

GUARANTEE

of the

Republic of Austria
(the "**Guarantor**")

for the benefit of the holders of the

EUR [●],000,000

[●] % Notes of 20[●] due 201[●]
(ISIN [●])
(the "**Notes**")

issued by

[●]
(incorporated as a company limited by shares under Austrian company law)
(the "**Issuer**")

Unless otherwise defined herein, terms used in this Guarantee and defined in the Conditions of Issue shall in this Guarantee have the meaning attributed to them in the Conditions of Issue.

Clause 1 **Undertakings of the Guarantor**

1.1 The Guarantor is entitled to issue this Guarantee according to § 1 (4) of the Interbank Market Support Act (*Interbankmarktstärkungsgesetz*) of 26 October 2008 (Federal Law Gazette I No. 136/2008), adopted in connection with § 66 of the Act on Federal Budgets (*Bundeshaushaltsgesetz*) of 4 April 1986, as amended (Federal Law Gazette No. 213/1986 in the current version No. 20/2008).

1.2 The intent and purpose of this Guarantee is to ensure that in the case of default by the Issuer in the punctual payment of any amounts payable under the Notes on the respective due date (however subject to any applicable grace period according to the conditions of issue of the Notes annexed hereto (the "**Conditions of Issue**")) the Guarantor shall, upon written demand by any holder of a Note (a "**Noteholder**") according to Clause 3 hereof, pay or procure to be paid such amounts payable in accordance with the Conditions of Issue.

1.3 The Guarantor hereby unconditionally and irrevocably guarantees for the benefit of the Noteholders the due and punctual payment of the amounts payable by the Issuer in accordance with the Conditions of Issue. To the extent that the rights and obligations under this Guarantee are determined or specified by reference to the Conditions of Issue, only the version of the Conditions of Issue annexed hereto shall be relevant. Neither changes and

amendments of the Conditions of Issue nor other agreements between the Issuer and Noteholder(s) which are not evident from the Conditions of Issue annexed hereto, have any effect on the rights and obligations of the Guarantor under this Guarantee.

1.4 The Guarantee is irrevocable and unconditional, irrespective of value, genuineness, validity, or enforceability of the Notes and the Guarantor waives the right of set-off and counterclaim in relation to the claims of any Noteholder under the Guarantee.

1.5 The obligations of the Guarantor under this Guarantee are independent from and irrespective of the obligations of the Issuer to fulfil its payment obligations under the Notes. The Guarantor is not entitled to raise any objections or defences which the Issuer may have in respect of its payment obligations under this Guarantee.

1.6 The obligations of the Guarantor under this Guarantee constitute direct, unsecured and unsubordinated obligations of the Guarantor, ranking at least *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor, except for obligations ranking in priority pursuant to mandatory provisions of law.

1.7 All amounts payable by the Guarantor in respect of this Guarantee shall be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Austria or any political subdivision of the Republic of Austria or any authority therein or thereof having power to tax, unless the deduction or withholding of such taxes, duties, assessments or governmental charges is required by law, provided however, that [§ [●]] of the Conditions of Issue applies *mutatis mutandis* to payments of the Guarantor under this Guarantee.

Clause 2 **Benefit of the Guarantee**

This Guarantee constitutes a contract in favour of the respective Noteholders as third party beneficiaries pursuant to § 328 (1) of the German Civil Code giving rise to the right of each such Noteholder to require performance of the obligations assumed hereby directly from the Guarantor and to enforce such obligations directly against the Guarantor. Each Noteholder may enforce its claims under this Guarantee directly in legal actions or proceedings against the Guarantor without being required to institute legal actions or proceedings against the Issuer first.

Clause 3 **Payments**

3.1 Payments by the Guarantor to a Noteholder under this Guarantee shall be effected upon written request of the Noteholder to an account to be specified by such Noteholder. Payment to such account shall discharge the Guarantor from its obligations under this Guarantee. The Noteholder shall notify such account in writing to the following address:

[●]
Telephone: [●]
Telefax: [●]

3.2 No payments will be made by the Guarantor to a Noteholder prior to such notification by the relevant Noteholder. In case payment by the Guarantor to a Noteholder under this Guarantee is delayed due to the absence of such notification by the relevant Noteholder, such Noteholder is not entitled to receive any additional amounts in respect of such delay.

3.3 Subject to any mandatory provisions of law, the rate of interest for default under this Guarantee shall correspond to the rate of interest applicable to the Notes in accordance with [§ [●]] of the Conditions of Issue.

Clause 4 **Expiry of Guarantee**

This Guarantee expires upon irrevocable redemption in full of all Notes or upon irrevocable discharge in full of all obligations under this Guarantee.

Clause 5 **Governing Law; Place of Jurisdiction; Enforcement of the Guarantee**

5.1 This Guarantee shall be governed exclusively by the laws of the Federal Republic of Germany without giving effect to the principles of conflict of laws thereof.

5.2 The Guarantor, for the exclusive benefit of each of the Noteholders, hereby irrevocably agrees that any action or other legal proceedings ("**Proceedings**") arising out of or in connection with this Guarantee may be instituted in the courts of Frankfurt am Main, provided that such agreement shall not prevent any Proceeding being taken in any other competent courts. The Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, any claim that any Proceedings brought in connection with the Notes in such courts has been brought in an inconvenient forum.

5.3 To the extent that it is legally able to do so, the Guarantor hereby waives irrevocably any immunity to which it might otherwise be entitled in proceedings brought before such courts and hereby consents generally in respect of any Proceedings arising out of or in connection with this Guarantee to the giving of any relief or the issue of any process in the aforementioned courts in Frankfurt am Main in connection with such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use except minor property such as the equipment of embassies) of any judgment which may be given in such Proceedings.

5.4 The Guarantor hereby appoints the Ambassador of the Republic of Austria in the Federal Republic of Germany as its authorised agent for the receipt of any process in connection with any Proceedings arising out of or in connection with this Guarantee (the "**Agent for Service of Process**") and irrevocably agrees that any process shall be sufficiently and effectively served on it if delivered to the Agent for Service of Process at his official address for the time being in the Federal Republic of Germany or in any other manner permitted by law.

5.5 Each Noteholder may enforce its rights under this Guarantee in any legal proceedings against the Guarantor, or in any legal proceeding where each of such Noteholder and the Guarantor is a party, in its own name on the basis of a duly certified copy of this Guarantee without submission of the original of this Guarantee.

5.6 [•], [place] which accepts this Guarantee, is not acting as trustee or in a similar capacity for the Noteholders. [•], [place] undertakes to hold the original of this Guarantee in custody until all obligations under the Notes and this Guarantee have been fulfilled.

Vienna, [•]

REPUBLIC OF AUSTRIA

For the Federal Minister of Finance

We accept the terms of the above Guarantee without recourse, warranty or liability and without acting as agent, fiduciary or in any similar capacity for any Noteholders.

[Place], [•]

[•]

CONDITIONS OF ISSUE

[•]