay any amount under this Agreement in a currency other than that in which it is expressed to be payable.

### **17.2 Other indemnities**

- (a) The Borrower must indemnify the Lender against any loss or liability which the Lender incurs as a consequence of:
- (i) the occurrence of any Event of Default (other than as a result of the operation of Clause 14.2 (Non-payment)); or
  - (ii) (other than by reason of negligence or default by the Lender) a Loan not being made after a Request has been delivered for that Loan as a result of the Request being withdrawn by the Borrower or the conditions precedent to that Loan not being met on the Utilisation Date.

- (b) The Borrower's liability in each case includes any loss or expense on account of funds borrowed, contracted for or utilised to fund any amount payable under this Agreement or any Loan.

### **17.3 Break Costs**

- (a) The Borrower must pay to the Lender its Break Costs if a Loan is repaid or prepaid otherwise than on its Final Maturity Date.
- (b) Break Costs are the amount (if any) determined by the Lender by which:
  - (i) the interest which the Lender would have received for the period from the date of receipt of any part of a Loan to its Final Maturity Date;  
  
exceeds
  - (ii) the amount which the Lender would be able to obtain by investing an amount equal to the amount received by it on a secured basis for a period starting on the Business Day following receipt and ending on the relevant Final Maturity Date.
- (c) The Lender must supply to the Borrower details of the amount of any Break Costs claimed by it under this Subclause.

## **18. EXPENSES**

### **18.1 Initial costs**

The Borrower must pay to the Lender the amount of all costs and expenses (including legal fees, rating costs, travelling costs and publication costs) reasonably incurred by the Lender in connection with the negotiation, preparation, printing, execution and administration of this Agreement.

### **18.2 Subsequent costs**

The Borrower must pay to the Lender the amount of all costs and expenses (including legal fees, rating costs, travelling costs and publication costs) reasonably incurred by the Lender in connection with any amendment, waiver or consent requested by or on behalf of the Borrower or specifically allowed by this Agreement.

### **18.3 Enforcement costs**

The Borrower must pay to the Lender the amount of all costs and expenses (including legal fees) incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, this Agreement.

## **19. AMENDMENTS AND WAIVERS**

### **19.1 Procedure**

Any term of this Agreement may be amended or waived with the agreement of the Borrower and the Lender.

## **19.2 Change of currency**

If a change in any currency of a country occurs (including where there is more than one currency or currency unit recognised at the same time as the lawful currency of a country), this Agreement will be amended to the extent the Lender (acting reasonably and after consultation with the Borrower) determines is necessary to reflect the change.

## **19.3 Waivers and remedies cumulative**

The rights of the Lender under this Agreement:

- (a) may be exercised as often as necessary;
- (b) are cumulative and not exclusive of its rights under the general law; and
- (c) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

## **20. CHANGES TO THE PARTIES**

### **20.1 Assignments and transfers by the Borrower**

The Borrower may not assign or transfer any of its rights and obligations under this Agreement without the prior consent of the Lender.

### **20.2 Assignments and transfers by the Lender**

- (a) The Lender may, subject to the following provisions of this Clause, assign or transfer (including by way of novation) any of its rights and obligations under this Agreement to any Minister of the Crown, United Kingdom government department or agency or (subject to paragraph (b) below) to The Governor and Company of the Bank of England (the **New Lender**).
- (b) The consent of the Borrower is required for an assignment or transfer to The Governor and Company of the Bank of England but the consent of the Borrower must not be unreasonably withheld or delayed.
- (c) A transfer of obligations will be effective only if the New Lender confirms to the Borrower in form and substance satisfactory to the Borrower that it is bound by the terms of this Agreement as the Lender. On the transfer becoming effective in this manner the Lender will be released from its obligations under this Agreement to the extent that they are transferred to the New Lender.

## **21. DISCLOSURE OF INFORMATION**

- (a) The Parties acknowledge and agree that this Agreement will be made publicly available.
- (b) Each Party must keep confidential any information supplied to it by or on behalf of the other Party in connection with this Agreement. However, a Party is entitled to disclose information:
  - (i) which is publicly available, other than as a result of a breach by that Party of this Clause;

- (ii) in connection with any legal or arbitration proceedings;
  - (iii) if required to do so under any law or regulation or in accordance with parliamentary convention or procedure;
  - (iv) to any government department, non-departmental public body, authority or agency of the Borrower or the Lender;
  - (v) to any regulatory authority;
  - (vi) to its professional advisers;
  - (vii) to any party to a Support Facility Document; or
  - (viii) with the agreement of the other Party.
- (c) This Clause supersedes any previous confidentiality undertaking given by the Lender in connection with this Agreement.

## **22. SET-OFF**

If an Event of Default is outstanding and the Lender has exercised its rights in accordance with Clause 14.12 (Acceleration), the Lender may set off any matured obligation owed to it by the Borrower under this Agreement (to the extent beneficially owned by the Lender) against any obligation (whether or not matured) owed by the Lender to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

## **23. NATIONAL TREASURY MANAGEMENT AGENCY**

The Parties hereby acknowledge that the National Treasury Management Agency (the **NTMA**) is authorised pursuant to the National Treasury Management Agency Act 1990 (as amended) to borrow funds on behalf of the Borrower. The Parties further acknowledge and agree that all functions of the Borrower under this Agreement in respect of requesting and drawing down funds or the management of any exposures of the Borrower in respect of the Facility will be performed by the NTMA.

## **24. SEVERABILITY**

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
- (b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

## **25. COUNTERPARTS**

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

## **26. NOTICES**

### **26.1 In writing**

- (a) Any communication in connection with this Agreement must be in writing and, unless otherwise stated, may be given in person, by recorded post or fax. If a Party gives a communication by fax it must promptly send a copy of such communication to the other Party by recorded post.
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Agreement may only be given in writing.

### **26.2 Contact details**

- (a) The contact details of the Borrower for this purpose are:  
Address: Department of Finance,  
Government Buildings,  
Upper Merrion Street,  
Dublin 2  
Fax number: 1 6318064  
Attention: Principal Officer, EU Policy Coordination.
- (b) The contact details of the Lender for this purpose are:  
Address: 1 Horse Guards Road,  
London SW1A 2HQ  
Fax number: 1683 704519  
Attention: Group Head of Finance.
- (c) The Borrower or the Lender may change its contact details by giving five Business Days' notice to the other Party.
- (d) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

### **26.3 Effectiveness**

- (a) Except as provided below, any communication in connection with this Agreement will be deemed to be given as follows:
  - (i) if delivered in person, at the time of delivery;
  - (ii) if sent by recorded post, five Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
  - (iii) if by fax, when received in legible form.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- (c) A communication to the Lender will only be effective on actual receipt by it.

**27. THIRD PARTY RIGHTS**

A person who is not a party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

**28. LANGUAGE**

- (a) Any notice given in connection with this Agreement must be in English.
- (b) Any other document provided in connection with this Agreement must be:
  - (i) in English; or
  - (ii) (unless the Lender otherwise agrees) accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other official document.

**29. GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

**30. ENFORCEMENT**

**30.1 Jurisdiction**

- (a) The English courts have exclusive jurisdiction to settle any dispute including a dispute relating to any non-contractual obligation arising out of or in connection with this Agreement.
- (b) The English courts are the most appropriate and convenient courts to settle any such dispute in connection with this Agreement. The Borrower agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Agreement.
- (c) This Clause is for the benefit of the Lender only. To the extent allowed by law, the Lender may take:
  - (i) proceedings in any other municipal court; and
  - (ii) concurrent proceedings in any number of jurisdictions.
- (d) References in this Clause to a dispute in connection with this Agreement includes any dispute as to the existence, validity or termination of this Agreement.

**30.2 Service of process**

- (a) The Borrower irrevocably appoints the Ambassador of Ireland to the Court of St James's as its agent under this Agreement for service of process in any proceedings before the English courts in connection with this Agreement.
- (b) If any person appointed as process agent under this Clause is unable for any reason to so act, the Borrower must immediately (and in any event within 5 days of the event taking place) appoint another agent on terms acceptable to the Lender. Failing this, the Lender may appoint another process agent for this purpose.

- (c) The Borrower agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

**30.3 Waiver of immunity**

The Borrower irrevocably and unconditionally to the fullest extent allowed by law:

- (a) agrees not to claim any immunity from proceedings brought by the Lender against the Borrower in relation to this Agreement and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings; and
- (c) waives all rights of immunity in respect of it or its assets.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

## SCHEDULE 1

### CONDITIONS PRECEDENT DOCUMENTS

#### Authorising documentation

1. A specimen of the signature of each person authorised on behalf of the Borrower to enter into or witness the entry into of this Agreement or to sign or send any document or notice in connection with this Agreement.
2. A certificate from the Minister of Finance in Ireland:
  - (a) indicating the persons authorised to sign this Agreement on behalf of the Borrower; and
  - (b) certifying that each copy document delivered by the Borrower under this Schedule is true, complete and in full force and effect as at a date no earlier than the date of this Agreement.
3. Evidence that the agent of the Borrower under this Agreement for service of process in England & Wales has accepted its appointment.

#### Legal opinions

1. The AG Legal Opinion.
2. A legal opinion of Allen & Overy LLP, legal advisers in England and Wales to the Lender, addressed to the Lender.

#### Other documents and evidence

1. Evidence that all fees and expenses then due and payable from the Borrower under this Agreement have been or will be paid by the first Utilisation Date.
2. All relevant authorisations required for the Lender to enter into this Agreement and provide the Facility.
3. Executed copies of each Support Facility Document and confirmation that the Borrower has satisfied the conditions attached to the first utilisation of each Support Facility which occurs prior to the first Utilisation Date.
4. Evidence that the Guarantors have accepted the Borrower's request to suspend its commitment to provide further Guarantees under the EFSF Framework Agreement (capitalised terms as defined in the EFSF Framework Agreement).
5. Copies of the Memoranda of Understanding and the Restructuring Plan.
6. A copy of any other authorisation or other document, opinion or assurance which the Lender has notified the Borrower is necessary or desirable in connection with the entry into and performance of, and the transactions contemplated by, this Agreement or for the validity and enforceability of this Agreement.

**SCHEDULE 2**  
**FORM OF REQUEST**

To: The Commissioners of Her Majesty's Treasury

From: Ireland represented by the Minister of Finance

Date: [            ]

**Ireland - £3,226,960,000 credit agreement dated**

**December 2010 (the Agreement)**

1. We refer to the Agreement. This is a Request.
2. We wish to borrow a Loan on the following terms:
  - (a) Utilisation Date: [            ]; and
  - (b) Amount: [            ].
3. Our payment instructions are: [            ].
4. We confirm that each condition precedent under the Agreement which must be satisfied on the date of this Request is so satisfied. We are not aware that any conditions precedent under the Agreement which must be satisfied on the Utilisation Date referred to above will not be so satisfied.
5. This Request is irrevocable.

By:

[            ]

For and on behalf of

**Ireland** represented by the Minister of Finance

**SCHEDULE 3**

**FORM OF AG LEGAL OPINION**

OFFICE OF THE ATTORNEY GENERAL

*[To be issued on official letterhead of the Office of the Attorney General]*

To: The Commissioners of Her Majesty's Treasury  
1 Horse Guards Road, London SW1A 2HQ

*[Insert date]*

**Re: £3,226,960,000 Loan Facility Agreement between The Commissioners of Her Majesty's Treasury as the lender (the Lender) and Ireland as the borrower (the Borrower)**

Dear Sirs,

In my capacity as the Attorney General, I refer to the above referenced Loan Facility Agreement and its Schedules which constitute an integral part thereof (hereinafter together referred to as the **Agreement**) entered into between the Lender and the Borrower for a maximum amount of £3,226,960,000 on [] December 2010. I also refer to the Memorandum of Understanding signed on [●] between the European Commission and Ireland and the Central Bank of Ireland (hereinafter referred to as the **MoU**).

I warrant that I am fully competent to issue this legal opinion in connection with the Agreement on behalf of the Borrower.

I have examined originals of the Agreement and of the MoU. I have also examined the relevant provisions of national and international law applicable to the Borrower and the Central Bank of Ireland, the powers of signatories and such other documents as I have deemed necessary or appropriate. Furthermore, I have made such other investigations and reviewed such matters of law as I have considered relevant to the opinion expressed herein.

I have assumed (i) the genuineness of all signatures (except the Borrower and the Central Bank of Ireland) and the conformity of all copies to originals, (ii) the capacity and power to enter into the Agreement of, and the valid authorisation and signing by, the Lender and (iii) the validity, binding effect and enforceability of the Agreement on each party under the laws of England.

Terms used and not defined in this opinion shall have the meaning set out in the Agreement and in the MoU.

This opinion is limited to Irish law as it stands at the date of this opinion.

Subject to the foregoing, I am of the opinion that:

1. With respect to the laws, regulations and legally binding decisions currently in force in Ireland, the Borrower is by the execution of the Agreement and the MoU by Mr Brian Lenihan, Minister of Finance, validly and irrevocably committed to fulfil all of its obligations under it. In particular, the provisions of the Agreement relating to the advance of Loans are fully valid.

2. The Borrower's execution, delivery and performance of the Agreement: (i) have been duly authorised by all necessary consents, actions, approvals and authorisations; and (ii) have not and will not violate any applicable law, regulation or ruling of any competent authority or any agreement or treaty binding on it.
3. Nothing in this Agreement contravenes or limits the rights of the Borrower to make punctual and effective payment of any sum due for the principal, interest or other charges under the Agreement.
4. The Agreement is in proper legal form under Irish law for enforcement against the Borrower. The enforcement of the Agreement would not be contrary to mandatory provisions of Irish law, to the *ordre public* of Ireland, to international treaties or to generally accepted principles of international law binding on the Borrower.
5. It is not necessary in order to ensure the legality, validity or enforceability of the Agreement that it be filed, recorded, or enrolled with any court or authority in Ireland.
6. No taxes, duties, fees or other charges imposed by Ireland or any taxing authority thereof or therein are payable in connection with the execution and delivery of the Agreement and with any payment or transfer of principal, interest, commissions and other sums due under the Agreement.
7. No exchange control authorisations are required and no fees or other commission are to be paid on the transfer of any sum due under the Agreement.
8. The choice of English law as governing law for the Agreement is a valid choice of law binding the Borrower in accordance with Irish law.
9. The Borrower has legally, effectively and irrevocably submitted to the exclusive jurisdiction of the courts of England in connection with the Agreement and any judgement of this court would be conclusive and enforceable in Ireland.
10. Neither the Borrower nor any of its property are immune on the grounds of sovereignty or otherwise from jurisdiction, attachment – whether before or after judgement – or execution in respect of any action or proceeding relating to the Agreement.
11. The Agreement on execution complies with all domestic constitutional requirements for the Agreement to be operative as a matter of Irish law and binding on the state of Ireland.
12. In conclusion, the Agreement has been duly executed on behalf of the Borrower and all the Borrower's obligations in relation to the Agreement are valid, binding and enforceable in accordance with their terms and nothing further is required to give effect to the same.

Attorney General of Ireland

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**SIGNATORIES**

**Borrower**

**IRELAND** represented by the Minister of Finance of Ireland

Given under the Official Seal of the Minister of Finance

**Lender**

**THE COMMISSIONERS OF HER MAJESTY'S TREASURY**

By:

By:

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