

**LETTER OF ISSUE NO 1/2011**  
**of the Bank Gospodarstwa Krajowego of 14 June 2011**  
**on the bonds issue of**  
**Bank Gospodarstwa Krajowego on behalf of the National Road Fund**  
**with maturity date on 25 June 2045**  
**secured with a guarantee of the State Treasury**

Pursuant to Article 39d. 1 and Article 39q. 1 of the Act of 27 October 1994 on Toll Motorways and the National Road Fund (i.e. Journal of Laws of 2004: No 256, item 2571, of 2004: No 273, item 2703, of 2005: No 155, item 1297 and No 172, item 1440, of 2006: No 12, item 61, of 2007: No 23, item 136 and No 99, item 666, of 2008: No 218, item 1391, of 2009: No 3, item 11, No 19, item 101, No 86, item 720, No 105, item 877, No 115, item 966 and No 143, item 1164, No 157, item 1241 and No 223, item 1776), and in relation with Resolution No 53/2011 of 27 April 2011 of the Council of Ministers on granting a guarantee for executing obligations resulting from issuing by Bank Gospodarstwa Krajowego bonds intended for financing road investments executed with the use of funds of the National Road Fund.

**Bank Gospodarstwa Krajowego (the Issuer)**

issues bonds on behalf of the National Road Fund (NRF) under a shortened name IWS0645 and maturity on 25 June 2045, hereinafter referred to as 'Bonds'.

1. Bonds are bearer securities not in the form of a document and are registered in the securities deposit held by the National Depository of Securities (the National Depository).
2. The bonds are secured with the guarantee of the State Treasury.
  - 2.1. Declaration on granting a guarantee by the State Treasury of the Republic of Poland, represented by the Minister of Finance (Declaration) is issued for the issued Bonds no later than at the date preceding the Bond payment date in the amount equal to the sum of the principal amount of Bonds disposed of and interest due, and is published on the Issuer's website ([www.bgk.com.pl](http://www.bgk.com.pl)).
  - 2.2. The template of the Declaration on granting a guarantee by the State Treasury of the Republic of Poland constitutes Appendix No 3 of the Letter of Issue.
  - 2.3. The guarantee includes the Issuer's cash benefits consisting in Bonds redemption and payment of interest due.
  - 2.4. If the Declaration is not issued by the due date referred to in item 2.1, the Bond issue shall not come into effect, and the Agreement referred to in item 7.9. shall be terminated, and the tender participants shall not be obliged to pay for the Bonds.
  - 2.5. Information concerning the current value of the guarantee is available on the Issuer's website ([www.bgk.com.pl](http://www.bgk.com.pl)).
- 3.1. The Issuer has the right to execute tenders:
  - 1) sales tenders,
  - 2) supplementary tenders,
  - 3) swap tenders,
  - 4) repurchase tenders,in which the only participants shall be banks, credit or financial institutions pursuant to the law dated 29 August 1997 the Banking Law (Journal of Laws of 2002, No 72, item 665, as amended) as well as their branches with which the minister competent for the budget has concluded an agreement granting them the right to submit bids in the Treasury Bonds tenders.
- 3.2. The tenders referred to in item 3.1 shall be organised by the National Bank of Poland (the Issue Agent).
4. The principal value of a single Bond amounts to PLN 1,000 (say: PLN one thousand).
5. Issue volume — PLN 6,000,000,000 (say: PLN six billion) taking into account that the total principal value of bonds issued from 1 January until 31 December 2011 based upon all letters of issue issued by Bank Gospodarstwa Krajowego will not exceed the value PLN 10,700,000,000 (say: PLN ten billion seven hundred million).

6. Interest rate or the manner of determining interest rate — Bond interest rate shall be fixed and shall amount to 6.00% annually.
7. Sale dates, manner and conditions.
  - 7.1. Bonds shall be offered for sale in the sales tender on 22 June 2011.
  - 7.2. Payment for Bonds purchased in the tender shall be due on 27 June 2011.
  - 7.3. Tender participants shall purchase Bonds in their own name and on their own account. Tender participant shall be bound by the obligation of purchase price payment.
  - 7.4. The Issuer has the right to sell Bonds in the following sales tenders. The following sales tenders dates as well as payment dates for the Bonds shall be disclosed to the public in announcements published on the Issuer's website ([www.bgk.com.pl](http://www.bgk.com.pl)) or other nationwide mass media, particularly electronic information systems.
  - 7.5. The Issuer may cancel the tender prior to acceptance of any bids without stating any reasons.
  - 7.6. Tender participants submit bids in the electronic form via the electronic tender system. In the event of a failure of the electronic tender system, tender participants shall submit bids via telephone or fax to the address specified by the Issue Agent.
  - 7.7. Tender participants submit bids by the due date determined in the announcement.
  - 7.8. The tender participant may cancel the submitted bid prior to the due date referred to in item 7.7.
  - 7.9. Bond sale Agreement shall be concluded on the tender date at the time of the Issuer's acceptance of the bid submitted by the tender participant.
  - 7.10. Tender participants shall receive information from the Issue Agent concerning confirmation of the acceptance or rejection of the bid by the Issuer, no later than on the second working day after the tender date.
  - 7.11. Bond fractions shall not be granted.
  - 7.12. Bond tender execution principles are determined in Appendix No 2 to the Letter of Issue.
8. Bonds issue shall occur on the settlement date of bonds offered for purchase (Bond Issue Date) and in the amount equal to the principal value of the bonds disposed of.
9. Bond issue price.
  - 9.1. Issue price constituting the purchase price shall include clean price and the value of interest on the tender settlement date. The manner of calculating the price of the Bonds purchased in the sales tender is determined in Appendix No 2 to the Letter of Issue.
  - 9.2. After the due date for submitting purchase bids, the Issuer shall specify for a particular sales tender the lowest clean price accepted for the offered Bonds understood to mean the price for the principal value of a single Bond expressed in two decimal places.
  - 9.3. All Bond purchase bids with a price higher than the lowest accepted clean price shall be accepted in full. Bids with the price equal to the accepted clean price may be accepted in full or in part applying bid reduction. In the case of a bid reduction, the Issuer shall determine the percentage bid reduction rate expressed in two decimal places.
  - 9.4. The issue price may be equal, higher or lower than the Bonds' principal value.
10. Determination of the manner and dates of the principal (redemption) and interest payment
  - 10.1. Bond redemption shall follow according to the principal value on the redemption date.
  - 10.2. Bond redemption and the payment of interest due shall occur through the National Deposit using the current banks accounts of the National Bank of Poland.
  - 10.3. Interest on Bonds shall be charged on the Bond principal value in annual interest periods beginning on 25 June 2011.
  - 10.4. Interest shall be payable on 25 June in the period from 2012 until 2045.
  - 10.5. Provision of the benefits from the Bonds shall occur according to the Bond holdings on the date of determining the rights to benefits from Bonds. The list of interest periods, dates of determining the rights and maturity dates are determined in Appendix No 1 to the Letter of Issue.
  - 10.6. The accrued value of interest shall be expressed in two decimal places and the manner of calculating the accrued interest value of a single Bond is determined in Appendix No 2 to the Letter of Issue.

11. The Issuer has the right to repurchase bonds by a tender (repurchase tender) in accordance with the principles determined in Appendix No 2 to the Letter of Issue. Bonds repurchased by the Issuer shall be redeemed at the time of settlement.
12. In the tenders, the Issuer may offer bonds through sale in exchange for redeemable Bonds repurchased from its holders through recognizing the debt of these Bonds holders from redemption on the account of the price of purchased bonds from subsequent issues (swap tender) in the manner determined in Appendix No 2 to the Letter of Issue.
13. If the day when the action execution obligation arises, falls on a public holiday or on a Saturday, the date for executing this action shall be due on the first working day after this day.
14. Bonds may be traded by the Issuer on a chosen regulated market or an alternative trading system. Introducing Bonds to the chosen regulated market or an alternative trading system shall be preceded by the Issuer's announcement.
15. The Issuer may apply to the National Deposit for classifying different bonds issues under a common code (assimilation).
16. If the law on the liquidation of the Issuer enters into force, the Bonds shall become due immediately (ahead of time redemption date) and shall be subject to redemption in the amount equal to the principal value including interest accrued since the ahead of time redemption date.
17. Issue conditions presented in this Letter of Issue were accepted by the Minister of Finance, and the lowest tender price shall be accepted in the tender after the due date for submitting bids.

**Appendix No 1 to the Letter of Issue  
No 1/ 2011 of Bank Gospodarstwa Krajowego**

**List of interest periods, dates of determining rights and maturity dates**

<b>Interest period No</b>	<b>First day of interest period</b>	<b>Last day of interest period</b>	<b>Date of determining rights</b>	<b>Maturity date</b>	<b>Interest amount on a single Bond</b>
1.	25.06.2011	25.06.2012	15.06.2012	25.06.2012	PLN 60.00
2.	25.06.2012	25.06.2013	17.06.2013	25.06.2013	PLN 60.00
3.	25.06.2013	25.06.2014	16.06.2014	25.06.2014	PLN 60.00
4.	25.06.2014	25.06.2015	17.06.2015	25.06.2015	PLN 60.00
5.	25.06.2015	25.06.2016	17.06.2016	27.06.2016	PLN 60.00
6.	25.06.2016	25.06.2017	16.06.2017	26.06.2017	PLN 60.00
7.	25.06.2017	25.06.2018	15.06.2018	25.06.2018	PLN 60.00
8.	25.06.2018	25.06.2019	14.06.2019	25.06.2019	PLN 60.00
9.	25.06.2019	25.06.2020	17.06.2020	25.06.2020	PLN 60.00
10.	25.06.2020	25.06.2021	17.06.2021	25.06.2021	PLN 60.00
11.	25.06.2021	25.06.2022	17.06.2022	27.06.2022	PLN 60.00
12.	25.06.2022	25.06.2023	16.06.2023	26.06.2023	PLN 60.00
13.	25.06.2023	25.06.2024	17.06.2024	25.06.2024	PLN 60.00
14.	25.06.2024	25.06.2025	16.06.2025	25.06.2025	PLN 60.00
15.	25.06.2025	25.06.2026	17.06.2026	25.06.2026	PLN 60.00
16.	25.06.2026	25.06.2027	17.06.2027	25.06.2027	PLN 60.00
17.	25.06.2027	25.06.2028	16.06.2028	26.06.2028	PLN 60.00
18.	25.06.2028	25.06.2029	15.06.2029	25.06.2029	PLN 60.00
19.	25.06.2029	25.06.2030	14.06.2030	25.06.2030	PLN 60.00
20.	25.06.2030	25.06.2031	17.06.2031	25.06.2031	PLN 60.00
21.	25.06.2031	25.06.2032	17.06.2032	25.06.2032	PLN 60.00
22.	25.06.2032	25.06.2033	17.06.2033	27.06.2033	PLN 60.00
23.	25.06.2033	25.06.2034	16.06.2034	26.06.2034	PLN 60.00
24.	25.06.2034	25.06.2035	15.06.2035	25.06.2035	PLN 60.00
25.	25.06.2035	25.06.2036	17.06.2036	25.06.2036	PLN 60.00
26.	25.06.2036	25.06.2037	17.06.2037	25.06.2037	PLN 60.00
27.	25.06.2037	25.06.2038	16.06.2038	25.06.2038	PLN 60.00
28.	25.06.2038	25.06.2039	17.06.2039	27.06.2039	PLN 60.00
29.	25.06.2039	25.06.2040	15.06.2040	25.06.2040	PLN 60.00
30.	25.06.2040	25.06.2041	14.06.2041	25.06.2041	PLN 60.00
31.	25.06.2041	25.06.2042	17.06.2042	25.06.2042	PLN 60.00
32.	25.06.2042	25.06.2043	17.06.2043	25.06.2043	PLN 60.00
33.	25.06.2043	25.06.2044	17.06.2044	27.06.2044	PLN 60.00
34.	25.06.2044	25.06.2045	16.06.2045	26.06.2045	PLN 60.00

**Appendix No 2 to the Letter of Issue  
No 1/2011 of Bank Gospodarstwa Krajowego**

**Bond tender execution principles**

- 1.1. Bond tenders shall be executed in accordance with the principles herein and pursuant to the detailed provisions of the Issue Agent in this respect.
- 1.2. In the case of differences between these principles and the detailed provisions of the Issue Agent referred to in item 1.1, the detailed provisions of the Issue Agent shall apply.

**Sales tender**

2. No later than on the last working day prior to the Bond sales tender, the Issuer shall make an announcement about the sales tender including in particular:
  - 1) tender date and due time for submitting bids,
  - 2) tender settlement date and time,
  - 3) Bonds ISIN code,
  - 4) bonds redemption date,
  - 5) the principal value of the offered Bonds,
  - 6) minimum principal value of a bid,
  - 7) accrued value of interest on the tender settlement date.
3. Bonds purchase bid in a sales tender should include in particular:
  - 1) the address of the issue agent,
  - 2) Bonds ISIN code,
  - 3) bonds redemption date,
  - 4) the clean price of the offered Bonds,
  - 5) the number and principal value of the offered Bonds,
  - 6) the deposit account number in the National Deposit to which the participant shall purchase bonds.
4. After the sales tender, the Issuer shall make an announcement about the results of the sales tender, including in particular:
  - 1) tender date,
  - 2) tender settlement date and time,
  - 3) Bonds redemption date,
  - 4) the principal value of the bonds included in accepted purchase bids,
  - 5) the minimum clean price accepted and its respective profitability,
  - 6) average weighted clean price and its respective profitability,
  - 7) bid reduction rate.

**Supplementary tender**

- 5.1. A supplementary tender may be organised no later than on the next day following the sales tender.
- 5.2. Bonds sale in the supplementary tender shall take place according to the average weighted clean price of bids accepted in the sales tender.
- 5.3. Only tender participants who purchased bonds in the sales tender shall be entitled to purchase bonds in the supplementary tender.
- 5.4. The principal value of the bonds offered in the supplementary tender may not exceed 20% of the principal value of bonds offered on the sales tender.
6. In the case of making a decision concerning the organisation of the supplementary tender, the Issuer shall make an announcement on the sales tender day about the supplementary tender including in particular:
  - 1) tender date and due time for submitting bids,
  - 2) tender settlement date and time,
  - 3) Bonds ISIN code,
  - 4) bonds redemption date,

- 5) principal value of bonds offered in the supplementary tender,
  - 6) average weighted clean price of bids accepted in the sales tender constituting a clean price of bonds in the supplementary tender,
  - 7) accrued value of interest on the tender settlement date.
- 7.1. Bonds purchase bid should include in particular:
- 1) the address of the issue agent,
  - 2) Bonds ISIN code,
  - 3) bonds redemption date,
  - 4) offered Bonds number and principal value,
  - 5) the deposit account number in the National Deposit to which the participant shall purchase bonds.
- 7.2. The total principal value of purchase offers submitted in the supplementary tender by a single tender participant shall not exceed the principal value of the Bonds offered in the Bonds supplementary tender.
- 8.1. In the supplementary tender, the purchase of Bonds by the particular tender participants shall be in proportion to the value of Bonds purchased by them in the sales tender.
- 8.2. The proportionate share of the supplementary tender participant shall be calculated as a percentage share of the tender participant in the total purchase made in the particular sales tender, after excluding the purchases made by the tender participants who resigned from participating in the supplementary tender.
- 8.3. If the value of a purchase bid submitted in the supplementary tender by the tender participant is lower than the product value of the proportionate share and principal value of the Bonds offered in the supplementary tender, the bonds not granted to them with value equal to the difference between these amounts shall be proportionally distributed to the remaining participants of the tender. In this case, the bonds shall be earmarked using the proportionate share calculated analogically to paragraph 2, after excluding purchases made by the tender' participants resigning from the purchase of bonds with their full rightful value.
- 8.4. If the total principal value of purchase bids submitted in the supplementary tender is lower than the principal value of Bonds offered in the Bonds supplementary tender, the bids of particular tender participants shall be executed in full.
9. After the supplementary tender, the Issuer shall make an announcement about the results of the supplementary tender, including in particular:
- 1) tender date,
  - 2) tender settlement date and time,
  - 3) bonds redemption date,
  - 4) the principal value of the Bonds included in accepted purchase bids,
  - 5) average weighted clean price of the accepted bids.

#### **Sales and supplementary tenders settlement**

- 10.1. Sales tender participants, whose purchase bids have been accepted, shall be obliged to pay the purchase price on the sales tender settlement date by the time specified in the announcement.
  - 10.2. Purchase price payment shall occur through the National Deposit and shall be made using the Issue Agent's current bank accounts.
  - 10.3. Debiting the accounts referred to in paragraph 2 used for settling and crediting the Issuer's account shall proceed in accordance with the instructions of the National Deposit.
- 11.1. If the purchase price is not paid on the purchase date, interest shall be charged on the amount due for each day of delay, in the amount of a twofold of the lombard loan interest rate determined by the National Bank of Poland.
- 11.2. The amount of interest referred to in paragraph 1 shall be calculated on the amount resulting from the difference between the purchase price and the amount enabling settlement of a single transaction. A single transaction shall mean purchase of bonds by the tender participant who submitted a bid for a definite number of bonds at a particular clean price to a single deposit account of the National Deposit.
- 11.3. Partial settlement of a single transaction shall not be possible.

11.4. If the purchase price, increased by the interest referred to in paragraph 1 and 2 is not be paid no later than on the third working day after the tender settlement date, it shall be deemed a waiver of the purchasing bonds, taking into account that Saturdays are not considered working days.

12. In the case of a supplementary tender, provisions of item 10 and 11 shall apply respectively.

### **Bond swap tender**

13. No later than on the last working day prior to the swap tender, the Issuer shall make an announcement about the swap tender including in particular:

- 1) tender date and due time for submitting bids,
- 2) tender settlement date and time,
- 3) bonds ISIN code,
- 4) repurchased Bonds redemption date,
- 5) offered bonds redemption date,
- 6) accrued interest value on the tender' settlement date for bonds determined in item 4 and 5,
- 7) list of bonds whose clean price should be provided by the tender participant in the offer,
- 8) minimum principal value of a bid.

14. No later than on the swap tender date, the Issuer shall make an announcement about the prices in the swap tender including in particular:

- 1) clean price of repurchased Bonds or
- 2) clean price of offered bonds.

15. Bonds swap bid should include in particular:

- 1) issue Agent's address,
- 2) Bonds ISIN code,
- 3) repurchased Bonds redemption date,
- 4) offered bonds redemption date,
- 5) offered bonds number and principal value,
- 6) the clean price of:
  - a) offered bonds in the case referred to in item 14.1) or
  - b) repurchased Bonds in the case referred to in item 14.2),
- 7) deposit account number in the National Deposit from which the participant shall dispose of and to which they purchase bonds.

16. The manner of calculating the price of a single repurchased Bond, the price of a single bond offered for sale and the number of bonds purchased in the swap tender is determined in the Appendix to the principles herein.

17.1. After the due time for submitting swap bids, the Issuer shall determine for a particular swap tender the accepted clean price for Bonds with a definite redemption date.

17.2. The number of bonds granted in exchange for the repurchased Bonds shall be rounded off to the nearest integral number, on general terms.

17.3. On the swap tender settlement date, the tender participants whose bids have been accepted shall be obliged to have the offered Bonds on the deposit or securities account.

17.4. In the event of not having a sufficient number of Bonds on the deposit or securities account on the swap tender settlement date, the tender participant shall pay compensation in the amount of a twofold lombard loan interest rate charged on the product amount of the price determined in the Appendix to the principles herein and the number of lacking Bonds for the period from the swap tender date until its expected settlement date. Compensation shall be charged on the day following the expected swap tender settlement date.

18. Bonds repurchased by the Issuer in the swap tender shall be redeemed at the time of settlement.

19. After the swap tender, the Issuer shall make an announcement about the swap tender results, including in particular:

- 1) tender date,
- 2) tender settlement date and time,
- 3) repurchased Bonds redemption date,
- 4) offered bonds redemption date,
- 5) price determined in item 14,

- 6) principal value of accepted bids,
- 7) principal value of bonds disposed of,
- 8) minimum accepted clean price of the accepted bids and its respective profitability,
- 9) average weighted clean price of accepted bids and its respective profitability.

### **Bond repurchase tender**

20. The Issuer may repurchase Bonds prior to their maturity date.
21. No later than on the last working day prior to the repurchase tender, the Issuer shall make an announcement about the repurchase tender including in particular:
  - 1) tender date and due time for submitting bids,
  - 2) tender settlement date and time,
  - 3) Bonds ISIN code,
  - 4) Bonds redemption date,
  - 5) principal value of Bonds to be repurchased,
  - 6) minimum principal value of a bid,
  - 7) accrued value of interest on the tender settlement date,
22. Bonds sale bid in a repurchase tender should include in particular:
  - 1) the address of the issue agent,
  - 2) Bonds ISIN code,
  - 3) Bonds redemption date,
  - 4) offered Bonds clean price,
  - 5) offered Bonds number and principal value,
  - 6) deposit account number in the National Deposit from which the participant shall dispose of bonds,
  - 7) the current account number of the Issue Agent to which the amount from repurchase shall be transferred.
- 23.1. After the due time for submitting sale bids, the Issuer shall determine for a particular repurchase tender the highest accepted clean price for the repurchased Bonds.
- 23.2. All sale bids with a price lower than the highest accepted clean price shall be accepted in full. Bids with the price equal to the highest accepted clean price may be accepted in full or in part applying bid reduction. In the case of a bid reduction, the Issuer shall determine the percentage bid reduction rate expressed in two decimal places.
24. After the repurchase tender, the Issuer shall make an announcement about the repurchase tender results including in particular:
  - 1) tender date,
  - 2) tender settlement date and time,
  - 3) Bonds redemption date,
  - 4) principal value of Bonds included in the accepted sale bids,
  - 5) minimum clean price accepted and its respective profitability,
  - 6) average weighted clean price and its respective profitability,
  - 7) bid reduction rate.
25. The manner of calculating the repurchase price of Bonds disposed of in the repurchase tender is determined in the Appendix to the principles herein.
- 26.1. On the repurchase tender settlement date, the tender participants whose bids have been accepted shall be obliged to have the offered Bonds on the deposit or securities account.
- 26.2. In the event of not sufficient number of Bonds on the deposit or securities account on the repurchase tender settlement date, the tender participant shall pay compensation in the amount of a twofold lombard loan interest charged on the product amount of the price determined in the Appendix to the principles herein and the number of lacking Bonds for the period from the repurchase tender date until its expected settlement date. Compensation shall be charged on the day following the expected repurchase tender settlement date.



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- 27.1. Repurchase price payment by the Issuer shall follow through the National Deposit and shall be made using Issue Agent's bank current accounts.
- 27.2. Crediting accounts referred to in paragraph 1 and debiting the Issuer's account shall proceed through the National Deposit.

### **Final provisions**

28. The Issuer shall reserve the right to change the 'Bond tenders execution principles' in the form of an annex to the letter of issue that shall be disclosed to the public on the Issuer's website ([www.bgk.com.pl](http://www.bgk.com.pl)) or other nationwide mass media, electronic information systems in particular.

## Annex to the Annex No 2

### 1. THE MANNER OF CALCULATING VALUE OF ACCRUED INTEREST ON A SINGLE BOND

The value of accrued interest on a single bond on day 'd', on which the calculations are made, is equal to the result of the below formula, rounded up to two decimal places:

$$O_d = N \cdot r \cdot \frac{a}{D \cdot F}$$

where:

- Od — value of accrued interest on a single bond on day 'd',
- N — principal value of a single bond,
- r — interest rate of bonds in a given interest period,
- a — the actual number of days from the first day of a given interest period, excluding that day, until day 'd', excluding day 'd',
- D — the real number of days in a given interest period, excluding the first and the last day of the interest period,
- F — coupon payment frequency in a year.

### 2. THE MANNER OF CALCULATING THE PURCHASE PRICE OF BONDS PURCHASED IN THE SALES TENDER

The purchase price of the Bonds purchased in the tender as a result of accepting the purchase bid 'i' by the Issuer is equal to the result of the formula below:

$$P_i = (C_i + O_d) \cdot L_i$$

where:

- P<sub>i</sub> — purchase price of the Bonds purchased in the tender as a result of accepting the purchase bid 'i' by the Issuer,
- C<sub>i</sub> — clean price registered by the tender participant in purchase bid 'i',
- O<sub>d</sub> — accrued value of interest on the tender settlement date,
- L<sub>i</sub> — number of Bonds in purchase bid 'i' or number of Bonds after applying the bid reduction.

### 3. THE MANNER OF CALCULATING THE PRICE OF A SINGLE REPURCHASED BOND OFFERED FOR SALE AND THE NUMBER OF BONDS PURCHASED IN THE SWAP TENDER

- 1) The price of a single Bond repurchased for bid 'i' is equal to the result of the below formula, rounded up to two decimal places:

$$CO_i = CO_{C_i} + OO_{,d}$$

where:

- CO<sub>i</sub> — the price of a single Bond repurchased for bid 'i',
- CO<sub>C<sub>i</sub></sub> — the clean price of a single repurchased Bond announced by the Issuer or in the case referred to in item 14.2 of Annex No 2 to the Letter of Issue, registered by the tender participant in bid 'i',
- OO<sub>,d</sub> — the accrued value of interest on a Bond repurchased on the tender settlement date.

- 2) The price of a single Bond offered for sale for bid 'i' is equal to the result of the below formula, rounded up to two decimal places:

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$$CZ_i = CZC_i + OZ_{,d}$$

where:

$CZ_i$  — price of a single bond offered for sale for bid 'i',

$CZC_i$  — clean price of a single bond offered for sale registered by the tender participant in bid 'i' or in the case referred to in item 14.2 of the Annex No 2 to the Letter of Issue announced by the Issuer,

$OZ_{,d}$  — accrued value of interest on a bond offered for sale on the tender settlement date.

- 3) The number of bonds purchased by the swap tender participant as a result of accepting bid 'i' by the Issuer is equal the result of the formula below, rounded up to the nearest integral number:

$$LZ_i = (CO_i / CZ_i) \cdot LO_i$$

where:

$LZ_i$  — number of bonds purchased by the swap tender participant as a result of accepting bid 'i',

$LO_i$  — number of repurchased Bonds in bid 'i',

$CO_i$  — price of a single Bond repurchased for bid 'i', calculated in accordance with point 1),

$CZ_i$  — price of a single bond offered for sale for bid 'i', calculated in accordance with point 2).

#### **4. THE MANNER OF CALCULATING REPURCHASE PRICE OF BONDS DISPOSED OF IN THE REPURCHASE TENDER**

The repurchase price of Bonds disposed of in the repurchase tender as a result of accepting a sale bid 'i' by the Issuer is equal to the result of the formula below:

$$Z_i = (CC_i + O_d) \cdot L_i$$

where:

$Z_i$  — repurchase price of Bonds disposed of in the repurchase tender as a result of accepting sale bid 'i' by the Issuer,

$CC_i$  — clean price registered by the tender participant in sale bid 'i',

$O_d$  — accrued value of interest on the tender settlement date,

$L_i$  — number of Bonds in sale bid 'i' or number of Bonds after applying bid reduction.

**Appendix No 3 to the Letter of Issue  
No 1/2011 of Bank Gospodarstwa Krajowego**

**Declaration on granting a guarantee  
by the State Treasury of the Republic of Poland — template  
(fixed interest bonds )**

**§ 1.**

The State Treasury of the Republic of Poland, represented by the Minister of Finance acting on behalf of the government, hereinafter referred to as '**the Guarantor**', pursuant to Article 12(1) in connection with Article 5(2) of the Act of 8 May 1997 on guarantees and sureties issued by the State Treasury and legal persons (i.e. Journal of Laws of 2003, No 174, item 1689, as amended), in connection with Article 39d(2) of the Act of 27 October 1994 on Toll Motorways and the National Road Fund (Journal of Laws of 2004, No 256, item 2571, as amended) and Resolution No 53/2011 of 27 April 2011 of the Council of Ministers, hereby grants a guarantee for the obligations of Bank Gospodarstwa Krajowego, with its registered office in Warsaw, Al. Jerozolimskie 7, acting under the Act of 14 March 2003 on Bank Gospodarstwa Krajowego (Journal of Laws No 65, item 594, as amended) and the Bank Gospodarstwa Krajowego Statute granted by the Regulation of the Minister of Treasury of 11 May 2010 (Journal of Laws No 81, item 535), with the Tax ID No (NIP) 525-00-12-372 and a statutory fund of PLN ..... as at ....., hereinafter referred to as '**the Issuer**', towards bondholders, hereinafter referred to as '**Bondholders**', that have arisen as a result of purchasing Issuer's bonds under a shortened name IWS0645, hereinafter referred to as '**the Bonds**' issued pursuant to the Letter of Issue No 1/2011 of ..... June 2011 on bonds issue of Bank Gospodarstwa Krajowego on behalf of the National Road Fund with maturity date on 25 June 2045, hereinafter referred to as '**the Letter of Issue**' secured with a guarantee of the State Treasury, hereinafter referred to as '**the Guarantee**'.

**§ 2.**

1. The Guarantee shall include the Issuer's cash benefits for Bondholders, provided for in the Letter of Issue, hereinafter referred to as '**the Benefit**' or '**Benefits**' depending on the context, consisting in the payment of:
  - (i) Bonds principal value amounting to PLN ..... (say: PLN .....) in total on the Bonds redemption date, including the following amounts:
    - ..... (say: PLN .....) arising from the sale of bonds by the Issuer during the tender on .....,
    - (ii) the amount due from the Bonds (the principal value and interest on Bonds) on the ahead of time redemption date, in the case when the law on liquidation of the Issuer enters into force, specified in the Letter of Issue, and
    - (iii) interest on Bonds on their payment dates determined in the Letter of Issue,
      - taking into account that the liability of the Guarantor hereunder shall be limited to the amount of PLN ..... (say: PLN ..... million), hereinafter referred to as '**the Guarantee Amount**'.
2. The total value of the guarantee for fulfilment of obligations resulting from issuing by Bank Gospodarstwa Krajowego bonds intended for the National Road Fund basing upon all letters of issue issued by Bank Gospodarstwa Krajowego until 31 December 2011, in connection with Resolution No 53/2011 of the Council of Ministers of 27 April 2011, which includes 100% of the amount of liabilities resulting from issuing bonds, i.e. 100% of bonds redemption value constituting their principal value of PLN 10,700,000,000 (say: PLN ten billion seven hundred million) and 100% of interests, shall not exceed the total amount of PLN ..... (say: PLN .....).

3. The Guarantor shall hereby irrevocably, unconditionally and upon first demand guarantee the proper and timely payment of due Benefits to the Bondholders.

### **§ 3.**

1. The Guarantee shall constitute an independent commitment of the Guarantor towards Bondholders as the beneficiaries of the Guarantee to pay the Benefits in Polish zlotys in the cases provided for in this Declaration.
2. The Guarantor, subject to the amount of Guarantor's liability referred to in § 2(1) , shall pay on the Benefit payment date, hereinafter referred to as **'the Benefit Date'**, the amount equal to the Benefit due or Benefits due determined in § 2(1) (i) and (iii) to the account of the National Depository for Securities, if the Issuer fails to transfer the amount sufficient to make a payment of Benefits from Bonds to the account used for payments from Bonds service until 10.00 AM (say: ten o'clock) of the working day preceding the Benefit Date. The interest charged for the delay in the Benefits payment by the Issuer shall be charged exclusively to the Issuer.
3. If the law on liquidation of the Issuer enters into force resulting in the ahead of time immediate maturity of Bonds, pursuant to point 16 of the Letter of Issue, if the Issuer does not pay the Benefit, the Guarantor, subject to the amount of the Guarantor's liability referred to in § 2(1) , shall pay the amount equal to the amount of the Benefit due specified in § 2(1) (ii) within 10 (say: ten) working days as of the effective date of this law.
4. The execution date of the Guarantor's obligation shall be the date of transferring proper funds to the account of the National Depository for Securities.
5. Each amount of Benefits paid by the Issuer and each amount repaid by the Guarantor resulting from the Guarantee shall respectively reduce the Guarantee Amount.

### **§ 4.**

1. The obligations resulting from the Guarantee shall constitute direct, non-marketable and uncollateralized liabilities of the Guarantor and shall be equal to any other existing, uncollateralized and unsettled liabilities of the Guarantor, present or future.
2. The Guarantor shall ensure that the Guarantor is duly authorised to grant the Guarantee and submit this Declaration, and its provisions shall form its valid, legally binding and enforceable obligation.
3. The Guarantor's obligations and rights of the Bondholders resulting from the Guarantee shall remain in force also in the case of:
  - (a) liquidation of the Issuer, ceasing or suspending business activities by the Issuer;
  - (b) changing the legal form of the Issuer, division or merger of the Issuer with any other entity, as well as changes in the Issuer's capital structure;
  - (c) stating the invalidity or ineffectiveness of the Issuer's obligations from the Bonds or the lack of the possibility to enforce these obligations;

and none of the events described in points (a)–(c) shall influence the scope of the Guarantor's obligations resulting from the Guarantee, particularly, in the case of the Issuer's being released from the debt resulting from the Bonds due to any proceedings or issue of any legal act forming a commonly binding source of law, the Guarantor's liability resulting from the Guarantee shall remain the same as if such release never occurred.

4. If at any time any of this Guarantee's provisions is or shall become ineffective, invalid or unenforceable for any reason under provisions of law, then the effect, validity or enforceability of such provision shall not influence in any way the validity or enforceability of the remaining provisions of the Guarantee, pursuant to Article 58 § 3 of the Civil Code.

### **§ 5.**

1. The Guarantee shall be valid until 25 December 2045.

*Please note that this document is a translation of the Polish binding version. The English version is for information only. In case of any doubts the Polish version shall prevail.*

2. This Declaration, its terms and conditions, provisions, validity and enforceability shall be governed by the laws of the Republic of Poland.

**§ 6.**

Any changes to this Declaration shall be made only in writing or else shall be null and void.

**§ 7.**

Any and all disputes arising from the performance of this Guarantee shall be settled by the common court competent for the Guarantor's registered office.

**§ 8.**

*The Declaration on granting a guarantee by the State Treasury of the Republic of Poland, granted on ..... in connection with the Issuer's bonds under a shortened name IWS0645, issued pursuant to the Letter of Issue No 1/2011 of .... June 2011, on bonds issue of Bank Gospodarstwa Krajowego on behalf of the National Road Fund with maturity date on 25 June 2045, shall be no longer valid.\**

**On behalf of the Guarantor:**

**Warsaw, date**

*\* the provisions of § 8 shall be included in the Declaration on granting a guarantee by the State Treasury of the Republic of Poland, issued for bonds sold in the second and third sales tenders.*