

# OFFERING CIRCULAR



**Tokyo-Mitsubishi International plc**

(Incorporated with limited liability in England)

1698498



**Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft**

(Incorporated with limited liability in Germany)



**Tokyo-Mitsubishi International (HK) Limited**

(Incorporated with limited liability in Hong Kong)

**U.S.\$4,000,000,000**

## **Euro Medium Term Note Programme**

Under this Euro Medium Term Note Programme (the "Programme"), each of Tokyo-Mitsubishi International plc ("TMI"), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") and Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (each an "Issuer" and together the "Issuers") may from time to time issue in one or more Tranches (as defined on page 20) notes in bearer form ("Bearer Notes") or registered form ("Registered Notes") (together, the "Notes") denominated in any currency (including euro) agreed by the Issuer of such Notes (the "relevant Issuer") and the relevant Dealer(s) (as defined below). Notes will be issued on an unsubordinated basis except that TMI may also issue Notes on a subordinated basis.

The Notes will not be guaranteed by The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"), TMI, BTMD and TMIHK will have the benefit of a Keep Well Agreement (the "Keep Well Agreement") between the Parent and TMI, BTMD and TMIHK, as more fully described herein under "Relationship of the Issuers with the Parent" on page 61. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as provided herein. A description of the restrictions applicable at the date of this Offering Circular relating to the maturity of certain Notes is set out on page 8.

The Notes will be issued on a continuing basis to one or more of the Dealers specified on page 7 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers").

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986, as amended (the "UK Listing Authority") for Notes issued under the Programme during the period of twelve months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List together with admission to the London Stock Exchange's market for listed securities constitute official listing on the London Stock Exchange. Notice of the aggregate nominal amount of interest (if any) payable in respect of, the issue price of, the issue date and maturity date of, and any other terms and conditions not contained herein which are applicable to, each Tranche of Notes will be set forth in a pricing supplement (the "Pricing Supplement") applicable to such Tranche which, with respect to Notes to be admitted to the Official List and admitted to trading by the London Stock Exchange ("Listed Notes") will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of this Offering Circular, which comprises listing particulars (the "Listing Particulars") in relation to Notes issued under the Programme during the period of twelve months from the date of this Offering Circular, approved as such by the UK Listing Authority pursuant to the Financial Services Act 1986, as amended (the "FSA"), have been delivered for registration to the Registrar of Companies in England and Wales. Copies of each Pricing Supplement (in the case of Listed Notes) will be available from FT Business Research Centre operated by FT Electronic Publishing at Fitzroy House, 13-17 Epworth Street, London EC2A 4DL, and will be available for inspection at the registered office of The Law Debenture Trust Corporation p.l.c. as trustee under the Programme (the "Trustee") and at the specified office of each of the Paying Agents (as defined below). The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s). Each Issuer may also issue unlisted Notes.

Any reference in this Offering Circular to Listing Particulars means this Offering Circular excluding all information incorporated by reference. The Issuers have confirmed that any information incorporated by reference, including any such information to which readers of this document are expressly referred, has not been and does not need to be included in the Listing Particulars to satisfy the requirements of the FSA or the listing rules of the UK Listing Authority. The Issuers believe that none of the information incorporated in the Offering Circular by reference conflicts in any material respect with the information included in the Listing Particulars.

A copy of this Offering Circular having attached to it copies of the written consents, together with those documents referred to in "Hong Kong Compliance" below, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies Ordinance of Hong Kong (Cap. 32). Neither the Registrar of Companies nor the Securities and Futures Commission in Hong Kong take any responsibility as to the contents of this Offering Circular or any of the other documents delivered for registration.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"), will be represented by a permanent global note in registered form, without interest coupons (a "Reg. S Global Note"), deposited with a custodian for, and registered in the name of a nominee of, a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") for the accounts of their respective participants. Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in the Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S) and may not be held otherwise than through Euroclear and Clearstream, Luxembourg. The Registered Notes of each Tranche of such Series sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") will be represented by a restricted permanent global note in registered form, without interest coupons (a "Restricted Global Note"), and, together with a Reg. S Global Note, "Registered Global Notes", deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"). The Registered Notes of each Tranche of such Series sold to "accredited investors" (as defined in Rule 501(a) (1), (2), (3) or (7) under the Securities Act) which are institutions ("Institutional Accredited Investors") will be in definitive form, registered in the name of the holder thereof. Registered Notes in definitive form will be issued in exchange for interests in the Registered Global Notes upon compliance with the procedures for exchange as described in "Form of the Notes" on page 12 in the circumstances described in the relevant Pricing Supplement. Registered Notes in definitive registered form from the date of issue may also be sold outside the United States in reliance on Regulation S under the Securities Act. Each Tranche of Bearer Notes will initially be represented by a temporary bearer global note (a "Temporary Bearer Global Note") which will be deposited on the issue date thereof with a common depository on behalf of Euroclear and Clearstream, Luxembourg. Beneficial interests in a Temporary Bearer Global Note will be exchangeable for either beneficial interests in a permanent bearer global note (a "Permanent Bearer Global Note") or definitive Bearer Notes upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and thereafter any Permanent Bearer Global Note may be exchanged for definitive Bearer Notes in the circumstances described in the relevant Pricing Supplement, in each case in accordance with the procedures described in "Form of the Notes" on page 12. References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer, The Chase Manhattan Bank (the "Agent") and the Trustee. For further details of clearing and settlement of the Notes issued under the Programme see "Book-Entry Clearance Procedures" below.

The Programme has been rated A2 (in respect of the Unsubordinated Notes) and A3 (in respect of the Subordinated Notes) by Moody's Investors Service Limited. Any Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Each Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List only) supplementary listing particulars or further listing particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes. This Offering Circular supersedes any previous Offering Circular. Any Note issued under the Programme on or after the date of this Offering Circular is issued subject to the provisions described herein. This does not affect any Notes already in issue.

Arranger

**Tokyo-Mitsubishi International plc**

Dealers

**ABN AMRO  
BNP PARIBAS**

**Deutsche Bank**

**Goldman Sachs International**

**Merrill Lynch International**

**NikkoSalomonSmithBarney Europe**

**Tokyo-Mitsubishi International plc**

**Bank of Tokyo-Mitsubishi (Switzerland) Ltd.**

**Credit Suisse First Boston**

**Dexia Capital Markets**

**Lehman Brothers**

**Morgan Stanley**

**Tokyo-Mitsubishi International (HK) Limited**

**UBS Warburg**

17th August, 2001



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This Offering Circular:

- (i) with the exception of the information contained in the sections entitled Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft and Tokyo-Mitsubishi International (HK) Limited on pages 48 to 52 of this document, comprises listing particulars in relation to TMI, and
- (ii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc and Tokyo-Mitsubishi International (HK) Limited on pages 46 and 47 and pages 51 and 52 of this document, comprises listing particulars in relation to BTMD, and
- (iii) with the exception of the information contained in the sections entitled Tokyo-Mitsubishi International plc and Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft on pages 46 to 50 of this document, comprises listing particulars in relation to TMIHK,

given in compliance with the listing rules made under section 142 of the FSA by the UK Listing Authority for the purpose of giving information with regard to TMI, BTMD, TMIHK and the Notes. Accordingly, each Issuer accepts responsibility for the information contained in its listing particulars.

To the best of the knowledge and belief of each Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in its listing particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" on page 5) provided, however, that such incorporated documents do not form part of the Listing Particulars. This Offering Circular shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular but not part of the Listing Particulars.

Neither the Dealers nor the Trustee have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuers. Neither the Dealers nor the Trustee accept any liability in relation to the information contained in this Offering Circular (save for information supplied in writing by the Dealers) or any other information provided by the Issuers in connection with the Programme.

No person is or has been authorised by the Issuers, any Dealer or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by any of the Issuers or any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Parent. Neither this Offering Circular nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuers or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme. Investors should review, inter alia, the most recent non-consolidated or consolidated financial statements, if any, of the relevant Issuer and/or the Parent when deciding whether or not to purchase any Notes.

The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuers, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Dealers or the Trustee (save for the approval of this Offering Circular as listing particulars by the UK Listing Authority and delivery of copies of this Offering Circular to the Registrar of Companies in England and Wales as

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required by section 149 of the FSA) which would permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made in compliance with applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Japan, Germany and Hong Kong (see "Subscription and Sale and Transfer Restrictions" on pages 74 to 78).

The Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to U.S. persons except to QIBs in accordance with Rule 144A under the Securities Act, or to Institutional Accredited Investors pursuant to an exemption from and in a transaction not subject to the registration requirements of the Securities Act (see "Subscription and Sale and Transfer Restrictions" on pages 74 to 78).

To permit compliance with Rule 144A under the Securities Act in connection with resales of the Notes, each Issuer will furnish upon the request of a holder of a Note and a prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of such request such Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. None of the Issuers is currently a reporting company under the Exchange Act.

All references in this Offering Circular to "U.S. dollars", "U.S.\$", "\$" and "U.S. cent" refer to the currency of the United States of America, those to "Sterling", "GB£", "GBP" and "£" refer to the currency of the United Kingdom, those to "Hong Kong dollars" and "HK\$" refer to the currency of Hong Kong, those to "Japanese Yen", "Yen" and "¥" refer to the currency of Japan, those to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended and those to "Swiss francs" refer to the currency of Switzerland.

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

#### **IMPORTANT**

If you are in any doubt about this Offering Circular you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

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## TABLE OF CONTENTS

	<i>Page</i>
Documents Incorporated by Reference .. .. .	5
General Description of the Programme .. .. .	6
Summary of the Programme and Terms and Conditions of the Notes .. .. .	7
Form of the Notes .. .. .	12
Terms and Conditions of the Notes .. .. .	19
Use of Proceeds .. .. .	45
Tokyo-Mitsubishi International plc .. .. .	46
Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft .. .. .	48
Tokyo-Mitsubishi International (HK) Limited .. .. .	51
The Bank of Tokyo-Mitsubishi, Ltd. .. .. .	56
Relationship of the Issuers with the Parent .. .. .	59
Taxation .. .. .	63
Book-Entry Clearance Procedures.. .. .	67
Subscription and Sale and Transfer Restrictions .. .. .	72
General Information .. .. .	77

**In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the applicable Pricing Supplement may over-allot or effect transactions which stabilise or maintain the market price of the Notes of the Series (as defined in "Terms and Conditions of the Notes") of which such Tranche forms part at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all relevant laws and regulations.**

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular (provided, however, that such incorporated documents do not form part of the Listing Particulars):-

- (a) the publicly available audited annual financial statements and the interim financial statements (if any) of each of the Issuers and the Parent for their most recently completed financial periods; and
- (b) all supplements to this Offering Circular circulated by the Issuers from time to time in accordance with the provisions of the Programme Agreement described in "Subscription and Sale and Transfer Restrictions" on pages 74 to 78 below,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular (but not the Listing Particulars) to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Each of the Issuers and the Parent will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the oral or written request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written or telephone requests for such documents should be directed to the relevant Issuer or, as the case may be, the Parent at their respective offices set out at the end of this Offering Circular. In addition, such documents will be available from the principal office in England of the London Listing Agent for Notes admitted to the Official List.

### **Supplementary Listing Particulars**

Each of the Issuers has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale and Transfer Restrictions" below) to comply with sections 147 and 149 of the FSA and the Listing Rules in that regard. In the event that supplementary listing particulars are produced pursuant to such undertaking, a copy of such supplementary listing particulars will accompany this Offering Circular.

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## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuers may from time to time issue Notes denominated in any currency other than Japanese Yen and having a minimum maturity of one month, subject as set out herein. A summary of the Programme and the terms and conditions of the Notes appears on pages 7 to 11. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement with respect to a specific Tranche of Notes which will be attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes" on pages 12 to 18.

This Offering Circular and any supplement will only be valid for listing Notes on the Official List in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$4,000,000,000 or its equivalent in other currencies, subject to increase as provided in the Programme Agreement (as defined in "Subscription and Sale and Transfer Restrictions" on pages 74 to 78). For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes as described under "Form of the Notes") shall be determined, at the discretion of the relevant Issuer, either as of the date of agreement to issue such Notes (the "Agreement Date") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes as described under "Form of the Notes") shall be calculated in the manner specified above by reference to the original nominal amount of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes as described under "Form of the Notes") and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

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## SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

*The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this summary.*

**Issuers:** Tokyo-Mitsubishi International plc  
Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft  
Tokyo-Mitsubishi International (HK) Limited

**Description:** Euro Medium Term Note Programme

**Arranger:** Tokyo-Mitsubishi International plc

**Dealers:** ABN AMRO Bank N.V.  
Bank of Tokyo-Mitsubishi (Switzerland) Ltd.  
BNP Paribas  
Credit Suisse First Boston (Europe) Limited  
Deutsche Bank AG London  
Dexia Banque Internationale à Luxembourg  
Goldman Sachs International  
Lehman Brothers International (Europe)  
Merrill Lynch International  
Morgan Stanley & Co. International Limited  
Salomon Brothers International Limited  
Tokyo-Mitsubishi International (HK) Limited  
Tokyo-Mitsubishi International plc  
UBS AG, acting through its business group UBS Warburg

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale and Transfer Restrictions" on pages 74 to 78) including the following restrictions applicable at the date of this Offering Circular.

Issues of Notes denominated in Swiss Francs or carrying a Swiss Franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the "Swiss Dealer") must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the Issue Date of the relevant Notes.

Issues of Notes denominated in Sterling shall comply with all applicable laws and regulations (as amended from time to time) of the United Kingdom authorities. See the last paragraph of "Form of the Notes" and "Banking Act 1987 (Exempt Transactions) Regulations 1997" under "General Information".

**Trustee:** The Law Debenture Trust Corporation p.l.c.

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<b>Issuing and Principal Paying Agent:</b>	The Chase Manhattan Bank
<b>Size:</b>	Up to U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described on page 6) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	<p>Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the relevant Issuer and the relevant Dealer(s), including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Indonesian rupiah, New Zealand dollars, Sterling, Swiss francs, Thai bahts, and U.S. dollars (as indicated in the applicable Pricing Supplement).</p> <p>The Issuers intend to use the Programme to issue Notes denominated in various Asian currencies, in addition to Hong Kong dollars, Indonesian rupiah and Thai bahts as referred to in the previous paragraph, and will seek the agreement of the relevant Dealer(s) to do so as and when a suitable investment opportunity arises and in circumstances where applicable legal and/or regulatory requirements, which are satisfactory to the relevant Issuer, the relevant Dealer(s) and the Trustee, exist to permit such issue.</p>
<b>Redenomination and Exchange:</b>	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro and/or exchanged for other series of Notes denominated in euro. The relevant provisions applicable to any such redenomination and exchange are contained in Condition 3.
<b>Maturities:</b>	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. At the date of this Offering Circular, the minimum maturity of all Notes other than Subordinated Notes is one month. The minimum maturity of Subordinated Notes is two years.
<b>Issue Price:</b>	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	Notes will be issued in bearer form or registered form as described in "Form of the Notes" below.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement) and on redemption and will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each (or such other basis as may be agreed as indicated in the applicable Pricing Supplement).
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series (the "ISDA Definitions")); or</li> <li>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li> </ul>

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- (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement).

The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

**Index Linked Notes:**

Payments of interest in respect of Index Linked Interest Notes or of principal in respect of Index Linked Redemption Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Pricing Supplement).

**Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:**

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such day count fraction, as may be agreed between the Issuer and the relevant Dealer.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

**Redemption:**

The Pricing Supplement relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.

Subordinated Notes may not be redeemed prior to their stated Maturity Date without the prior written consent of The Securities and Futures Authority (or any successor as may replace it as the relevant financial regulator, such as The Financial Services Authority when the Financial Services and Markets Act 2000 comes into force) ("SFA").

The Pricing Supplement may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement provided that, in the case of Subordinated Notes repayable in two or more instalments, the first instalment shall be payable no earlier than two years from their date of issue.

Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom must have a minimum redemption amount of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their Issue Date and are to be admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities.

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<b>Denomination of Notes:</b>	<p>Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) and as indicated in the applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The minimum denomination of each Note sold, resold or transferred to an Institutional Accredited Investor will be U.S.\$100,000 or its equivalent in other specified currencies.</p> <p>Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom will have a minimum denomination of £100,000 (or its equivalent in other currencies), unless such Notes may not be redeemed until the third anniversary of their Issue Date and are to be admitted to the Official List and admitted to trading on the London Stock Exchange's market for listed securities.</p>
<b>Taxation:</b>	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within, in the case of TMI, the United Kingdom, in the case of BTMD, Germany, or, in the case of TMIHK, Hong Kong, subject as provided in Condition 7. In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.</p>
<b>Negative Pledge:</b>	<p>None.</p>
<b>Cross Default:</b>	<p>The terms and conditions of the Unsubordinated Notes will contain a cross-default provision in respect of the relevant Issuer relating to Financial Indebtedness (as therein defined) having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) as further described in Condition 9.</p>
<b>Status of the Unsubordinated Notes:</b>	<p>The Unsubordinated Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank pari passu and rateably without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer from time to time outstanding.</p>
<b>Status of the Subordinated Notes (TMI only):</b>	<p>Notes will be issued on an unsubordinated basis except that TMI may also issue Notes on a subordinated basis. The Subordinated Notes will constitute Subordinated Liabilities (as defined in Condition 2(b)) and rank pari passu without any preference among themselves. The rights of the holders of Subordinated Notes will be subordinated to the Senior Liabilities, all as more fully described in Condition 2(b).</p>
<b>Limited Rights of Acceleration in respect of Subordinated Notes:</b>	<p>The Trustee may only accelerate the Subordinated Notes if an effective resolution is passed or an order of a court of competent jurisdiction is made for the Insolvency (as defined in Condition 2(b)) of the Issuer.</p>
<b>Keep Well Agreement:</b>	<p>Notes issued by TMI, BTMD and TMIHK will have the benefit of the Keep Well Agreement between the Parent and TMI, BTMD and TMIHK, as more fully described herein under "Relationship of the Issuers with the Parent" on pages 61 to 64.</p>
<b>Rating:</b>	<p>The Programme has been rated A2 (in respect of the Unsubordinated Notes) and A3 (in respect of the Subordinated Notes) by Moody's Investors Service Limited ("Moody's").</p>

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Any Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**Listing:**

Application has been made to admit Notes issued under the Programme to the Official List and to admit them to trading on the London Stock Exchange's market for listed securities. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The Pricing Supplement relating to each issue will state whether or not and, if so, on which stock exchange(s) the relevant Notes are to be listed.

**Governing Law:**

The Notes will be governed by, and construed in accordance with, English law.

**Selling Restrictions:**

There are selling restrictions in relation to the United States, the United Kingdom, Japan, Germany and Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale and Transfer Restrictions" on pages 74 to 78.

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## FORM OF THE NOTES

The Notes of each Tranche will be either in bearer form and/or in registered form.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S ("Reg. S"), which will be sold to non-U.S. persons outside the United States, will be represented by a Reg. S Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg for the accounts of their respective participants. Prior to expiry of the distribution compliance period (as defined in Regulation S) (the "Distribution Compliance Period") applicable to each Tranche of Notes, beneficial interests in a Reg. S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 10 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Reg. S Global Note will bear a legend regarding such restrictions on transfer.

Registered Notes of each Tranche of a particular Series may only be offered and sold in the United States or to U.S. persons in private transactions: (i) to QIBs; or (ii) to Institutional Accredited Investors who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs in reliance on Rule 144A under the Securities Act will be represented by a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC").

Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, in the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. The Restricted Global Note and the Registered Notes in definitive form issued to Institutional Accredited Investors will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions. Registered Notes will not be exchangeable for Bearer Notes.

Registered Notes in definitive form may also be sold outside the United States in reliance on Regulation S under the Securities Act.

Payments of the principal of, and interest (if any) on, the Registered Global Notes will be made to the nominee of DTC and/or of Euroclear and/or Clearstream, Luxembourg as the registered holders of the Registered Global Notes. None of the Issuer, the Trustee, the Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal on the Registered Notes will be made to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment date. Payments of interest on the Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the Record Date (as defined in Condition 5(b)) immediately preceding such payment date.

Each Tranche of Bearer Notes will be initially represented by a Temporary Bearer Global Note (without receipts, interest coupons or talons) which, unless otherwise agreed between the Issuer and the relevant Dealer, will be delivered to a common depositary for Euroclear and Clearstream, Luxembourg. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of interests in such Note is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "Exchange Date") which is the later of (i) 40 days after the date on which a Temporary Bearer Global Note is issued and (ii) expiry of the applicable Distribution Compliance Period, interests in the Temporary Bearer Global Note will be exchangeable (free of charge) upon a request by Euroclear and/or Clearstream, Luxembourg acting on the instruction of the holders of interests in the Temporary Bearer Global Note either for interests in a Permanent Bearer Global Note (without receipts, interest coupons or talons) or for security printed definitive Bearer Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case

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against certification of beneficial ownership as described above and in accordance with the terms of the Temporary Bearer Global Note unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal and interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification as regards U.S. persons (save for any certification in respect of applicable tax obligations).

A Permanent Bearer Global Note will (save as otherwise indicated in the applicable Pricing Supplement) be exchangeable (free of charge), in whole but not in part, for definitive Notes (with, where applicable, receipts, interest coupons and talons attached) either (as specified in the applicable Pricing Supplement) (A) in the following limited circumstances: (1) if the Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no successor clearing system acceptable to the Trustee is available, (2) if an Event of Default (as defined in Condition 9) occurs and is continuing in relation to the Notes represented by a Permanent Bearer Global Note or (3) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer which would not be suffered were the Notes in definitive form or (B) at the request of the holder upon not less than 60 days' written notice through Euroclear and/or Clearstream, Luxembourg, as applicable to the Agent. In such circumstances the relevant Issuer will (1) within 60 days of the occurrence of the relevant event in (A)(1), (2) or (3) above or (2) at the expiry of the written notice specified in (B) above issue definitive Bearer Notes in exchange for the entire Permanent Bearer Global Note. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned (where applicable) a CUSIP number, and, in the case of Bearer Notes and Reg. S Notes (as defined in the Conditions), CINS number, common code and ISIN which are different from the CUSIP number, CINS number, common code and ISIN assigned to Notes of any other Tranche of the same Series until at least expiry of the Distribution Compliance Period applicable to the Notes of such Tranche. The end of such period and, as the case may be, the CUSIP number, CINS number, common code and ISIN thereafter applicable to the Notes of the relevant Series will be notified by the Agent to the Relevant Dealer.

All global Notes and definitive Notes will be issued pursuant to the Trust Deed and the Agency Agreement.

For so long as any of the Notes is represented by a bearer global Note deposited with, or a Reg. S Global Note registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg or so long as DTC or its nominee is the registered holder of a Restricted Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or, as the case may be, DTC as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC or its nominee as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose such common depositary or its nominee or, as the case may be, DTC or its nominee shall be deemed to be the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed (and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly).

No beneficial owner of an interest in a Registered Global Note will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

The following legend will appear on all bearer global Notes and definitive Bearer Notes which have an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

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The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent and the Trustee.

The Pricing Supplement relating to each Tranche of Notes will contain such of the following information as is applicable in respect of such Notes (all references to numbered Conditions being to the terms and conditions of the Notes):

- (A) In Part A of the Pricing Supplement:
  - (i) the identity of the Issuer of the Notes;
  - (ii) the Series number;
  - (iii) whether such Notes are Bearer Notes, Registered Notes, Reg. S Notes and/or Restricted Notes;
  - (iv) the currency in which the Notes are denominated and, in the case of Dual Currency Notes (as defined below), the currency or currencies in which payment of interest and repayment or redemption in respect of the Notes is to be made (each a "Specified Currency");
  - (v) the aggregate nominal amount of the Notes to be issued;
  - (vi) whether the Notes are to be issued on a subordinated basis ("Subordinated Notes") (in the case of TMI only) or on an unsubordinated basis ("Unsubordinated Notes");
  - (vii) the interest and/or payment basis (the "Interest/Payment Basis") of the Notes, which may be one or more of the following:
    - (a) Notes bearing interest on a fixed rate basis ("Fixed Rate Notes");
    - (b) Notes bearing interest on a floating rate basis ("Floating Rate Notes");
    - (c) Notes issued on a non-interest bearing basis ("Zero Coupon Notes");
    - (d) Notes in respect of which principal ("Index Linked Redemption Notes") and/or interest ("Index Linked Interest Notes") is calculated by reference to an index and/or a formula (generically, "Index Linked Notes");
    - (e) Notes in respect of which principal and/or interest is or may be payable in one or more Specified Currencies other than the Specified Currency in which they are denominated ("Dual Currency Notes"); or
    - (f) Notes which are to be issued on a partly paid basis ("Partly Paid Notes");
  - (viii) if the Notes are not to, or may not, have a single specified Interest/Payment Basis, the date(s) from (and including) to (but excluding) which such Notes will have or may have each specified Interest/Payment Basis and if the relevant Issuer and/or the Noteholders are to have the option to convert the Interest/Payment Basis the date(s) upon which such option(s) may be exercised and all other relevant details;
  - (ix) the date on which the Notes will be issued (the "Issue Date");
  - (x) the denomination(s) of the Notes (each a "Specified Denomination");
  - (xi) the price (generally expressed as a percentage of the nominal amount of the Notes) at which the Notes will be issued (the "Issue Price");
  - (xii) in the case of Partly Paid Notes, the amount of each payment comprising the Issue Price, the date on which each payment is to be made and the consequence (if any) of failure to make any such payment;
  - (xiii) in the case of interest-bearing Notes, the date from which such Notes bear interest (the "Interest Commencement Date") which may not be the Issue Date;
  - (xiv) in the case of Notes other than Floating Rate Notes, the date on which such Notes (unless previously redeemed or purchased and cancelled) will be redeemed (the "Maturity Date");

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- (xv) in the case of Floating Rate Notes, the month and year in which such Notes (unless previously redeemed or purchased and cancelled) will be redeemed (the "Redemption Month");
  - (xvi) the amount at which each Note (including Notes redeemable in instalments ("Instalment Notes")) will be redeemed under (xiv) or (xv) above (the "Final Redemption Amount"), generally expressed as a percentage of the nominal amount of the Notes and/or, in the case of Index Linked Redemption Notes or Dual Currency Notes, as specified in accordance with (xxii) or (xxiii) below;
  - (xvii) in the case of Instalment Notes:
    - (a) the date on which each instalment is payable (each an "Instalment Date"); and
    - (b) the amount, generally expressed as a percentage of the nominal amount of the Notes, of each such instalment (each an "Instalment Amount", the final such Instalment Amount being the Final Redemption Amount);
  - (xviii) in the case of Fixed Rate Notes:
    - (a) the rate, generally expressed as a percentage rate per annum, at which the Notes bear interest (the "Fixed Rate of Interest"), which may remain the same throughout the life of the Notes or increase and/or decrease;
    - (b) the date(s) in each year on which interest is payable throughout the life of the Notes (each a "Fixed Interest Date");
    - (c) where the period from (and including) the Interest Commencement Date to (but excluding) the first Fixed Interest Date differs from the period between subsequent Fixed Interest Dates, the amount of the first payment of interest (the "Initial Broken Amount");
    - (d) where the Maturity Date is not a Fixed Interest Date, the amount of the final payment of interest (the "Final Broken Amount"); and
    - (e) the denominator to be used in the calculation of the Interest Amount payable in respect of the Notes (if different from that set out in Condition 4(a));
  - (xix) in the case of Floating Rate Notes, unless otherwise specified:
    - (a)
      - (1) the Interest Payment Date(s) in each year (each an "Interest Payment Date") and whether such Interest Payment Date(s) will be subject to a business day convention in accordance with (xx) below; or
      - (2) if no express Interest Payment Date(s) is/are specified the number of months or other period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) that and each successive Interest Payment Date thereafter to (but excluding) the next following Interest Payment Date (each an "Interest Period"), which may or may not be the same number of months or other period throughout the life of the Notes;
    - (b) the manner in which the rate of interest (the "Rate of Interest") is to be determined, including:
      - (1) where the Rate of Interest is to be determined by reference to the ISDA Definitions (as defined in Condition 4(b)(iii)) ("ISDA Determination"):
        - (A) the margin, if any, (the "Margin") (which Margin may remain the same throughout the life of the Notes or increase and/or decrease) specifying whether any such Margin is to be added to, or subtracted from, the relevant ISDA Rate (as defined in Condition 4(b)(iii));
        - (B) the "Floating Rate Option";
        - (C) the "Designated Maturity"; and
        - (D) the "Reset Date(s)" if other than as provided in Condition 4(b)(iii)(C); or
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- (2) where the Rate of Interest is to be calculated otherwise than by reference to the ISDA Definitions ("Screen Rate Determination");
    - (A) the reference rate (the "Reference Rate") by which the Rate of Interest is to be determined (the Reference Rate should also include the relevant period by reference to which the Rate of Interest is to be calculated; e.g. three month Sterling LIBOR);
    - (B) the Margin, if any, (which Margin may remain the same throughout the life of the Notes or increase and/or decrease) specifying whether any such Margin is to be added to, or subtracted from, the Reference Rate;
    - (C) the dates on which such Rate of Interest is to be determined (each an "Interest Determination Date"); and
    - (D) the page (the "Relevant Screen Page"), whatever its designation, on which the Reference Rate is for the time being displayed on the Reuter Monitor Money Rates Service or the appropriate Associated Press - Dow Jones Telerate Service (or such other service as may be designated in the applicable Pricing Supplement); or
  - (3) where the Rate of Interest is to be calculated otherwise than by reference to (1) or (2) above, details of the basis for determination of the Rate of Interest, any relevant Margin and any fall-back provisions;
    - (c) if different from the Agent, the party responsible for calculating the Rate of Interest and Interest Amount in respect of any Notes;
    - (d) the minimum Rate of Interest, if any, at which the Notes will bear interest, which may remain the same throughout the life of the Notes or increase and/or decrease;
    - (e) the maximum Rate of Interest, if any, at which the Notes will bear interest, which may remain the same throughout the life of the Notes or increase and/or decrease;
    - (f) any Additional Business Centre required pursuant to Condition 4(f);
    - (g) the applicable definition of "Business Day" for the purposes of Condition 4 (if different from that set out at the end of Condition 4; and
    - (h) the denominator to be used in the calculation of the Interest Amount payable in respect of the Notes (if different from that set out in Condition 4(b)(vi));
  - (xx) if any date is to be subject to a business day convention, such business day convention may be:
    - (a) the Floating Rate Convention;
    - (b) the Following Business Day Convention;
    - (c) the Modified Following Business Day Convention;
    - (d) the Preceding Business Day Convention,each as described in Condition 4(f), and whether or not such business day convention is to be applied on an "unadjusted" basis (as so described); or
    - (e) as otherwise specified;
  - (xxi) in the case of Zero Coupon Notes:
    - (a) the accrual yield in respect of such Notes (the "Accrual Yield") expressed as a percentage rate per annum;
    - (b) the reference price attributed to the Notes on issue (the "Reference Price"); and
    - (c) any other formula or basis of determining the Amortised Face Amount, (in each case for the purposes of Condition 6(e)(iii));
  - (xxii) in the case of Index Linked Notes:
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- (a) the index (the "Index") to which amounts payable in respect of principal and/or interest are linked and/or the formula (the "Formula") to be used in determining the amounts of principal and/or interest due and the provisions regarding calculation of principal and/or interest in circumstances where such calculation by reference to the Index and/or the Formula is impossible and/or impracticable; and
    - (b) the calculation agent responsible for calculating the amount of principal and/or interest due;
  - (xxiii) in the case of Dual Currency Notes:
    - (a) the exchange rate or basis of calculating the exchange rate to be used in determining the amounts of principal and/or interest payable in the Specified Currencies (the "Rate of Exchange") and the provisions regarding calculation of principal and/or interest in circumstances where such calculation by reference to the Rate of Exchange is impossible and/or impracticable;
    - (b) the calculation agent, if any, responsible for calculating the amount of principal and/or interest payable in the Specified Currencies; and
    - (c) the person at whose option any Specified Currency or Currencies is or are to be payable;
  - (xxiv) whether the Notes are to be redeemable at the option of the relevant Issuer (other than for taxation reasons) and/or, in the case of Unsubordinated Notes and Subordinated Notes with a maturity of less than five years only, the Noteholders and, if so:
    - (a) each date upon which redemption may occur (each an "Optional Redemption Date");
    - (b) each redemption amount for the Notes (each an "Optional Redemption Amount") and/or the method, if any, of calculating the same; and
    - (c) in the case of Notes redeemable by the relevant Issuer in part, the minimum nominal amount of the Notes permitted to be so redeemed at any time (the "Minimum Redemption Amount") and any greater nominal amount of the Notes permitted to be so redeemed at any time (each a "Higher Redemption Amount"), if any;
  - (xxv) the redemption amount (the "Early Redemption Amount") in respect of the Notes payable on redemption for taxation reasons or following an Event of Default and/or the method, if any, of calculating the same if required to be specified by, or if different from that set out in, Condition 6(e);
  - (xxvi) in the case of Bearer Notes, whether talons for future receipts or interest coupons are to be attached to definitive Bearer Notes on issue and, if so, the date on which such talons mature;
  - (xxvii) details of any other relevant terms of such Notes or special conditions and of any modifications to the terms and conditions of the Notes not inconsistent with the provisions of the Trust Deed;
  - (xxviii) the applicable definition of "Payment Day" (for the purpose of Condition 5) if different from that set out in Condition 5(c);
  - (xxix) details of any additional or alternative clearing system approved by the relevant Issuer, the Agent and the Trustee;
  - (xxx) whether or not the Notes are to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities or any other stock exchange or other relevant authority;
  - (xxxi) in the case of Bearer Notes, whether interests in the Temporary Bearer Global Note can be exchanged either for interests in a Permanent Bearer Global Note and/or, as the case may be, for definitive Bearer Notes and, in the case of an exchange from the Temporary Bearer Global Note for definitive Bearer Notes, the notice period required therefor and in
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the case of Registered Notes, whether the Notes are Restricted Notes and/or Reg. S Notes and whether the Notes are to be represented on issue by a Restricted Global Note and/or a Reg. S Global Note or by Definitive Registered Notes;

- (xxxii) in the case of Bearer Notes, in what circumstances interests in the Permanent Bearer Global Note are exchangeable for definitive Bearer Notes, being either (A) in the following limited circumstances: (1) if the Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system acceptable to the Trustee is available, (2) if an Event of Default (as defined in Condition 9) occurs in relation to the Notes represented by a Permanent Bearer Global Note or (3) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer which would not be suffered were the Notes in definitive form, or (B) at the request of the holder upon not less than 60 days written notice to the Agent and, in the case of Registered Notes, in what circumstances interests in the Restricted Global Note and/or Reg. S Global Note are exchangeable for definitive Registered Notes being either (A) in the following limited circumstances: (1) if Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Note, (2) if applicable, DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act of 1934 or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no alternative clearing system acceptable to the Trustee is available, (3) if an Event of Default (as defined in Condition 9) occurs in relation to the Notes represented by such Registered Global Note, (4) if the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (5) if the Trustee is satisfied that the relevant issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer which would not be suffered were the Notes in definitive form, or (B) at the request of the holder upon not less than 60 days written notice to the Agent; and

- (xxxiii) in the case of Registered Notes, the name(s) and specified office(s) of the Registrar(s).

(B) In Part B of the Pricing Supplement:

- (i) whether Redenomination and/or Exchange is applicable;
- (ii) any additional selling restrictions which are required;
- (iii) the name of the stabilising manager (if any);
- (iv) the method of distribution of the Notes (syndicated or non-syndicated) including, if syndicated, the names of the managers and, if non-syndicated, the names of the Dealers;
- (v) (as applicable) the relevant Euroclear and Clearstream, Luxembourg common code and the relevant ISIN and the relevant CUSIP and CINS numbers; and
- (vi) the rating, if any, given to the Notes.

Where applicable, the Pricing Supplement will contain such information as is necessary to comply with the Banking Act 1987 (Exempt Transactions) Regulations 1997.

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## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and which will be endorsed upon (or, if permitted by the relevant stock exchange or other relevant authority (if any) and agreed between the relevant Issuer and the relevant Dealer(s), incorporated by reference into) each definitive Note. Part A of the applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purposes of such Tranche of Notes. Part A of the applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of the Pricing Supplements which will include the definitions of certain terms used in the following Terms and Conditions and which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a series of Notes constituted by a Trust Deed (as modified and/or supplemented from time to time, the "Trust Deed") dated 24th November, 1994, and made between Tokyo-Mitsubishi International plc ("TMI") (formerly Mitsubishi Finance International plc), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") (substituted for Mitsubishi Bank (Deutschland) GmbH), Tokyo-Mitsubishi International (HK) Limited ("TMIHK") (substituted for Mitsubishi Finance (Hong Kong) Limited) and The Law Debenture Trust Corporation p.l.c. (the "Trustee", which expression shall include any successor as trustee). References herein to the "Issuer" shall be references to the party specified as such in the applicable Pricing Supplement (as defined below). References herein to the "Notes" shall be references to the Notes of this Series (as defined below) and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange (or part exchange) for a global Note (iii) definitive Registered Notes either issued in definitive registered form or issued in exchange (or part exchange) for a global Note and (iv) any global Note. The Notes, the Receipts and the Coupons (as defined below) have the benefit of an Agency Agreement (as modified and/or supplemented from time to time, the "Agency Agreement") dated 24th November, 1994 and made between the Issuer, The Chase Manhattan Bank, as issuing and principal paying agent (the "Agent", which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents), the registrar named therein (the "Registrar", which expression shall include any additional or successor registrar), The Chase Manhattan Bank, as exchange agent (the "Exchange Agent", which shall include any successor as exchange agent), the transfer agents named therein (the "Transfer Agents", which expression shall include any additional or successor transfer agents) and the Trustee and, where the Issuer is either TMI, BTMD or TMIHK, a Keep Well Agreement (the "Keep Well Agreement") dated 18th August, 2000 and made between TMI, BTMD, TMIHK (together, the "Companies") and The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). References to the Registrar herein shall be references to the party specified as such in the applicable Pricing Supplement.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue. Neither Registered Notes nor global Notes have Receipts or Coupons attached on issue.

The Trustee acts for the benefit of the holders of the Notes (the "Noteholders", which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts ("Receiptholders") and the holders of the Coupons (the "Couponholders", which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) attached hereto or endorsed hereon.

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As used herein, "Tranche" means Notes (whether in global or definitive form or both) which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Trust Deed, the Agency Agreement, the form of the Pricing Supplement, the Pricing Supplement applicable to this Note and the Keep Well Agreement are available for inspection at the registered office of the Trustee, being at 17th August, 2001 at Fifth Floor, 100 Wood Street, London EC2V 7EX, and at the specified office of each of the Agent, the other Paying Agents, the Registrar and the Transfer Agents save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a Noteholder upon proof satisfactory to the Trustee, the Registrar or the relevant Paying Agent or Transfer Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the Keep Well Agreement and the applicable Pricing Supplement, which are binding on them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

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

The Notes are either in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), as specified in the applicable Pricing Supplement, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

This Note is an Unsubordinated Note or a Subordinated Note as indicated in the applicable Pricing Supplement.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, a Dual Currency Note or a Partly Paid Note, or a combination of any of the foregoing, depending upon the Interest/Payment Basis shown in the applicable Pricing Supplement.

In the case of Zero Coupon Notes, references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement and the Trust Deed. The Issuer, the Trustee, the Replacement Agent (as defined in the Agency Agreement), any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a bearer global Note held by a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear system ("Euroclear") and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), or for so long as a nominee of a common depositary for Euroclear and Clearstream, Luxembourg or The Depository Trust Company ("DTC") or its nominee is the registered holder of a Registered Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or, as the case may be, of DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or, as the case may be, DTC as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Replacement Agent, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose such common depositary or its nominee or, as the case may be, DTC or its nominee shall be treated by the Issuer, the Replacement Agent, any Paying Agent, the Registrar, the Exchange Agent, any Transfer Agent and the Trustee as the holder of such

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nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC, as the case may be.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent and the Trustee.

## **2. Status of the Notes**

### **(a) Unsubordinated Notes**

The Unsubordinated Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

### **(b) Subordinated Notes (TMI only)**

- (i) The Subordinated Notes and any related Receipts and Coupons constitute Subordinated Liabilities (as defined below) and rank *pari passu* without any preference among themselves. The rights of the holders of Subordinated Notes and the related Receipts and Coupons are subordinated to the Senior Liabilities (as defined below).
- (ii) Subject to the provisions of Condition 6(k), payment of any amount (whether principal, interest or otherwise) in respect of the Subordinated Notes and any related Receipts and Coupons is conditional upon:
  - (A) (if no order has been made or effective resolution passed for the Insolvency (as defined below) of the Issuer) the Issuer having Financial Resources (as defined below) of not less than 120 per cent. of its Financial Resources Requirement (as defined below) immediately after payment of such amount by the Issuer and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that, subject to sub-paragraph (B) below, the Issuer could make such payment and still have Financial Resources of not less than 120 per cent. of such Financial Resources Requirement immediately thereafter; and
  - (B) at the time of payment by the Issuer and immediately thereafter the Issuer being solvent and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that the Issuer could make such payment and still be solvent immediately thereafter.

For the purpose of sub-paragraph (B) above, the Issuer shall be solvent if it is able to pay its debts in full and in determining whether the Issuer is solvent for the purpose of this sub-paragraph there shall be disregarded (x) obligations which are not payable or capable of being established or determined in the Insolvency of the Issuer and (y) the Excluded Liabilities (as defined below).

- (iii) No payment in respect of the Subordinated Notes or any related Receipts or Coupons shall be made at any time pursuant to paragraph (ii) above without the consent of The Securities and Futures Authority or any successor as may replace it as the relevant financial regulator, such as The Financial Services Authority when the Financial Services and Markets Act 2000 comes into force (the "SFA") if immediately after such payment the Financial Resources of the Issuer would be less than 120 per cent. of its Financial Resources Requirement. The Issuer shall give or procure that there are given to the SFA such information and auditor's certificate(s) in relation to such proposed payment as the SFA may require.
- (iv) For the purposes of paragraph (ii) above, a report given at any relevant time as to (A) compliance by the Issuer with the provisions of sub-paragraph (ii)(A) above by two directors of the Issuer and (B) the solvency of the Issuer by two directors of the Issuer failing whom its auditors or (if the Issuer is in Insolvency) its Insolvency Officer (as defined below), in form and substance acceptable to the SFA, in each case shall, in the absence of proven error, be treated and accepted by the SFA, the

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Issuer, the Trustee, the Noteholders, the Receiptholders and the Couponholders as correct and sufficient evidence of the Issuer's compliance with such sub-paragraph (ii)(A) or, as the case may be, solvency or Insolvency.

- (v) If the Trustee or any Noteholder, Receiptholder or Couponholder shall receive from the Issuer payment of any sum in respect of the Notes, Receipts or Coupons at a time when any of the conditions referred to in paragraphs (ii) and (iii) above is not satisfied, the payment of such sum shall be void for all purposes and such sum shall be received by the Trustee or, as the case may be, the Noteholder, Receiptholder or Couponholder upon trust to return such sum to the Issuer and any sums so returned shall then be treated for the purposes of the Issuer's obligations under the Trust Deed and these Terms and Conditions as if they had not been paid by the Issuer and its original payment shall be deemed not to have discharged any of the obligations of the Issuer hereunder or under the Trust Deed. A request to the Trustee or any Noteholder, Receiptholder or Couponholder for return of any sum under the foregoing provisions of this paragraph (v) shall be in writing and shall be signed by two directors of the Issuer or, as the case may be, by its Insolvency Officer.
- (vi) No person shall without the prior written consent of the SFA:
  - (A) retain or set off or purport to retain or set off at any time any amount payable by it to the Issuer against any amount due in respect of the Subordinated Notes or the related Receipts or Coupons except to the extent that payment of such amount due in respect of the Subordinated Notes or the related Receipts or Coupons would be permitted at such time by these Terms and Conditions and such person shall immediately pay an amount equal to any retention or set off in breach of this provision to the Issuer and such retention or set off shall be deemed not to have occurred; or
  - (B) amend or waive the terms of any document evidencing the Subordinated Notes and the related Receipts and Coupons, which amendment or waiver relates to the Subordinated Notes or the related Receipts or Coupons; or
  - (C) attempt to obtain repayment of any amount in respect of the Subordinated Notes or the related Receipts or Coupons otherwise than in accordance with these Terms and Conditions; or
  - (D) take any action whereby the subordination of the Subordinated Notes or the related Receipts or Coupons or any part thereof to Senior Liabilities might be terminated, impaired or adversely affected; or
  - (E) take or enforce any security, guarantee or indemnity from any person for all or any part of the liabilities of the Issuer in respect of the Subordinated Notes or any related Receipts or Coupons and any security, guarantee or indemnity obtained in respect thereof and the proceeds thereof will be held by the recipient on trust for the benefit of the Issuer.
- (vii) For the purposes of the Subordinated Notes and any related Receipts and Coupons:
  - (A) "Excluded Liabilities" means Liabilities which are expressed to be and, in the opinion of two directors of the Issuer failing whom its auditors or (if the Issuer is in Insolvency) the Insolvency Officer of the Issuer, would or do rank junior to the claims of the holders of the Subordinated Notes and any related Receipts and Coupons in respect of the Subordinated Notes and any related Receipts and Coupons in the Insolvency of the Issuer;
  - (B) "Financial Resources" has the meaning given in the Financial Rules;
  - (C) "Financial Resources Requirement" has the meaning given in the Financial Rules;
  - (D) "Financial Rules" means the rules in Chapter 10 of the SFA rule book (or the equivalent financial rules of any successor regulator);
  - (E) "Insolvency" means and includes liquidation, winding-up, bankruptcy, sequestration, administration, rehabilitation and dissolution (whichever term may apply to the Issuer) or the equivalent in any other jurisdiction to which the Issuer may be subject;
  - (F) "Insolvency Officer" means and includes any person duly appointed to administer and distribute assets of the Issuer in the course of the Issuer's Insolvency;

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- (G) "Liabilities" means all present and future sums, liabilities and obligations payable or owing by the Issuer (whether actual or contingent, jointly or severally or otherwise howsoever);
  - (H) "Senior Liabilities" means all Liabilities except the Subordinated Liabilities and Excluded Liabilities; and
  - (I) "Subordinated Liabilities" means Liabilities in respect of indebtedness which are subordinated by their terms in right of payment in any Insolvency of the Issuer.
- (viii) The Issuer will not without the prior written consent of the SFA:
- (A) secure all or any part of the Subordinated Notes or any related Receipts or Coupons; or
  - (B) redeem, purchase or otherwise acquire all or any part of the Subordinated Notes or any related Receipts or Coupons; or
  - (C) amend any document evidencing or providing for the Subordinated Notes or any related Receipts or Coupons insofar as such amendment relates to the Subordinated Notes or any related Receipts or Coupons; or
  - (D) pay any amount in respect of the Subordinated Notes or any related Receipts or Coupons otherwise than in accordance with these Terms and Conditions; or
  - (E) take or omit to take any action whereby the subordination of the Subordinated Notes or any related Receipts or Coupons or any part thereof to the Senior Liabilities might be terminated, impaired or adversely affected; or
  - (F) arrange or permit any contract of suretyship (or similar agreement) relating to its liabilities under these Terms and Conditions in respect of the Subordinated Notes to be entered into,
- and the Issuer represents that it has not done so before the date of issue of the Subordinated Notes.
- (ix) All the other Terms and Conditions of the Subordinated Notes shall be subject to this Condition 2(b).

### **3. Redenomination and Exchange**

#### *(a) Redenomination*

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Trustee, the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders and, in the case of Subordinated Notes, to the SFA in accordance with Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Trustee and the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or other relevant authority (if any) on which the Notes may be listed, the SFA (in the case of Subordinated Notes) and the Paying Agents of such deemed amendments;
  - (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
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- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
  - (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "Exchange Notice") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
  - (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
  - (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period of less than one year, it will be calculated on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed fall in a leap year, the sum of (i) the number of those days falling in a leap year divided by 366 and (ii) the number of those days falling in a non-leap year divided by 365);
  - (vii) if the Notes are Floating Rate Notes the applicable Pricing Supplement specifies any relevant changes to the provisions relating to interest; and
  - (viii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, with the prior written approval of the Trustee and after consultation with the Agent and, in the case of Subordinated Notes, with the prior written consent of the SFA, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro. Any such other changes will not take effect until after they have been notified to the Noteholders in accordance with Condition 13.

(b) *Exchange*

Where exchange is specified in the applicable Pricing Supplement as being applicable, the Issuer may, with the prior written consent of the SFA (in the case of Subordinated Notes) but without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Agent, the Trustee, Euroclear and Clearstream, Luxembourg and not less than 30 days' prior notice to the Noteholders in accordance with Condition 13, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, with the prior written approval of the Trustee and after consultation with the Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

(c) *Definitions*

In this Condition, the following expressions have the following meanings:

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

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"euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

"Redenomination Date" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) or, as the case may be, (b) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"Treaty" means the Treaty establishing the European Community, as amended.

#### **4. Interest**

##### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrear on the Fixed Interest Date(s) in each year up to (but excluding) the Maturity Date so specified if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.

If interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each or on such other basis as set out in the relevant pricing supplement.

##### *(b) Interest on Floating Rate Notes and Index Linked Interest Notes*

###### *(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrears on either:

- (A) the Interest Payment Date(s) specified in the applicable Pricing Supplement in each year (the period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including an Interest Payment Date to but excluding the next Interest Payment Date each being an "Interest Period"); or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Interest Payment Date specified in the applicable Pricing Supplement, an "Interest Payment Date") which falls the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

###### *(ii) Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

###### *(iii) ISDA Determination*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of

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an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes) (the "ISDA Definitions") and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is as specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (iii), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under sub-paragraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this sub-paragraph (iv) in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(v) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a minimum Rate of Interest for any Interest Period, then in the event that the Rate of Interest for such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such minimum Rate of Interest, then the Rate of Interest for such Interest Period shall be such minimum Rate of Interest.

If the applicable Pricing Supplement specifies a maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such maximum Rate of Interest, then the Rate of Interest for such Interest Period shall be such maximum Rate of Interest.

(vi) Determination of Rate of Interest and Calculation of Interest Amounts

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The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the actual number of days in the Interest Period concerned divided by 360 (or 365/366 in the case of Notes denominated in Sterling), or such other denominator determined by the Agent to be customary for such calculation, and rounding the resultant figure to the nearest sub-unit of the relevant other Specified Currency), half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

(vii) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the day which is the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) Determination or Calculation by Trustee

If for any reason the Agent at any time after the Issue Date defaults in its obligations to determine the Rate of Interest or calculate any Interest Amount in accordance with sub-paragraphs (ii) and (vi) above respectively, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any minimum or maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(ix) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent, or if applicable the Calculation Agent or the Trustee, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Trustee, the Calculation Agent, the other Paying Agents, the Transfer Agent, the Exchange Agent, the Registrars and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent, the Calculation Agent (if applicable) or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

The rate or amount of interest payable in respect of Dual Currency Notes shall be determined in the manner specified in the applicable Pricing Supplement.

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(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of Interest*

Each interest-bearing Note (or, in the case of the redemption of part only of such a Note, that part only of such Note) will cease to bear interest from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed or in the applicable Pricing Supplement.

(f) *Applicable Business Day Convention*

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (i) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date occurred; or
- (ii) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (iii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (iv) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Notwithstanding the foregoing, where the applicable Pricing Supplement specifies that the relevant business day convention is to be applied on an "unadjusted" basis, the amount of interest payable on any date shall be determined by reference to the Fixed Interest Date(s), Maturity Date and/or Interest Payment Date(s) originally specified in the applicable Pricing Supplement without regard to any adjustment to such date(s) arising as a result of the application of such business day convention.

In this Condition, "Business Day" means a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any other place as is specified in the applicable Pricing Supplement (each an "Additional Business Centre"); and
  - (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars, shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto (the "TARGET System") is open.
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## 5. Payments

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

### (b) *Presentation of definitive Notes, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States. Payments under paragraph (a) above made by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Subject as provided below, no payment in respect of any definitive Bearer Note or Coupon will be made upon presentation of such definitive Bearer Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payments be made by transfer to an account, or by mail to an address, in the United States.

In respect of Bearer Notes, payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of the relevant definitive Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any such Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Note or Long Maturity Notes in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "Long Maturity Note" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such definitive Bearer Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of the relevant global Note (or, as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such global Note (or the Trustee, as the case may be). No person other than the holder of such global Note (or the Trustee, as the case may be) shall have any claim against the Issuer in respect of any payments due on that global Note.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

Notwithstanding the foregoing, U.S. dollar payments of principal and/or interest in respect of Bearer Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used in this Condition, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of principal in respect of Registered Notes will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar or at the specified office of any Paying Agent. Payments of interest due on a Registered Note and payments of instalments (if any) of principal on a Registered Note, other than the final instalment, will be made to the person in whose name such Note is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day

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(being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the "Record Date")) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the due date. If payment is required by credit or transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

(c) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. In this Condition (unless otherwise specified in the applicable Pricing Supplement), "Payment Day" means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) a Business Day (as defined in Condition 4(f)); and
- (iii) in the case of any payment in respect of a Restricted Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and, in respect of which an accountholder of DTC (with an interest in such Restricted Global Note) has elected to receive any part of such payment in U.S. dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

(d) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

**6. Redemption and Purchase**

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement (in the case of a Note other than a Floating Rate Note) or on the Interest Payment Date falling in the Redemption Month specified in the applicable Pricing Supplement (in the case of a Floating Rate Note).

(b) *Redemption for Tax Reasons*

Subject to Condition 6(k) (in respect of Subordinated Notes only) the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes, Index Linked Interest Notes or Dual Currency Notes) or on any Interest Payment Date (in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Notes), on giving not less than 15 nor more than 30 days' notice to the Trustee, the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of the aforementioned notice that:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of, in the case of TMI, the United Kingdom, in the case of BTMD, Germany or, in the case of TMIHK, Hong Kong or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the Option of the Issuer*

If so specified in the applicable Pricing Supplement and subject to Condition 6(k) (in respect of Subordinated Notes only), the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice in accordance with Condition 13 to the Noteholders; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Trustee and the Agent,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only (as specified in the applicable Pricing Supplement) of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Higher Redemption Amount, in each case as may be indicated in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Bearer Notes (or, as the case may be, parts of Registered Notes) to be redeemed ("Redeemed Notes") will be selected individually by lot (without involving any part of a Bearer Note), in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg or, as the case may be, DTC, in the case of Redeemed Notes represented by a global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of



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the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 10 days prior to the Selection Date.

(d) *Redemption at the Option of the Noteholders*

If the Noteholders are specified in the applicable Pricing Supplement as having an option to redeem, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Pricing Supplement (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent, Transfer Agent or, as the case may be, the Registrar at any time during the normal business hours of such Paying Agent, Transfer Agent or the Registrar within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "Put Notice") in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this paragraph (d) accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent, Transfer Agent or Registrar concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Subordinated Notes with a maturity of 5 years or more cannot be redeemed at the option of the Noteholders.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement or, if no such amount or manner is so set out in the applicable Pricing Supplement, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

"RP" means the Reference Price;

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

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(f) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) *Purchases*

The Issuer or any of its Subsidiaries (and any direct or indirect Subsidiary of the Parent) may at any time purchase or otherwise acquire Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons appertaining thereto are attached thereto or surrendered therewith) in the open market either by tender or private agreement or otherwise, without restriction as to price. In the case of Subordinated Notes, any such purchase shall be subject to the prior written consent of the SFA. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent or the Registrar for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be re-issued or resold.

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 or as provided in the Trust Deed.

(k) *Early Redemption of Subordinated Notes*

No Subordinated Notes may be redeemed by the Issuer and no attempt may be made to redeem the Subordinated Notes prior to the Maturity Date in whole or in part unless the Issuer shall have obtained the prior written consent to such redemption from the SFA.

**7. Taxation**

All payments of principal and/or interest in respect of the Notes, Receipts and Coupons by the Issuer shall be made without withholding or deduction 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, if the Issuer is TMI, the United Kingdom or any political sub-division or any authority thereof or therein having power to tax, if the Issuer is BTMD, Germany or any political sub-division or any authority thereof or therein having power to tax or if the Issuer is TMIHK, Hong Kong or any political subdivision or any authority thereof or therein having power to tax, unless the withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of the Notes, Receipts or Coupons of the sums which would have been receivable (in the absence of such withholding or deduction) from the Issuer in respect of their Notes, Receipts and Coupons; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder who (a) is able to avoid such withholding or deduction by satisfying any statutory requirements or by making a declaration of non-residence or other claim for exemption to the relevant taxing authority but fails to do so or (b) is liable to such taxes, duties,

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assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with, if the Issuer is TMI, the United Kingdom, if the Issuer is BTMD, Germany or, if the Issuer is TMIHK, Hong Kong, other than the mere holding or ownership of such Note, Receipt or Coupon; or

- (ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such 30-day period; or
- (iii) in the case of a Note, Receipt or Coupon issued by TMI, presented for payment at the specified office of a Paying Agent in the United Kingdom; or
- (iv) in the case of a Note, Receipt or Coupon issued by BTMD, presented for payment at the specified office of a Paying Agent in Germany if the relevant payment could be made outside Germany without such withholding or deduction; or
- (v) in the case of a Subordinated Note or related Receipt or Coupon, without the prior written consent of the SFA; or
- (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th to 27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vii) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the "Relevant Date" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect has been duly given to the Noteholders in accordance with Condition 13.

## **8. Prescription**

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. Events of Default**

### **(a) Unsubordinated Notes**

The provisions of this Condition 9(a) apply to Unsubordinated Notes only.

If any one or more of the following events (each an "Event of Default") shall have occurred and be continuing:

- (i) default is made for more than seven days in the payment of any amount of principal or any amount of interest due in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Notes or the Trust Deed (other than any obligation for the payment of any amount due in respect of any of the Notes) and (but only in a case where the Trustee considers such default to be capable of being remedied) such default shall not be remedied to the Trustee's satisfaction within 30 days (or such longer period as the Trustee may permit) of first written notification from the Trustee to the Issuer requiring the same to be remedied; or
- (iii) any Financial Indebtedness (as defined below) of the Issuer having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) shall become prematurely repayable as a result of a default in respect of the terms thereof or as a result of any event treated in effect as a default or steps are taken to enforce any security therefor or the Issuer defaults in

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repayment of any such Financial Indebtedness when due or at the expiration of any applicable grace period therefor (as originally provided) or any guarantee or indemnity in respect of any Financial Indebtedness of others having an aggregate nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency) shall not be honoured when due and called upon; or

- (iv) an effective resolution is passed or an order of a court of competent jurisdiction is made that the Issuer be liquidated, wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or other similar arrangement the terms whereof have previously been approved either in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (v) possession is taken on behalf of an encumbrancer, or a receiver is appointed, of the whole or a material part of the assets or undertaking of the Issuer; or
- (vi) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Issuer, and is not discharged within 30 days thereof; or
- (vii) the Issuer stops payment (within the meaning of any applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or other similar arrangement as is referred to in paragraph (iv) above) ceases or through an official action of the Board of Directors of the Issuer threatens to cease to carry on business or is unable to pay its debts as and when they fall due; or
- (viii) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (ix) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make a conveyance or assignment for the benefit of, or enter into any composition with, its creditors; or
- (x) the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by the Parent, unless such cessation is previously approved either in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (xi) except with the prior consent in writing of the Trustee or the sanction of an Extraordinary Resolution of the Noteholders, the Keep Well Agreement is terminated or any provision of the Keep Well Agreement is modified or waived in circumstances where such modification or waiver would have a material adverse effect on the interests of the Noteholders or is not enforced in a timely manner by the Issuer or is breached by the Parent,

then the Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), (provided that, except in the case of the happening of any of the events mentioned in paragraphs (i) and (x) above, the Trustee shall have certified that, in its opinion, such event is materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall thereby forthwith become, immediately due and repayable at their Early Redemption Amount (as described in Condition 6(e)) together with accrued interest as provided in the Trust Deed.

For the purpose of paragraph (iii) above, "Financial Indebtedness" means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash. Any Financial Indebtedness which is denominated or payable in a currency other than U.S. dollars shall be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency as quoted by the Agent on the calendar day in London on which the relevant default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

(b) *Subordinated Notes (TMI only)*

The provisions of this Condition 9(b) apply to Subordinated Notes only.

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If an effective resolution is passed or an order of a court of competent jurisdiction is made for the Insolvency of the Issuer (otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved in writing either by the SFA and the Trustee or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Notes, the Receipts, the Coupons and the Trust Deed), the Trustee at its discretion may, and if so requested in writing by Noteholders holding at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified to its satisfaction), give written notice to the Issuer that the Notes are, and they shall thereby forthwith become, subject to Condition 2(b) and Condition 6(k), immediately due and repayable at their Early Redemption Amount (as described in Condition 6(e)) together with accrued interest as provided in the Trust Deed.

**10. Exchange of Notes, Transfer of definitive Registered Notes and Replacement of Notes, Receipts, Coupons and Talons**

*(a) Exchange of Bearer Notes for Registered Notes*

A Bearer Note in definitive form may be exchanged for Registered Notes of like aggregate nominal amount (in global or definitive form) by submission of a duly completed request for exchange substantially in the form provided in the Agency Agreement (an "Exchange Request"), copies of which are available from the specified office of the Registrar or any Transfer Agent, together with the Bearer Note and all unmatured Coupons, Talons and Receipts appertaining thereto, to a Transfer Agent at its specified office. Within three business days of the request, if the Registered Notes for which the Bearer Note is to be exchanged are in definitive form, the relevant Transfer Agent will authenticate and deliver, or procure the authentication and delivery of, at its specified office to the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the Exchange Request, a Registered Note of a like aggregate nominal amount to the Bearer Note(s) exchanged and will enter the exchange of the Bearer Note(s) in the Register maintained by the Registrar as of the Exchange Date. If the Registered Note(s) for which such Bearer Note(s) is/are to be exchanged is/are in global form, the amount of the applicable Registered Global Note(s) will be increased accordingly.

Exchange Requests may not be presented on or after the Record Date (as defined in Condition 5(b)) in respect of any Fixed Interest Date or Interest Payment Date up to and including such Fixed Interest Date or Interest Payment Date. Interest on a Registered Note issued on exchange will accrue as from the immediately preceding Fixed Interest Date or Interest Payment Date, as the case may be.

No exchanges of Bearer Notes for Registered Notes or interests in Registered Global Notes will be permitted for so long as the Bearer Notes are represented by a Temporary Bearer Global Note.

*(b) Form of Registered Notes*

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"), will be represented by a permanent global Note in registered form, without interest coupons, (the "Reg. S Global Note") deposited with a custodian for, and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg for the accounts of their participants. Notes in definitive form issued in exchange for Reg. S Global Notes or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Reg. S Global Notes, are referred to herein as "Reg. S Notes". Prior to expiry of the period that ends 40 days after completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the Lead Manager, in the case of a syndicated issue (the "Distribution Compliance Period"), beneficial interests in a Reg. S Global Note may be held only through Euroclear or Clearstream, Luxembourg.

Registered Notes of each Tranche sold in private transactions to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("QIBs") will be represented by a permanent global Note in registered form, without interest coupons (the "Restricted Global Note" and, together with the Reg. S Global Note, the "Registered Global Notes") deposited with a custodian for, and registered in the name of a nominee of, DTC. Notes in definitive form issued in exchange for Restricted Global Notes or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Notes, are referred to herein as "Restricted Notes".

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Registered Notes of each Tranche sold to accredited investors (as defined in Rule 501(a)(1), (2) or (3) under the Securities Act) ("Institutional Accredited Investors") who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be in definitive form, registered in the name of the holder thereof.

Registered Notes in definitive form issued to Institutional Accredited Investors and Restricted Notes shall bear the legend set forth in the Restricted Global Note (the "Legend"), such Notes being referred to herein as "Legended Notes". Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall (save as provided in Condition 10(f)) deliver only Legended Notes or refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Registered Notes in definitive form from the date of issue may, if specified in the applicable Pricing Supplement, be issued in reliance on Regulation S under the Securities Act.

Subject as otherwise provided in this Condition 10, Registered Notes in definitive form may be exchanged or transferred in whole or in part in the authorised denominations for one or more definitive Registered Notes of like aggregate nominal amount.

(c) *Exchange of interests in Registered Global Notes for Registered Notes in definitive form*

Interests in the Reg. S Global Note and the Restricted Global Note will be exchangeable for Registered Notes in definitive form, either (as specified in the applicable Pricing Supplement) (A) in the following limited circumstances: (i) if Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such Registered Global Note, or (ii) if applicable, DTC ceases to be a "Clearing Agency" registered under the Securities Exchange Act of 1934 or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business or does in fact do so and no successor clearing system acceptable to the Trustee is available, (iii) if an Event of Default (as defined in Condition 9) occurs and is continuing in relation to the Notes represented by such global Note, (iv) if the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (v) if the Trustee is satisfied that the relevant Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction of such Issuer which would not be suffered were the Notes in definitive form, or (B) unless otherwise provided in the applicable Pricing Supplement, a written request for one or more Registered Notes in definitive form is made by a holder of a beneficial interest in a Registered Global Note, provided that in the case of (B) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not less than 60 days (or such other period as may be indicated in the applicable Pricing Supplement) prior to the requested date of such exchange. Upon the occurrence of any of the events described in the preceding sentence, the relevant Issuer will cause the appropriate Registered Notes in definitive form to be delivered, provided that notwithstanding the above, no Registered Notes in definitive form will be issued until expiry of the applicable Restricted Period.

(d) *Transfers of Registered Global Notes*

Transfers of a Registered Global Note shall be limited to transfers of such Registered Global Note, in whole but not in part, to a nominee of Euroclear, Clearstream, Luxembourg or DTC or to a successor of any of them or such successor's nominee.

(e) *Transfers of interests in Reg. S Notes*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg. S Note to a transferee in the United States will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

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- (A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
  - (B) to a person who is an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an "IAI Investment Letter"); or
  - (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (A) above such transferee may take delivery through a Legended Note in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period such certification requirements will no longer apply to such transfers.

*(f) Transfers of interests in Legended Notes*

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Reg. S Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the Transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note:
  - (A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or
  - (B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or
- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

*(g) Exchanges and transfers of Registered Notes generally*

Registered Notes may not be exchanged for Bearer Notes.

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will be transferable and exchangeable for Notes

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in definitive form or for a beneficial interest in another Registered Global Note only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the "Applicable Procedures").

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar, or as the case may be, the relevant Transfer Agent may with the prior approval of the Trustee prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or as the case may be, relevant Transfer Agent of the Registered Note in definitive form to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

*(h) Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 6(c), the Issuer shall not be required:

- (a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
- (b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

*(i) Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered during the period of 30 days ending on the due date for any payment of principal or interest on that Note.

*(j) Costs of exchange or registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange.

*(k) Replacement of Notes, Receipts, Coupons and Talons*

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Replacement Agent, in the case of a Bearer Note, Receipt or Coupon, or the Registrar, in the case of a Registered Note, or any other place approved by the Trustee of which notice shall have been published in accordance with Condition 13, upon payment by the claimant of

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such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **11. Agent, Paying Agents, Transfer Agents, Exchange Agent and Registrars**

The names of the initial Agent, the other initial Paying Agents, the initial Registrars, the initial Exchange Agent and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is, with the prior approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent or Registrar or Transfer Agent or Exchange Agent and/or appoint additional or other Paying Agents, Registrars, Transfer Agents or Exchange Agents and/or approve any change in the specified office through which any Paying Agent, Registrar, Transfer Agent or Exchange Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange or other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority);
- (ii) there will at all times be a Paying Agent with a specified office in a city approved by the Trustee in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Transfer Agent having a specified office in a place approved by the Trustee;
- (v) so long as any of the Registered Global Notes are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City;
- (vi) there will at all times be a Registrar with a specified office in New York City and in such place as may be required by the rules and regulations of the relevant stock exchange (or other relevant authority); and
- (vii) if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th to 27th November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive is introduced, the Issuer will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

#### **12. Exchange of Talons**

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon comprised in the relative Coupon sheet matures.

#### **13. Notices**

All notices regarding the Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times or another daily newspaper in London approved by the Trustee or, if this is not possible, in one other English language daily newspaper approved by the Trustee with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of such publication or, if published more than once or, if required to be published in more than one newspaper, on

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different dates, on the date of the first publication in all the required newspapers. Receiptholders and Couponholders shall be deemed to have notice of the contents of any notice given to the Noteholders pursuant to this Condition 13.

All notices to holders of Registered Notes will be valid if mailed to their registered addresses appearing on the register. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Until such time as any definitive Notes are issued, there may, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Agent and/or the Registrar via Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, in such manner as the Agent and/or the Registrar and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

The Issuer shall forthwith give to the SFA a copy of any notice given under this Condition 13 which relates to Subordinated Notes.

#### **14. Meetings of Noteholders, Modification and Waiver**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Terms and Conditions or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or requisitioned by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of these Terms and Conditions (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons) or certain provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides that the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (subject as provided above) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed, or may determine that any condition, event or act which, but for such determination, would constitute an Event of Default, shall not be treated as such which in any such case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders or to any modification of any of these Terms and Conditions or any of the provisions of the Trust Deed which is of a formal, minor or technical nature or which is made to correct a manifest error. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, Receiptholders and Couponholders and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

In connection with the exercise by it of any of its trusts, powers, authorities, or discretions (including, but without limitation, any modification, waiver, authorisation or substitution referred to in Condition 17), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders and Couponholders

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resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 and/or any undertaking given in addition to, or in substitution for, Condition 7 pursuant to the Trust Deed.

No modification to and no waiver or authorisation of any breach or proposed breach of any of the Terms and Conditions or any of the provisions of the Trust Deed, in each case relating to Subordinated Notes and the related Receipts or Coupons, may be made without the prior written consent of the SFA and any such modification, waiver or authorisation made or purported to be made without such consent shall be void.

## **15. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Noteholders, the Receiptholders or the Couponholders, to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the amount and date of the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **16. Enforcement**

### *(a) Unsubordinated Notes*

The provisions of this Condition 16(a) apply to Unsubordinated Notes only.

The Trustee may at its discretion and without further notice take such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Trust Deed and the Notes, Receipts and Coupons, but it shall not be bound to take any such proceedings or any other action unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by holders of at least one-fifth in nominal amount of the Notes outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing.

### *(b) Subordinated Notes (TMI only)*

The provisions of this Condition 16(b) apply to Subordinated Notes only.

If a default is made for a period of seven days or more in the payment of any principal due in respect of the Notes or for a period of 14 days or more in the payment of any interest due in respect of the Notes, the Trustee may, at its discretion, institute proceedings for the Insolvency of the Issuer after giving seven London business days' prior written notice to the SFA of its intention to do so. For the purpose of this Condition 16(b), a payment shall be deemed to be due even if any of the conditions set out in Condition 2(b) is not satisfied.

If default is made in the performance or observance by the Issuer of any obligation, condition or provision under the Subordinated Notes or the Trust Deed (other than any obligation for the payment of any amount due in respect of any of the Subordinated Notes) then the Trustee may, subject as set out below, institute proceedings for the Insolvency of the Issuer. Such proceedings may only be instituted if (i) a default thereunder by the Issuer is not remedied within 60 days after notice of such default has been given to the Issuer by the Trustee requiring such default to be remedied and (ii) the Trustee has taken all preliminary steps or actions required to be taken by it and given seven London business days' prior written notice to the SFA of its intention to do so.

The Trustee shall not be bound to institute any such proceedings or take any other action unless (i) it shall have been so directed by an Extraordinary Resolution of the holders of the Subordinated Notes or so requested in writing by holders of at least one-fifth in nominal amount of the Notes outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure is continuing. No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings for the Insolvency of the Issuer unless the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able and bound to prove in any Insolvency of the Issuer, fails to do so, in which event such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise) and subject to the same restrictions as apply to the Trustee under this Condition 16(b), himself institute

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proceedings for the Insolvency of the Issuer and/or prove in any Insolvency of the Issuer to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes, Receipts and Coupons held by him.

No remedy against the Issuer other than as specifically provided by this Condition 16(b) or by Condition 9(b) shall be available to the Trustee, the holders of the Subordinated Notes or the related Receipts or Coupons whether for the recovery of amounts owing under such Notes, Receipts or Coupons or in respect of any breach by the Issuer of any of its obligations under such Notes or the provisions of the Trust Deed. For the avoidance of doubt, nothing in this Condition 16(b) or Condition 9(b) shall limit the ability of the Trustee to take any proceedings or any other action against the Issuer to enforce the Issuer's obligations under clause 14 of the Trust Deed.

(c) *Keep Well Agreement*

The Trustee shall be entitled on behalf of the Noteholders to enforce against the Parent and/or the Companies their obligations under the Keep Well Agreement, if and only insofar as any Notes which have become due and payable remain unpaid in whole or in part at the time the proceedings for such enforcement are instituted.

**17. Substitution**

(a) *Substitution at the option of the Issuer*

The Trustee shall, if requested by the Issuer, be obliged, without the consent of the Noteholders, the Receiptholders or the Couponholders, to agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of any Subsidiary of the Parent (the "Substituted Debtor"), subject to (i) the Substituted Debtor becoming or remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement, (ii) legal opinions being obtained from lawyers approved by the Trustee in England and from lawyers approved by the Trustee in the jurisdiction of incorporation of the Substituted Debtor in form and substance satisfactory to the Trustee, (iii) a certificate of solvency in form and substance satisfactory to the Trustee being issued to the Trustee by a duly authorised officer or officers of the Substituted Debtor, (iv) if Moody's Investors Service Limited has a current rating for the programme pursuant to which the Notes are issued, confirmation being received by the Trustee from Moody's Investors Service Limited confirming that it will not downgrade such rating solely as a result of the proposed substitution taking effect, (v) if Moody's Investors Service Limited does not have a current rating for the programme pursuant to which the Notes are issued, the Substituted Debtor having net assets (consolidated, if consolidated accounts are prepared by the Substituted Debtor) at least equal to those of the Issuer in relation to whom the substitution is proposed and (vi) certain other conditions set out in the Trust Deed being complied with.

(b) *Substitution with the consent of the Trustee*

The Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of any Subsidiary of the Parent (the "Substituted Debtor"), subject to (i) the Substituted Debtor becoming or remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the proposed substitution and (iii) certain other conditions set out in the Trust Deed being complied with.

(c) *Substitution in relation to TMIHK*

If Moody's Investors Service Limited announces that it will downgrade its rating of the programme pursuant to which the Notes are issued if TMIHK or any entity incorporated in Hong Kong substituted as principal debtor in place of TMIHK remains an Issuer, or does so downgrade its rating for that reason, the Trustee shall, if requested by TMI, be obliged, without the consent of the Noteholders, the Receiptholders or the Couponholders, to agree to the substitution in place of TMIHK or any such substituted entity as the principal debtor under the Trust Deed, the Notes, the Receipts and the Coupons of any of TMI or BTMD as TMI, as instructed by the Parent, shall decide (the "Substituted Debtor") subject to (i) the Substituted Debtor remaining a party to, and having the benefit of the Parent's obligations contained in, the Keep Well Agreement, (ii) certain other conditions set out in the Trust Deed being complied with.

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(d) *Substitution in relation to TMI*

No substitution of TMI as Issuer of the Subordinated Notes shall be made without the prior written consent of the SFA.

**18. Indemnification**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility in certain circumstances including provisions relieving it from instituting proceedings to enforce repayment or to enforce the Keep Well Agreement unless indemnified to its satisfaction.

**19. Governing Law and Submission to Jurisdiction**

The Trust Deed, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

BTMD and TMIHK have each irrevocably agreed in the Trust Deed to submit, for the exclusive benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons may be brought in such courts and have each in the Trust Deed further irrevocably waived any objection which each of them may respectively have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and have further irrevocably agreed that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon each of them and may be enforced in the courts of any other jurisdiction. Nothing contained herein shall limit any right to take Proceedings against BTMD, TMIHK in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

BTMD and TMIHK have each in the Trust Deed appointed TMI at its registered office, being at 17th August, 2001 at 6 Broadgate, London EC2M 2AA, as its agent for service of process in England in respect of any Proceedings and has agreed that, in the event of TMI ceasing so to act, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings.

**20. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by each of the Issuers for their respective general corporate purposes.

## TOKYO-MITSUBISHI INTERNATIONAL PLC

### History and Business

Tokyo-Mitsubishi International plc ("TMI" or the "Issuer") was incorporated in England and Wales on 11th February, 1983 pursuant to the Companies Act 1948 to 1985 as a company with liability limited by shares, and changed its name from Alnery No. 180 Limited to Mitsubishi Finance International Limited on 16th May, 1983 prior to commencing business on 3rd October, 1983. TMI was re-registered as a public limited company on 3rd August, 1989. On 1st April, 1996, TMI changed its name from Mitsubishi Finance International plc to Tokyo-Mitsubishi International plc following the merger of The Mitsubishi Bank, Limited and The Bank of Tokyo, Ltd., the merged entity being named The Bank of Tokyo-Mitsubishi, Ltd. (the "Parent"). TMI is a wholly owned subsidiary of the Parent (which, together with The Mitsubishi Trust and Banking Corporation, became a wholly-owned subsidiary of Mitsubishi Tokyo Financial Group, Inc, on 2nd April, 2001) and has, at the date hereof, authorised share capital of £500,000,000, consisting of 500,000,000 shares each of nominal value £1 each, of which £333,480,000 has been issued and fully paid up. TMI has two subsidiaries, BTM Securities (Spain) S.A., S.V.B., a company incorporated in Spain through which it conducts its Spanish business and a nominee company incorporated in England and Wales called TMI Nominees Limited.

TMI is a principal part of the securities and capital markets arm of the Parent and provides a wide range of services in the worldwide securities and derivatives businesses to governments, their monetary authorities and central banks, state authorities, supranational organisations and corporations. TMI is also engaged in market-making and dealing in securities in the international securities markets, in swaps and various other derivative instruments and in the management and underwriting of issues of securities and securities investment.

TMI is regulated by the Securities and Futures Authority (SFA) and is a member of the London International Financial Futures and Options Exchange (LIFFE), the International Securities Market Association (ISMA), the International Primary Market Association (IPMA) and the London Metals Exchange (LME).

### Recent Business and Outlook

TMI continues to promote and develop its international capital markets business from London, dealing in its four main areas of activity; securities, derivatives, structured products and equity-linked business. TMI's commitment to strong risk control, systems development and the enhancement of the quality to its personnel continues.

### Directors and Management

The Directors of TMI are:

<i>Name</i>	<i>Principal Occupation</i>
Masamichi Yamada	Senior Managing Director, The Bank of Tokyo-Mitsubishi, Ltd.
Haruo Kimura	Managing Director and Regional Executive for Europe, The Bank of Tokyo-Mitsubishi, Ltd.
Naoyuki Abe	General Manager, European Investment Banking Division, The Bank of Tokyo-Mitsubishi, Ltd.
Kokichi Komagata	Chief Executive Officer
Hitoshi Suzuki	Managing Director
Toshio Fujimoto	Managing Director
Hajime Watanabe	Managing Director
Naoto Hirota	Managing Director
Thomas Heffernan	Managing Director
Anthony Loehnis	Director, St. James's Place Capital plc

All the Directors of TMI are nationals of Japan with the exception of Mr. Loehnis. The business address of Messrs. Kimura and Abe is 12-15 Finsbury Circus, London EC2M 7BT. The business address of Mr. Yamada is 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. The business address of Messrs. Komagata, Suzuki, Fujimoto, Watanabe, Hirota and Heffernan is 6 Broadgate, London EC2M 2AA. The business address of Mr. Loehnis is 27 St. James's Place, London SW1A 1NR. Messrs. Yamada, Kimura, Abe and Loehnis are non-executive Directors of TMI.

# TOKYO-MITSUBISHI INTERNATIONAL PLC

## Capitalisation and Indebtedness

The following table sets out the unaudited capitalisation and indebtedness of TMI as at 30th June, 2001 adjusted to give effect to the issue of Notes and drawdown of loans:

	30th June, 2001 £ (thousand)
<b>Shareholders' funds</b>	
Ordinary shares .. .. .	333,480
<b>Long-Term Debt (over one year)</b>	
Medium Term Notes <sup>(1)</sup> .. .. .	439,687
Subordinated Notes .. .. .	205,427
Subordinated Loans .. .. .	187,290
Other Loans <sup>(2)</sup> .. .. .	114,030
<b>Total Long-Term Debt</b> .. .. .	<b>946,434</b>
<b>Short-Term Debt (under one year)</b>	
Medium Term Notes due within one year .. .. .	62,307
Commercial Paper <sup>(3)</sup> .. .. .	3,545
Subordinated Notes .. .. .	32,718
<b>Total Short-Term Debt</b> .. .. .	<b>98,570</b>
<b>Total Capitalisation and Indebtedness</b> .. .. .	<b>1,378,484</b>

**Notes:**

(1) Issued under the Tokyo-Mitsubishi International plc, Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft, Tokyo-Mitsubishi International (HK) Limited U.S.\$4,000,000,000 Euro Medium Term Note Programme.

(2) Loans unguaranteed and unsecured.

(3) Issued under TMI's U.S.\$1,000,000,000 Euro-Commercial Paper Programme.

(4) All figures have been converted at the foreign exchange spot rates prevailing on 30th June, 2001 of GB£1 = U.S.\$1.40595 (2000: GB£1=U.S.\$1.51425) and GB£1 = ¥175.39222 (2000:GB£1 = ¥160.13949).

(5) As at 30th June, 2001, no material contingent liabilities or guarantees have been incurred by TMI.

Save as disclosed above, there has been no material change in the capitalisation and indebtedness, contingent liabilities and guarantees of TMI since 30th June, 2001.

**History and Business**

Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft ("BTMD") was incorporated as a stock corporation under German law on 9th June, 1977 and registered in the commercial register at Frankfurt am Main (registration number HRB 16517) under its original name Bank of Tokyo (Deutschland) Aktiengesellschaft. The registered office of BTMD is located at Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany. BTMD holds a universal banking license issued by, and is subject to the supervision of, the German Federal Banking Supervisory Authority (*Bundesaufsichtsamt für das Kreditwesen*).

BTMD holds investments in Deutsche Börse AG, Frankfurt am Main, Liquiditäts-Konsortialbank GmbH, Frankfurt am Main, and in Beteiligungsgesellschaft Neue Länder GmbH & Co. KG, Berlin.

BTMD is a member of the "Bundesverband deutscher Banken e.V." (Federal Association of German Banks), Cologne, the Depositors Insurance Fund within the Bundesverband deutscher Banken e.V., Cologne, the "Prüfungsverband deutscher Banken e.V." (Audit Association of German Banks), Cologne, and is also a member of the Bankenverband Hessen e.V., Frankfurt am Main and the "Verband der Auslandsbanken in Deutschland e.V." (Association of Foreign Banks in Germany), Frankfurt am Main. Furthermore, BTMD is also a member of the Frankfurt stock exchange, Frankfurt am Main and of Eurex, the German and Swiss Futures Exchange, Frankfurt am Main/Zürich.

All of the authorised share capital of BTMD is issued and fully paid up (amounting as at 30th June, 2001 to nominal DM 167,900,000 made up of 167,900 shares of DM 1,000 each) and is owned by the Parent. BTMD has no subsidiaries.

**Recent Business and Outlook**

In July 2000, the Parent introduced a new business strategy (Banking for you) world-wide, aimed at forming independent business units. Securities business, derivatives, mergers & acquisitions, project finance and securitization have been combined into an Investment Banking Business Unit (IBBU). Domestic and overseas subsidiaries operating in these areas have been assigned to IBBU. The new business strategy, which was started in 1999 at European investment banking subsidiaries, has been continued in 2000 and has been integrated into the overall global business strategy mentioned above.

In line with the new business strategy and further integration with TMI, BTMD transferred its custody business with the exception of a collateral account including all staff in charge of custody and securities settlement, to the Parent's Frankfurt Branch in October 2000.

Profit for 2000 was considerably higher than for 1999, primarily due to this step, and also exceeded budget for 2000 due to higher commission income, from Eurex clearing business, sales activities and the transfer of the custody.

Following completion of the restructuring plan in 1999 and the transfer of BTMD's trading book to TMI in 2000, BTMD concentrated on customer business in fixed income and equity products. Traded volumes in this area increased significantly in 2000 and the customer base was extended. Commission income from Eurex broking and clearing expanded further, and this activity has become an important segment for BTMD.

Investment brokerage business in Japanese equities, which BTMD commenced in October 1999 in co-operation with TMI and Tokyo-Mitsubishi Securities, Tokyo, has also grown successfully.

BTMD's custody business remained satisfactory until its transfer to the Parent's Frankfurt Branch in October 2000, although the environment for this activity was difficult due to the trend of consolidation within the Japanese financial sector.

BTMD's portfolio of fixed income securities is almost entirely financed by funds with matching maturities, and hence interest rate change risk is limited.

The profit for the year of DM 3.3 million (1999: DM 4.8 million) has been transferred to revenue reserves. DM 0.165 million was transferred to legal reserve and DM 3.135 million was taken to other reserves.

Total assets decreased by 63.6% to DM 390 million. This decline was mainly due to further restructuring measures. Business volumes changed accordingly.

The groupwide restructuring measures completed in 1999 and the transfer of the higher-risk trading activities to other branches or fellow subsidiaries has left BTMD concentrated on activities with only a low potential market risk and credit risk. Accordingly, in 2000 risk management and risk control were geared to the remaining trading activities.

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## **BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND) AKTIENGESELLSCHAFT**

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Risk management is carried out de-centrally enabling BTMD to react timely and rapidly to market movements. All types of risks are considered, including counterparty credit risk, liquidity risk, market price risk, operating and legal risk.

All market-related risks and risk factors are monitored by the middle office. The control functions are concentrated in this department and are constantly improved by applying new check procedures, so that the risk position can be clearly demonstrated at any time. As part of continuous further improvements, existing methods have been refined and new control procedures installed. This is reflected in changed measurement methods as part of the BTM-Group reporting process. The continuous improvement process caused greater accuracy, faster reaction and processing times and improved quality of internal reporting to the management board and third parties. With the successful implementation of these measures it has become possible to ensure compliance with risk limits at all times and anticipate timely when capacity levels will be reached. Conflict situations could be avoided as a result of installing this risk monitoring system.

With the transfer of custody business to BTM Frankfurt Branch all BTMD's restructuring measures have been substantially completed. BTMD has since taken on the characteristics of an investment bank.

Co-operation with TMI and with TMS Tokyo enables us to offer clients a diversified product range and to expand our business activities.

The successful expansion of the Eurex broking and clearing activities in 2000 will be continued in 2001.

The management of BTMD expects a satisfactory operating result for 2001.

### **Managing Directors of BTMD**

<i>Name</i>	<i>Principal Occupation</i>
Masato Takei	President
Reiner Guthier	Managing Director

The business address of the above-mentioned President and Managing Director is Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany.

# BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND) AKTIENGESELLSCHAFT

## Capitalisation

The following table sets out the unaudited capitalisation of BTMD including Capital and Reserves as at 30th June, 2001:

											<i>DM</i> <i>(thousands)</i>	<i>DM</i> <i>(thousands)</i>
Subscribed capital	..	..	..	..	..	..	..	..	..	..		167,900
Capital reserve	..	..	..	..	..	..	..	..	..	..		3,742
Revenue reserves												
Legal Reserve	..	..	..	..	..	..	..	..	..	..	3,919	
Other revenue reserves	..	..	..	..	..	..	..	..	..	..	21,437	
Total reserves..	..	..	..	..	..	..	..	..	..	..		25,356
Total capitalisation	..	..	..	..	..	..	..	..	..	..		196,998

There has been no material change to the unaudited capitalisation of BTMD since 30th June, 2001.

As at 17th August, 2001 no material borrowing, indebtedness or contingent liabilities or guarantees of BTMD have been incurred by BTMD.

## TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED

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### History and Business

TMIHK was incorporated with limited liability in Hong Kong on 30th March, 1973 and registered under the Companies Ordinance of Hong Kong under number 32722. The registered and principal office of TMIHK is located at 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong. TMIHK is a Restricted Licence Bank under the Banking Ordinance of Hong Kong and is also an exempt securities dealer and an investment adviser under the Securities Ordinance of Hong Kong. TMIHK is a direct wholly-owned subsidiary of the Parent. As at 31st July, 2001, its authorised share capital consisted of 80,000,000 shares having a par value of U.S.\$1.00 per share, of which 80,000,000 shares were issued and fully paid up. TMIHK has three subsidiaries incorporated in Hong Kong, BTM Asset Management (HK) Limited (formerly known as BOTI Asset Management Limited), which provides fund management services for clients of TMIHK, and BTM Trustee (HK) Limited (formerly known as BOTI Trustee Limited), which acts as trustee for clients of TMIHK, and MFHK Nominees Limited, which provides nominee services for clients of TMIHK.

As the investment banking arm of the Parent in the Asia-Pacific region, TMIHK offers a wide range of services to clients throughout the region and elsewhere, including arranging syndicated loans, bond underwriting, marketing derivatives as well as providing advisory services. Products are usually denominated in U.S. dollars, Yen, Hong Kong dollars and other Asian currencies. TMIHK's clients include governments, government agencies, banks and private and public corporations.

### Recent Business and Outlook

In the years ahead, TMIHK will build on its strength to improve its performance in:

- lead managing and participating in syndicated loans and other facilities;
- arranging project financing;
- underwriting, trading and marketing securities;
- providing investment management and advisory services; and
- marketing derivative instruments

in the Asia-Pacific region.

### Management

The Directors of TMIHK are:

<u>Name</u>	<u>Principal Occupation</u>
Yoshiaki Watanabe	Managing Director
Seiichiro Nishida	Deputy Managing Director
Tatsuo Tanaka	Director
Masamichi Yamada	Director
Yuichi Shono	Alternate Director to Mr. Yamada

The business address of Messrs. Watanabe and Nishida is 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong.

The business address of Mr. Tanaka is 14th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong.

The business address of Messrs. Yamada and Shono is 7-1, Marunouchi, 2-chome, Chiyoda-ku, Tokyo 100-8388, Japan.

# TOKYO-MITSUBISHI INTERNATIONAL (HK) LIMITED

## Capitalisation and Indebtedness

The following table sets out the unaudited capitalisation and indebtedness of TMIHK as at 30th June, 2001.

### Long-Term Debt

	U.S.\$
4.4% Unsecured Loans due 2004 .. .. .	48,053,820
2.68% Unsecured Loans due 2004 .. .. .	17,500,000
0.40% Credit Linked Loan due 2004 .. .. .	8,068,095
Certificates of Deposit issued maturing in five years or less but over 1 year .. .. .	76,375,529
<b>Total Long-Term Debt</b> .. .. .	<b>149,997,444</b>

### Shareholders' Equity

	U.S.\$
Issued Share Capital - 80,000,000 ordinary shares of U.S.\$1.00 each .. .. .	80,000,000
Retained Earnings .. .. .	(3,485,816)
Capital Reserve .. .. .	3,368,671
<b>Total Shareholders' Equity</b> .. .. .	<b>79,882,855</b>

### Short-Term Debt

The short-term debt of TMIHK as at 30th June, 2001 used to fund TMIHK's business was as follows:

	U.S.\$
Deposits taken from Parent .. .. .	85,259,333
Deposits taken from Customers .. .. .	1,025,694
Certificate of Deposit issued maturing in one year or less .. .. .	20,451,362
0.50% Credit Linked Loan maturing in one year or less .. .. .	4,034,047
<b>Total Short-Term Debt</b> .. .. .	<b>110,770,436</b>
<b>Total Capitalisation and Indebtedness</b> .. .. .	<b>340,650,735</b>

As at 30th June, 2001, the guarantees amounted to U.S.\$3,590.

Since 30th June, 2001 there has been no material change in the indebtedness or capitalisation of TMIHK and no material contingent liabilities or guarantees incurred since then.

As at 30th June, 2001, no director of TMIHK is directly or indirectly interested in the share capital of TMIHK (other than one ordinary share of TMIHK held by Shigeyasu Kasamatsu on trust for the Parent) or has any options in respect of such capital. Such share held by Shigeyasu Kasamatsu was transferred to Yoshiaki Watanabe with effect from 16th July, 2001, following the resignation of Shigeyasu Kasamatsu as Chief Executive and Director.

## THE BANK OF TOKYO-MITSUBISHI LTD

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### Introduction

The Bank of Tokyo-Mitsubishi, Ltd. ("BTM") and its subsidiaries (together, the "Group") began its operations on 1st April, 1996 following the merger of its two predecessors, The Bank of Tokyo, Ltd. and The Mitsubishi Bank, Limited. As described below under the "Recent Developments" section, on 2nd April, 2001, BTM and The Mitsubishi Trust and Banking Corporation each became a wholly-owned subsidiary of a newly established joint holding company called "Mitsubishi Tokyo Financial Group, Inc.". BTM is one of the major commercial banking organisations in Japan and conducts domestic and international financial business through its network of branches, sub-branches and agencies and subsidiaries in Japan and around the world. Its principal place of business and registered head office are at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8388, Japan.

### History and Business

BTM was incorporated in Japan on 15th August, 1919 as "Kabushiki Kaisha Mitsubishi Ginko" (The Mitsubishi Bank, Limited). On 1st April, 1996, BTM changed its name to The Bank of Tokyo-Mitsubishi, Ltd. following its merger with The Bank of Tokyo, Ltd. BTM's principal objects, as defined in Article 2 of its Articles of Incorporation, may be summarised as accepting deposits, extending loans, discounting bills and notes, effecting exchange transactions, giving guarantees, underwriting and trading government, municipal and government-guaranteed bonds and other businesses, as permitted by law.

BTM is one of the major Japanese commercial banks known as "city banks" and provides a full range of domestic and international bank services. It is an authorised foreign exchange bank in Japan and is active in the foreign exchange markets in London, Tokyo and New York City, as well as other centres.

BTM's domestic network comprises approximately 310 branches, sub-branches, and agencies. Overseas, the Group consists of more than 400 facilities located in all the major commercial centres of the world.

### Recent Developments

#### *Integration of Operations with The Mitsubishi Trust and Banking Corporation*

On 19th April, 2000, BTM and The Mitsubishi Trust and Banking Corporation ("Mitsubishi Trust") agreed to integrate their operations by establishing a joint holding company, called "Mitsubishi Tokyo Financial Group, Inc. ("MTFG")", on 2nd April, 2001. On 2nd April, 2001, BTM, Mitsubishi Trust and Nippon Trust Bank Limited (a former 82 percent-owned subsidiary of BTM) jointly established MTFG through a stock-for-stock exchange, and the three banks have become wholly-owned subsidiaries of MTFG. The former common stock shareholders of BTM received one common share of MTFG for each 1,000 common shares of BTM, the former common stock shareholders of Mitsubishi Trust received 0.7 common shares of MTFG for each 1,000 common shares of Mitsubishi Trust, and the former common stock shareholders of Nippon Trust Bank received 0.14 common shares of MTFG for each 1,000 common shares of Nippon Trust Bank. BTM, the former subordinated stock shareholder of Nippon Trust Bank, received 0.126 common shares of MTFG for each 1,000 subordinated shares of Nippon Trust Bank. The former preferred shareholders of BTM received one class 1 preferred share of MTFG for each 1,000 class 1 preferred shares of BTM, and the former preferred shareholders of Mitsubishi Trust received one class 2 preferred share of MTFG for each 1,000 class 1 preferred shares of Mitsubishi Trust. The integration also includes a plan under which Nippon Trust Bank and The Tokyo Trust Bank, Ltd. (a 100 percent-owned subsidiary of BTM) will merge with and into Mitsubishi Trust on 1st October, 2001.

As a result of the stock-for-stock exchange on 2nd April, 2001, MTFG issued 5,742,468 shares of common stock, 81,400 shares of class 1 preferred stock and 100,000 shares of class 2 preferred stock in exchange for all of the issued shares of the three banks based on the exchange ratio mentioned above. Through the stock-for-stock exchange, BTM received 154,418 shares of MTFG's common stock in exchange for the shares of common stock of BTM, Mitsubishi Trust and Nippon Trust Bank that BTM held. Mitsubishi Trust also received 45,339 shares of MTFG's common stock in exchange for the shares of common stock of BTM that Mitsubishi Trust held.

Mitsubishi Trust is one of Japan's largest trust banks in terms of total assets and provides a full range of banking services and trust services in Japan and overseas. Through the integration, customers will gain access to the specialised products and services of a diversified financial group. The planned merger of Mitsubishi Trust, Nippon Trust Bank and Tokyo Trust Bank is intended to permit the resulting company to provide more advanced and specialised trust products and services.

The integration between BTM and Mitsubishi Trust was accounted for as a pooling-of-interests.

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## THE BANK OF TOKYO-MITSUBISHI LTD

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### *Developments in the Japanese Banking Industry including Mergers among Japan's Other Major Banks*

Integrations and mergers among several other major Japanese banks took place at almost the same time as the integration of BTM and Mitsubishi Trust.

On 29th September, 2000, three of Japan's larger banks, The Fuji Bank, Limited, The Dai-Ichi Kangyo Bank, Limited and The Industrial Bank of Japan, Limited established Mizuho Holdings, Inc. by way of a stock-for-stock exchange, and each of the three banks became a wholly-owned subsidiary of the holding company.

On 1st April, 2001, The Sumitomo Bank, Limited and The Sakura Bank, Limited, two of Japan's larger banks, merged to form Sumitomo Mitsui Banking Corporation.

On 2nd April, 2001, three banks, The Sanwa Bank, Limited, The Tokai Bank, Limited and The Toyo Trust and Banking Company, Limited integrated their businesses under a newly established holding company, UFJ Holdings, Inc.

Through the integrations and mergers mentioned above, the Japanese banking sector is now dominated by these four large groups.

Other non-banking organisations have entered the Japanese banking market by establishing new types of banks, including the following: Sony Bank Corporation founded by Sony Corporation, started Internet-based operations in June 2001 and plans to provide banking services, sales of investment trust funds, settlement of e-commerce transactions and small consumer loans. IY Bank, founded by retailer Ito-Yokado, established a specialist funds clearing bank using its nationwide chain of convenience stores in May 2001.

### *Emergency Economic Measures, Including Acceleration of Disposals of Nonperforming Loans*

The Japanese government released a proposed economic package in early April 2001 containing some of the most aggressive measures to address Japan's decade-long asset quality issues. One proposed measure would force Japanese banks to adhere to a time limit of two to three years for disposing of nonperforming loans. The emergency package requires major banks, including BTM, to remove from their balance sheets nonperforming loans outstanding to borrowers who are insolvent and likely to be in bankruptcy within two years. Any new nonperforming loans that subsequently emerge are urged to be removed from banks' balance sheets within three years. Banks would be required to disclose their progress in loan disposals to the Financial Services Agency. In order to proceed with the disposal of nonperforming loans, the Financial Services Agency has requested private sector organisations to establish guidelines for banks to remove the loans from their balance sheets. Although the details of the plan have not been finalised, additional credit losses may be incurred by Japanese banks, including BTM, depending upon the method of disposal of nonperforming loans.

The selling of shares by banks has contributed to the recent slump in equity prices. To prevent the sell-off of shares by banks from undermining stock prices on a broad scale, the package also provides for the establishment of a special entity to purchase shares held by banks. The entity would buy the shares from banks at the market price and could use them to create equity funds, including exchange-traded funds. In June 2001, the Financial Services Agency outlined the plan to establish this entity in January 2002, and the head of Japan's leading banking industry group endorsed the plan, provided that secondary losses, which could occur if stock prices fall before the share-purchasing entity can dispose of the shares, are shouldered by both the government and banks. Under the plan, all banks would invest in the share-purchasing entity and make subordinated investments if necessary depending upon the secondary losses. The funds to purchase shares would be financed by banks. However, as the plan has not been finalised, it is not certain how much of the secondary losses would be borne by banks, including BTM, and to what extent the government would be involved.

The package would also permit the use of treasury stock and allow companies to buy back their own shares, which is possible today only for limited purposes.

### *Business Developments and Reorganization of Management*

Under the reorganization that was implemented on 1st July, 2000, BTM has proceeded with the development of operations based on customer and product segmentation. In particular, to further develop its investment banking business, the Group increased by 19.8 percent its ownership interest in KOKUSAI Securities Co., Ltd., one of the major securities firms in Japan, to 32.7 percent in November 2000. As a result, the Group now accounts for its investment in KOKUSAI Securities by the equity method.

## THE BANK OF TOKYO-MITSUBISHI LTD

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The Asahi Bank, Ltd. and BTM have agreed to consider cooperative initiatives regarding the two banks' overseas business operations. The initiatives include:

- The Asahi Bank would transfer operations of its overseas offices to BTM's overseas offices when The Asahi Bank closes them;
- The Asahi Bank would refer its clients who desire overseas services to BTM after closure of The Asahi Bank's overseas offices; and
- BTM would provide other necessary functions to The Asahi Bank following the closure of The Asahi Bank's overseas offices.

In June 2001, BTM changed its management structure with the aim of strengthening the decision-making and supervisory capabilities of the board of directors and introducing non-board member directors. These reforms included:

- the fundamental reorganisation of delivery channels to provide products and services more efficiently and in a more focused way;
- management integration with Mitsubishi Trust; and
- the introduction of separate human resources management in each business unit. Under the new management structure, the number of board members was reduced from 42 to 13, comprising a chairman, a deputy chairman, a president, a deputy president, business unit chief executives and managing directors in charge of the Corporate Center. Also, a new director status, with responsibility only for business execution and no board responsibilities, has been created to focus on the development and management of business units. These non-board member directors are appointed by the board.

# THE BANK OF TOKYO-MITSUBISHI LTD

## Capitalisation

The table below is the consolidated capitalisation of the Group at 31st March, 2001.

	<i>31st March, 2001 (in millions)</i>
<b>Long-Term Debt<sup>(1)(2)</sup></b> .. .. .	<b>¥4,431,173</b>
<b>Shareholders' Equity:</b>	
Common stock, ¥50 par value .. .. .	663,870
Preferred Stock (class 1), with no stated value .. .. .	122,100
Capital surplus .. .. .	592,051
Retained earnings:	
Appropriated for legal reserve .. .. .	179,099
Unappropriated .. .. .	232,677
Accumulated other charges in equity from nonowner sources, net of taxes .. .. .	620,701
<b>Total</b> .. .. .	<b>2,410,498</b>
Less treasury stock-at cost .. .. .	382
<b>Shareholders' equity - net</b> .. .. .	<b>2,410,116</b>
<b>Total capitalisation</b> .. .. .	<b>¥6,841,289</b>

*Notes:*

(1) Original maturities of more than one year.

(2) The Bank issued unsubordinated bonds of ¥142 billion due 2004 through 2011 in April 2001, unsubordinated bonds of ¥120 billion due 2004 through 2011 in July 2001, and subordinated bonds of ¥50 billion due 2011 in July 2001. A certain subsidiary redeemed ¥60 billion of subordinated bonds in April through 10th August, 2001.

(3) Except as disclosed above, there has been no material change in the consolidated capitalisation of the Group since 31st March, 2001.



# THE BANK OF TOKYO-MITSUBISHI LTD

## Summary Financial Information

Key statistics for the Group, drawn from BTM's consolidated financial statements for each of the three years ended 31st March, 2001, which were prepared in accordance with accounting principles generally accepted in the United States of America, are as follows:

								Year ended 31st March,		
								1999	2000	2001
								(in billions except per share data and percentages)		
Net interest income .. .. .	..	..	..	..	..	..	..	¥ 940	886	797
Net income (loss) .. .. .	..	..	..	..	..	..	..	(344)	35	(108)
Amounts per share:										
Earnings (loss) per common share - basic .. .. .	..	..	..	..	..	..	..	¥ (73.67)	6.59	(24.47)
Earnings (loss) per common share - assuming dilution ..	..	..	..	..	..	..	..	(73.67)	3.73	(24.47)
Cash dividends declared during the year:										
- Common share .. .. .	..	..	..	..	..	..	..	8.50	8.50	8.50
- Preferred share (Class 1) .. .. .	..	..	..	..	..	..	..	—	57.12	82.50
At 31st March:										
Total assets .. .. .	..	..	..	..	..	..	..	¥ 70,149	68,817	76,377
Loans, net of allowance for credit losses .. .. .	..	..	..	..	..	..	..	44,429	39,830	38,790
Total liabilities .. .. .	..	..	..	..	..	..	..	67,507	65,623	73,967
Deposits .. .. .	..	..	..	..	..	..	..	46,102	45,160	49,139
Shareholders' equity .. .. .	..	..	..	..	..	..	..	2,642	3,194	2,410
Ratios:										
Net income (loss) as a percentage of total average assets..	..	..	..	..	..	..	..	(0.44)%	0.05%	(0.15)%
Net income (loss) as a percentage of average shareholders' equity .. .. .	..	..	..	..	..	..	..	(12.94)%	1.27%	(4.09)%
Dividends per common share as a percentage of earnings per common share - basic	..	..	..	..	..	..	..	nm	128.98%	nm
Net interest income as a percentage of total average interest-earning assets	..	..	..	..	..	..	..	1.28%	1.32%	1.18%
Average shareholders' equity as a percentage of total average assets	..	..	..	..	..	..	..	3.39%	3.97%	3.60%
Allowance for credit losses as a percentage of loans .. .. .	..	..	..	..	..	..	..	2.82	2.78%	3.45%

nm = not meaningful

Effective March 31, 1998, BTM adopted Statement of Financial Accounting Standards ("SFAS") No. 128 "Earnings per Share", with respect to the computation of earnings per share. Effective March 31, 2001, BTM adopted SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of liabilities", which replaces SFAS No. 125, with respect to recognition and reclassification of collateral and to disclosures relating to securitization transaction and collateral. Total assets and liabilities at March 31, 1999 and 2000 and average total assets for the years ended on those dates, and related percentages were restated to conform to SFAS No. 140.

## Management

BTM's Articles of Incorporation were amended on 27th June, 2001 to provide that the number of Directors shall not exceed 20 and that the number of Corporate Auditors shall not exceed eight. BTM's shareholders elect directors at an annual general meeting of shareholders of BTM for staggered two-year terms. BTM's shareholders also elect Corporate Auditors at the annual general meeting of shareholders of BTM for three-year terms.

The Corporate Auditors of BTM are not required to be certified public accountants. In accordance with Japanese law, the duties of the Corporate Auditors include examining the financial statements and business reports of BTM that the Board of Directors submits to the shareholders at general meetings. Their statutory duties also

## THE BANK OF TOKYO-MITSUBISHI LTD

include examination of the administration of the affairs of BTM by the Directors. They are entitled to attend meetings of the Board of Directors and to express their opinions, but are not entitled to vote. Any person serving as a Corporate Auditor may not at the same time be a Director, manager or employee of BTM or any of its subsidiaries. At least one Corporate Auditor must be elected from persons who have not been Directors, managers or employees of BTM or any of its subsidiaries for five years prior to taking office.

The Board of Directors is empowered to appoint by resolution representative directors from among their members who may represent BTM severally. The Board of Directors may also appoint from their members by resolution a chairman, a deputy chairman, a president, deputy presidents, senior managing directors and managing directors. Senior managing directors and the managing directors assist the president and deputy presidents managing the day-to-day business of BTM. All of these senior officers are currently representative directors.

In June 2001, BTM reformed its management structure. The change in management structure enhances the corporate governance of ongoing reforms affecting BTM's customers, shareholders and employees. These reforms include fundamental reorganisation of delivery channels to more efficiently provide customers with optimum products and services, managerial integration with The Mitsubishi Trust and Banking Corporation and the introduction of separate human resources management in each business unit.

By reviewing the roles of each board member and introducing a non-board member director system, BTM seeks to strengthen the decision-making and supervisory capabilities of the board while also improving business execution capabilities. Key details of the new management structure are as follows:

(1) Reform of the board of directors

The actual number of board members was reduced from 42 to 13, as a means of further stimulating speed and focus in management activities. The board comprises the chairman, deputy chairman, president, deputy president, business unit chief executives, and managing directors in charge of the Corporate Center.

(2) Introduction of non-board member directors

A new non-board member director status, with responsibility only for business execution and no board responsibilities, is created to further promote BTM's business strategy. These new directors will be responsible for the development and management of business units.

Non-board member directors are appointed by the board. Moreover, certain members of the board such as the president, the deputy president, chief executives of each of the business units, and managing directors in charge of the Corporate Center, concurrently bear business execution responsibilities.

The new management structure took effect after the general meeting of shareholders held on 27th June, 2001.

Set forth below is a list of the Board of Directors and Corporate Auditors of BTM at 27th June, 2001.

<u>Name</u>	<u>Age</u>	<u>Business activities performed inside and outside BTM</u>
†Satoru Kishi.. ..	71	Mr. Kishi has served as Chairman of BTM since June 2000. He served as President of BTM from January 1998 to June 2000 and as a Deputy President of BTM from February 1992 to January 1998. Mr. Kishi has served as a Director of BTM since June 1983.
†Kenji Yoshizawa .. ..	69	Mr. Yoshizawa has served as Deputy Chairman of BTM since June 2000. He served as a Deputy President of BTM from April 1996 to June 2000 and as a Deputy President of The Bank of Tokyo, Ltd. from June 1990 until March 1996. Mr. Yoshizawa has served as a Director of BTM since April 1996, and served as a Director of The Bank of Tokyo, Ltd. from June 1984 until March 1996.

## THE BANK OF TOKYO-MITSUBISHI LTD

<u>Name</u>	<u>Age</u>	<u>Business activities performed inside and outside BTM</u>
†Shigemitsu Miki .. ..	66	Mr. Miki has served as President of BTM since June 2000. He served as a Deputy President of BTM from May 1997 to June 2000 and as a Senior Managing Director of BTM from June 1994 to May 1997. He has served as President and Co-Chief Executive Officer of MTFG since April 2001. Mr. Miki has served as a Director of BTM since June 1986.
†Tetsuo Shimura .. ..	62	Mr. Shimura has served as Deputy President and Chief Executive, Global Corporate Banking Business Unit, Treasury Unit and eBusiness & IT Initiatives Unit of BTM since June 2001. He served as a Senior Managing Director of BTM from June 1998 to June 2001, as a Managing Director of BTM from April 1996 to June 1998, and as a Managing Director of The Bank of Tokyo, Ltd. from June 1993 until March 1996. Mr. Shimura has served as a Director of BTM since April 1996, and served as a Director of The Bank of Tokyo, Ltd. from June 1990 until March 1996.
‡Masamichi Yamada ..	61	Mr. Yamada has served as Senior Managing Director, Chief Executive, Investment Banking Business Unit and Group Head, Structured Finance Group of BTM since November 2000. He has served as a Senior Managing Director of BTM since June 2000, and served as a Managing Director of BTM from June 1995 to June 2000. Mr. Yamada has served as a Director of BTM since June 1991.
‡Yasumasa Gomi .. ..	58	Mr. Gomi has served as Managing Director and Chief Executive, Commercial Banking Business Unit of BTM since May 2001. He has served as a Managing Director of BTM since May 1997. Mr. Gomi has served as a Director of BTM since June 1993.
‡Tatsunori Imagawa ..	57	Mr. Imagawa has served as a Managing Director in charge of the Corporate Center of BTM since July 2000. He has served as a Managing Director of BTM since May 1997. He has served as a Director of MTFG since April 2001. Mr. Imagawa has served as a Director of BTM since June 1993.
†Takahiro Moriguchi ..	57	Mr. Moriguchi has served as Managing Director of BTM and President and Chief Executive Officer, UnionBanCal Corporation since June 2000. He served as Director of BTM and President and Chief Executive Officer of UnionBanCal Corporation from May 1997 to June 2000, as Director of BTM and Vice Chairman of UnionBanCal Corporation from April 1996 to May 1997, and as Director of The Bank of Tokyo, Ltd. and Vice Chairman of Union Bank from June 1995 until March 1996. Mr. Moriguchi has served as a Director of BTM since April 1996, and served as a Director of The Bank of Tokyo, Ltd. from June 1995 until March 1996.
†Masayuki Tanaka .. ..	57	Mr. Tanaka has served as Managing Director and Chief Executive, Retail Banking Business Unit of BTM since July 2000. He has served as a Managing Director of BTM since May 1999. Mr. Tanaka has served as a Director of BTM since June 1995.

**THE BANK OF TOKYO-MITSUBISHI LTD**

<u>Name</u>	<u>Age</u>	<u>Business activities performed inside and outside BTM</u>
‡Masaharu Hamakawa ..	56	Mr. Hamakawa has served as a Managing Director in charge of the Corporate Center since July 2000. He has served as a Managing Director of BTM since June 2000. He has served as a Director of MTFG since April 2001. Mr. Hamakawa has served as a Director of BTM since June 1996.
†Ichiro Terato .. ..	55	Mr. Terato has served as Managing Director and Chief Executive, Operations Services Unit and Systems Services Unit of BTM since July 2000. He has served as a Managing Director of BTM since June 2000. Mr. Terato has served as a Director of BTM since June 1996.
‡Norimichi Kanari .. ..	54	Mr. Kanari has served as a Managing Director of BTM since June 2001. Mr. Kanari has served as a Director of BTM since June 1997.
‡Shunichi Tokuda .. ..	56	Mr. Tokuda has served as Managing Director and Chief Executive, Asset Management Business Unit of BTM since May 2001. Mr. Tokuda has served as a Director of BTM since June 1997.
‡Ryuichi Ohno .. ..	61	Mr. Ohno has served as a full-time Corporate Auditor of BTM since June 2000. Mr. Ohno served as a Senior Managing Director of BTM from May 1999 to June 2000, as a Managing Director of BTM from April 1996 to May 1999, and as a Managing Director of The Bank of Tokyo, Ltd. from June 1994 until March 1996.
μYutaka Hasegawa .. ..	61	Mr. Hasegawa has served as a full-time Corporate Auditor of BTM since June 2001. Mr. Hasegawa served as President of The Diamond Business Consulting Co., Ltd. from June 1998 to June 2001 and as a Managing Director of BTM from May 1993 to June 1998.
μTakashi Uno .. ..	59	Mr. Uno has served as a full-time Corporate Auditor of BTM since June 1998. He served as a Director of BTM from April 1996 to June 1998 and as a Director of The Bank of Tokyo, Ltd. from June 1994 until March 1996. Mr. Uno has served as a Corporate Auditor of MTFG since April 2001.
‡Takao Wada .. ..	54	Mr. Wada has served as a full-time Corporate Auditor of BTM since June 2000. Mr. Wada served as a Director of BTM from June 1997 to June 2000.
‡Yoshikazu Takagaki ..	58	Mr. Takagaki has served as a Corporate Auditor of BTM since April 2001. He served as a full-time Corporate Auditor of BTM from June 1997 to April 2001 and as a Director of BTM from June 1992 to June 1997. Mr. Takagaki has served as a full-time Corporate Auditor of MTFG since April 2001.
μMitsuo Minami .. ..	67	Mr. Minami has served as a Corporate Auditor of BTM since June 2001. He served as Chairman and Chief Executive Officer of Tohmatsu & Co. from May 1995 to May 1997. Mr. Minami has served as a Corporate Auditor of MTFG since April 2001 and as a Professor, Department of Business Administration, Bunkyo Women's University since April 1999.
μIchiro Nagaishi .. ..	58	Mr. Nagaishi has served as a Corporate Auditor of BTM since June 2001. Mr. Nagaishi has served as an attorney-at-law since April 1972.

## RELATIONSHIP OF THE ISSUERS WITH THE PARENT

### Keep Well Agreement

The Parent and each of TMI, BTMD and TMIHK have entered into a keep well agreement dated 18th August, 2000 (the "Keep Well Agreement") governed by English law. The following is the text of the Keep Well Agreement.

"This Keep Well Agreement (the "Agreement") is made by way of deed poll on 18th August, 2000 by and between (1) The Bank of Tokyo-Mitsubishi, Ltd., the registered office at the date hereof being at 7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100 ("BTM") and (2) each of Tokyo-Mitsubishi International plc, the registered office at the date hereof being at 6 Broadgate, London EC2M 2AA ("TMI"), Bank of Tokyo-Mitsubishi (Deutschland) Aktiengesellschaft, the registered office at the date hereof being at Mainzer Landstrasse 16, 60325 Frankfurt am Main, Germany ("BTMD") and Tokyo-Mitsubishi International (HK) Limited, the registered office at the date hereof being 16th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Central, Hong Kong ("TMIHK" and, together with TMI and BTMD, the "Companies").

#### WHEREAS:-

- (A) the Companies are wholly-owned subsidiaries of BTM; and
- (B) the Companies intend to raise funds by the issue of notes (the "Notes") under a U.S.\$4,000,000,000 Euro Medium Term Note Programme (the "Programme") and to use such funds for their general corporate purposes;
- (C) this Agreement replaces the existing Keep Well Agreement dated 20th August, 1999 and entered into by BTM and the Companies (the "Existing Keep Well Agreement"); and
- (D) Notes issued during the period up to and including the day last preceding the date of this Agreement have the benefit of the Existing Keep Well Agreement. Notes issued from the date of this Agreement will have the benefit of this Agreement.

NOW, THEREFORE, BTM and the Companies hereby agree as follows:

- 1. BTM will own, directly or indirectly, a majority of the issued share capital of each of the Companies and will control the composition of the board of directors of each of the Companies, in each case so long as any notes are outstanding. BTM will not pledge, grant a security interest in or encumber any of such share capital.
- 2. BTM will cause:
  - (A) TMI to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in the United Kingdom and as shown in TMI's most recent published audited balance sheets, at all times of at least GB£1,000,000;
  - (B) BTMD to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in Germany and as shown in BTMD's most recent published audited balance sheets, at all times of at least DM1,000,000; and
  - (C) TMIHK to have a Tangible Net Worth, as determined in accordance with generally accepted accounting principles in Hong Kong and as shown in TMIHK's most recent published audited balance sheets, at all times of at least U.S.\$1,000,000.

For the purposes of this Clause 2, "Tangible Net Worth" means the aggregate amount of issued and fully paid equity capital, reserves, capital surplus and retained earnings (or less losses carried forward), less any intangible assets.

- 3.
  - (A) If a Company should at any time determine that it shall have insufficient cash or other liquid assets to meet its payment obligations under the Notes as they fall due and that it shall have insufficient unused commitments available under its credit facilities with lenders other than BTM or insufficient funds otherwise made available by BTM through one or more third parties, then it will promptly notify BTM of the shortfall and BTM will make available to it, before the due date of any relevant payment obligations, funds sufficient to enable it to satisfy such payment obligations in full as they fall due. It will use the funds made available to it by BTM solely for the satisfaction when due of such payment obligations.
  - (B) Any and all funds from time to time provided by BTM to a Company pursuant to Clause 3(A) above shall be either (i) by way of the subscription for and payment of its share capital (other than redeemable share capital) or (ii) by way of subordinated loan, that is to say a loan which, and interest on which, is not permitted to be, and is not capable of being, repaid or paid unless, and

then only to the extent that, the relevant Company is, and immediately thereafter would continue to be, solvent in all respects and is thus subordinated on a winding up of such Company to all of the other unsecured creditors (whether subordinated or unsubordinated) of such Company.

4. BTM warrants and agrees that the payment obligations of BTM which may arise hereunder constitute unsecured and unsubordinated obligations of BTM and rank *pari passu* with all other unsecured and unsubordinated obligations of BTM.
5. This Agreement is not, and nothing herein contained and nothing done by BTM pursuant hereto shall be deemed to constitute, a guarantee, direct or indirect, by BTM of any Notes or any payment obligations arising out of or in connection with any Notes.
6. If a Company shall be in liquidation, administration or receivership or other analogous proceedings, and BTM shall be in default of its obligations hereunder, BTM shall be liable by way of liquidated damages to such Company for such breach in an amount equal to the sum that BTM would have paid had it performed in full its obligations hereunder and such Company (and any liquidator, administrator or receiver of such Company or other analogous officer or official) shall be entitled to claim accordingly.
7. BTM and each of the Companies hereby covenants that it will fully and promptly perform its respective obligations and exercise its respective rights under this Agreement and, in the case of the Companies (without limitation to the foregoing), exercise its respective right to enforce performance of the terms of this Agreement by BTM.
8. This Agreement may be modified, amended or terminated only by the written agreement (executed as a deed) of BTM, the Companies and the Trustee (as defined below).
9. BTM and the Companies will give written notice to Moody's Investors Service, Limited at least 30 days prior to such proposed modification, amendment or termination.
10. (A) This Agreement shall take effect as a deed poll for the benefit of the Trustee on behalf of the Noteholders (as defined below). No other person, firm, company or association (unincorporated or incorporated) shall be entitled to any benefit under this Agreement whatsoever.  
(B) BTM and each of the Companies hereby acknowledges and covenants that the respective obligations binding upon it contained herein are owed to, and shall be for the benefit of, the Trustee on behalf of the Noteholders and that the Trustee shall be entitled on behalf of the Noteholders to enforce the said obligations against BTM and each of the Companies, if and only insofar as at the time the proceedings for such enforcement are instituted, any Notes which have become due and payable remain unpaid in whole or in part.  
(C) This Agreement shall be deposited with and held by the Trustee for so long as any one of the Notes remains outstanding.  
(D) "Noteholder" means each person who is for the time being holder of any note of any series of notes issued under the Programme save that, for so long as any series of notes is represented by one or more global notes, "Noteholder" means each person who is for the time being shown in the records of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") or of Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), or of any alternative clearing system ("Alternative Clearing System") as the holder of notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the Alternative Clearing System shall be conclusive).  
(E) No Noteholder shall be entitled to enforce the provisions of this Agreement unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing.  
"Trustee" means The Law Debenture Trust Corporation p.l.c. as trustee for the Noteholders (which expression shall include any successor as trustee for the Noteholders) under a Trust Deed dated 24th November, 1994 and made between, *inter alia*, TMI, BTMD, TMIHK and the Trustee, as supplemented or amended from time to time.
11. (A) This Agreement shall be governed by and construed in accordance with English law. Each of BTM, BTMD and TMIHK hereby irrevocably agrees that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together "Proceedings") arising out of or in connection with this Agreement may be brought in such courts and each waives any objection to Proceedings in such courts whether on the grounds that the Proceedings have been brought in an inconvenient forum or otherwise. In relation to Proceedings in England, any Deputy General Manager for the time being of the London Branch of BTM (being at the date hereof at 12-15

Finsbury Circus, London EC2M 7BT) has agreed to accept service of process on behalf of BTM in England and each of BTMD and TMIHK hereby irrevocably appoints TMI at its registered office (being at the date hereof at 6 Broadgate, London EC2M 2AA) to accept service of process on its respective behalf in England. Nothing in this clause shall affect the right to serve process in any other manner permitted by applicable law.

- (B) No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

12. This Agreement and any deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Agreement or any deed supplemental hereto may enter into the same by executing and delivering, a counterpart.

IN WITNESS WHEREOF this Agreement has been executed and delivered as a deed poll on the date which appears first on page 1.

Executed as a deed by  
THE BANK OF TOKYO-MITSUBISHI, LTD.  
acting by

}

acting under the authority of that company in the presence of:

Witness:

Name:

Address:

The COMMON SEAL of  
TOKYO-MITSUBISHI INTERNATIONAL PLC  
was hereunto affixed to this  
deed in the presence of

}

Director

Director/Secretary:

Executed as a deed by  
BANK OF TOKYO-MITSUBISHI (DEUTSCHLAND)  
AKTIENGESELLSCHAFT  
acting by

}

acting under the authority of that company in the presence of:

Witness:

Name:

Address:

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Executed as a deed by  
TOKYO-MITSUBISHI INTERNATIONAL (HK)  
LIMITED  
acting by

}

acting under the authority of that company in the presence of:

Witness:

Name:

Address:

Note:

The Keep Well Agreement is not, and should not be regarded as equivalent to, a guarantee by BTM of the payment of any Notes. Although the only parties to the Keep Well Agreement are BTM, TMI, BTMD and TMIHK, the Keep Well Agreement provides that the Trustee shall be entitled on behalf of the Noteholders to enforce against BTM, TMI, BTMD and TMIHK their respective obligations under the Keep Well Agreement. These obligations include covenants by BTM, TMI, BTMD and TMIHK to perform their obligations and exercise their rights under the Keep Well Agreement. Enforcement in the English courts will be subject, among other things, to the powers of such courts to stay proceedings and other principles of law and equity of general application.

Financial and other information concerning the Parent is provided for background purposes only in view of the importance of the Keep Well Agreement; it should not be treated as implying that the Keep Well Agreement can be viewed as a guarantee.



## TAXATION

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### United Kingdom

The following is a summary of the understanding of each Issuer of current law and practice in the United Kingdom relating to the withholding tax treatment at the date hereof in relation to interest payments on the Notes. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who are in any doubt as to their tax position should consult their own professional advisers.

#### *Notes issued by TMI*

1. United Kingdom withholding tax (including such withholding or deduction for or on account of tax by issuers, paying agents and collecting agents) was abolished in relation to interest payments made (or, in the case of collecting agents, received) on or after 1st April, 2001 in respect of securities listed on a "recognised stock exchange", as defined in section 841 of the Income and Corporation Taxes Act 1988 (the London Stock Exchange is such a recognised exchange). Provided, therefore, that the Notes are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid to a person who belongs in the United Kingdom and TMI reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest at the time the payment is made, provided that the Inland Revenue has not given a direction that it has reasonable grounds to believe that it is likely that the beneficial owner is not within the charge to United Kingdom corporation tax in respect of such payment of interest at the time the payment is made.

In all other cases interest on Notes issued by TMI must generally be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty.

2. If the Notes issued by TMI carry a right to interest and have a maturity date less than one year from the date of issue (and are not issued pursuant to any arrangement, the effect of which is to render such Note part of a borrowing for a total term in excess of one year) payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax.

#### *Notes issued by BTMD and TMIHK*

3. Payments of interest on Notes issued by BTMD and TMIHK may be made without deduction or withholding on account of United Kingdom income tax.

#### *Notes issued by TMI, BTMD and TMIHK*

4. However, in respect of payments of interest on Notes issued by TMI, BTMD and TMIHK, Noteholders who are individuals may wish to note that the Inland Revenue has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to or receives interest for the benefit of an individual, or who, after 5th April, 2002, either pays amounts payable on the redemption of Notes to or receives such amounts for the benefit of an individual. Such information may, in certain circumstances, be exchanged by the Inland Revenue with the tax authorities of other jurisdictions.

#### *Discount Notes and Premiums*

5. (a) Any premium over the amount originally subscribed for the Notes, paid on redemption at maturity or otherwise in accordance with the Terms and Conditions of the Notes; and  
(b) any discount accruing to the Noteholder,  
will not generally be regarded as interest for United Kingdom withholding tax purposes. If any element of premium or discount were to be treated as interest, payments thereof would be subject to United Kingdom withholding tax as outlined above.

#### **6. Notes issued by TMI, BTMD and TMIHK - Proposed EU Savings Directive**

On 18th July, 2001 the EU Commission published a proposal for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or

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other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (including Luxembourg but not the United Kingdom) to opt instead for a withholding system for a transitional period in relation to such payments, and subject to the proposals not being required to be applied, for a limited period of seven years after the new directive comes into force, to tranches of Notes issued before 1st March, 2002 and fungible with Notes issued before 1st March, 2001 or where the original offering document was certified before that date. The proposed directive is not yet final, and may be subject to further amendment and/or clarification.

### **Germany**

The following description only represents a summary of the provisions of German tax laws and regulations which, due to its summary character, does not cover all details which may apply in specific individual cases and may even require a deviation therefrom. Furthermore, it does not deal with any taxes other than the withholding tax as described. Therefore, prospective investors may not rely on such summary description, but are advised to consult their own professional tax advisers. In addition, the summary below is based on the laws in force in Germany as of the date of this Offering Circular and are subject to changes in law or applicable regulations occurring after such date, which changes could be made on a retroactive basis.

Persons resident in Germany are subject to income tax (respectively trade tax and corporate tax for certain investors) on their world-wide income including interest of any kind of debt securities, such as the Notes.

According to German law, payments of interest on debt securities are subject to an advance income tax (Zinsabschlagsteuer) at a rate of 30 per cent., if the interest payments are made through a bank in Germany in respect of securities on deposit with or administered by such bank and held by German tax residents (which are, subject to exceptions, persons whose residence, customary place of abode, head office or management is located in Germany) or persons who are subject to limited tax liability only with respect to their German source income and the interest on the Notes represents income from German agriculture and forestry, trade, business, self-employment or letting or leasing of German property. Advance income tax is imposed at a rate of 35 per cent., if the interest payments are made through a bank in Germany upon presentation of definitive coupons by a German or foreign holder (other than a foreign bank) to such bank. The details of how to calculate the respective advance income tax base in the case of sales, redemptions or repayments made with respect to the Notes are not described herein.

Further, there is an additional surcharge (Solidaritätszuschlag) of presently 5.5 per cent. on the advance income tax mentioned above, that will be withheld.

Any amount withheld as described herein may be credited to German residents as a pre-payment for the purposes of their German tax assessments. Under certain circumstances, the German investors may be entitled to a tax allowance and may achieve an exemption from the above advance income tax. Non-residents for German tax purposes will, subject to any applicable double taxation treaty, not be able to reclaim any taxes withheld in connection with interest payments made upon physical presentation of definitive coupons.

The withholding tax described above does not constitute a withholding or deduction within the meaning of Condition 7.

### **Notes issued by TMI, BTMD and TMIHK - Proposed EU Savings Directive**

On 18th July, 2001 the EU Commission published a proposal for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States (including Luxembourg but not the United Kingdom) to opt instead for a withholding system for a transitional period in relation to such payments, and subject to the proposals not being required to be applied, for a limited period of seven years after the new directive comes into force, to tranches of Notes issued before 1st March, 2002 and fungible with Notes issued before 1st March, 2001 or where the original offering document was certified before that date. The proposed directive is not yet final, and may be subject to further amendment and/or clarification.

### **Hong Kong**

The statements herein regarding Hong Kong taxation are based on the laws in force in Hong Kong as of the date of this Offering Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of

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the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of Notes.

Hong Kong tax will not be required to be withheld from payments of principal or interest on the Notes.

Under the Inland Revenue Ordinance of Hong Kong, interest on the Notes will not be subject to Hong Kong profits tax to the extent that the interest is derived by a person, which is not a "financial institution" as defined in the Inland Revenue Ordinance, who does not carry on business in Hong Kong or where the interest is considered to be sourced outside of Hong Kong. Under current Inland Revenue Department practice, the interest on the Notes will be considered to be sourced outside of Hong Kong where the Notes are not issued through any Hong Kong business of the Issuer and the funds on subscription of the Notes were first obtained by the Issuer outside Hong Kong.

Sums derived from the sale or redemption of the Notes derived by a person may be taxable where the gains or profits are in respect of funds of a trade, profession or business carried on by such person in Hong Kong and the gains or profits arise in or are derived from Hong Kong. The source of such sums will generally be determined by the manner in which the Notes are acquired and disposed of.

Alternatively, interest on the Notes received by a non-financial institution carrying on business in Hong Kong will generally be subject to profits tax if the Notes are issued in Hong Kong. The Chief Executive of Hong Kong, however, issued an order which exempts from payment, tax on net interest income accruing on or after 22nd June, 1998, to a person other than a financial institution, on deposits (denominated in any currency) placed with, *inter alia*, a financial institution in Hong Kong. This exemption does not apply, however, to deposits that are used to guarantee money borrowed in certain circumstances.

Interest received by or accrued to a financial institution will be taxable where the interest is derived through or from the carrying on of the financial institution's business in Hong Kong. Similarly, any gain or profit on the sale or redemption of the Notes derived by a financial institution will be taxable where the gains or profits are derived through or from carrying on of that financial institution's business in Hong Kong.

No estate duty will be payable under the Estate Duty Ordinance of Hong Kong, as currently enacted, in respect of Notes which are physically located outside Hong Kong at the date of the death of the holder thereof. Similarly, no estate duty will be payable in respect of the Notes or Coupons registered outside Hong Kong at the date of the death of the holder.

Stamp duty will be payable on the transfer of Notes to the extent that they constitute "Hong Kong Stock" (as defined in the Stamp Duty Ordinance), which is stock of which the transfer is required to be registered in Hong Kong. Exemption from Hong Kong stamp duty will be available to the extent that the Notes constitute "loan capital" (as defined in the Stamp Duty Ordinance) or where the Notes are denominated in a currency other than Hong Kong dollars and are not redeemable and may not at the option of any person be redeemed, in Hong Kong dollars.

## **United States**

The following is a general summary of the principal U.S. federal income tax consequences of the acquisition, ownership, and disposition of Notes by a holder who is a citizen or resident of the United States, a corporation, partnership, or other entity created or organised in or under the laws of the United States or any political subdivision thereof or therein, or an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source, or a trust subject to control of a U.S. person and the primary supervision of a U.S. court (a "U.S. Holder"). In addition, this summary applies only to Notes held as capital assets and generally does not address aspects of U.S. federal income taxation that may be applicable to particular U.S. Holders, such as life insurance companies, tax-exempt organisations, banks, or dealers in securities or currencies, or to U.S. Holders that will hold a Note as part of a position in a "straddle" or as part of a hedging transaction for U.S. tax purposes. Each prospective purchaser should consult its tax adviser with respect to the U.S. federal, state, local, and foreign tax consequences of acquiring, holding, and disposing of Notes.

**Stated Interest.** Stated interest on a Note will be includible in a U.S. Holder's gross income as ordinary interest income at the time it is paid or accrued in accordance with the U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, stated interest on the Notes should be treated as foreign source income for U.S. foreign tax credit purposes.

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*Original Issue Discount.* Notes with a fixed maturity of more than one year may be issued with original issue discount. If a Note is issued with original issue discount, a U.S. Holder will be required to include amounts in gross income for federal income tax purposes in advance of receipt of the cash payments to which such amounts are attributable.

*Short-Term Notes.* Notes with a fixed maturity of one year or less ("Short-Term Notes") may be issued with original issue discount. Accrual method U.S. Holders, and certain other U.S. Holders, including banks and dealers in securities, are required to accrue original issue discount on a Short-Term Note on a straight-line basis unless an election is made to accrue such discount using a constant yield to maturity method.

*Sale, Exchange, or Retirement.* Upon the sale, exchange, or retirement of a Note, a U.S. Holder will recognise taxable gain or loss equal to the difference, if any, between the amount realised on the sale (other than any amount attributable to accrued but unpaid interest), exchange, or retirement and the U.S. Holder's adjusted tax basis in such Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to the holder increased by any original issue discount theretofore included in income. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the Note has been held for more than one year at the time of such sale, exchange, or retirement. Any gain realised on a sale or other disposition of a Note, other than amounts attributable to stated interest, generally will be treated as U.S. source income for U.S. foreign tax credit purposes.

*Effect of Withholding Taxes (if any).* If any withholding taxes are imposed by a taxing authority upon payments of interest on a Note, a U.S. Holder will be required to include in gross income any such withholding taxes and any withholding taxes imposed with respect to any additional amounts payable by the Issuer with respect thereto as interest income. Such treatment will be required regardless of whether, as will generally be true, the Issuer is required to pay additional amounts so that the amount of withholding taxes does not reduce the net amount actually received by the holder of the Note.

Subject to certain limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for withholding taxes withheld by the Issuer (which, as described above, would include the amount of any additional amounts paid by the Issuer with respect to such withholding taxes).

Potential purchasers of Notes should carefully consider the U.S. federal tax consequences of payments by the Issuer of withholding or other taxes and of additional amounts.

*U.S. Back-up Withholding and Information Reporting.* U.S. back-up withholding tax and information reporting requirements apply to certain payments of principal of, and interest on, an obligation and to proceeds of the sale or redemption of an obligation to certain noncorporate U.S. Holders. The paying agent will be required to withhold from any such payment on a Note to a U.S. Holder (other than an "exempt recipient") if such holder fails to furnish his correct taxpayer identification number or otherwise fails to comply with such back-up withholding requirements. Back-up withholding is not a separate tax and any amounts withheld may be credited against a U.S. Holder's federal tax liability.

## BOOK-ENTRY CLEARANCE PROCEDURES

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*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "Clearing Systems") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Trustee or any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Global Notes

Each Tranche of Notes offered and sold outside the United States in reliance on Regulation S will be represented by interests in a Reg. S Global Note which will be deposited with and registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, Luxembourg for the account of its participants. A beneficial interest in a Reg. S Global Note may at all times be held only through Euroclear and Clearstream, Luxembourg.

Each Tranche of Notes offered and sold in reliance on Rule 144A will be represented by interests in a Restricted Global Note which will be deposited with a custodian for, and registered in the name of a nominee for, DTC. The Restricted Global Note will be subject to certain restrictions on transfer contained in a legend appearing on the face of such Note set forth under "Delivery of the Notes; Registration of Transfers-Transfer Restrictions".

Each Reg. S Global Note will have an ISIN number and each Restricted Global Note will have a CUSIP number.

### Transfer within and between DTC, Clearstream, Luxembourg and Euroclear

On or prior to the 40th day after completion of the distribution of each Tranche of Notes, a beneficial interest in the Reg. S Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through the Restricted Global Note only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such 40th day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Reg. S Global Note, as set out under "Book-Entry Clearance Procedures; Registration of Transfers - Transfer Restrictions"

A beneficial interest in a Restricted Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Reg. S Global Note, whether before, on or after such 40th day, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A under the Securities Act (if available).

Any beneficial interest in either a Restricted Global Note or a Reg. S Global Note that is transferred to a person who takes delivery in the form of a beneficial interest in another Global Note will, upon transfer, cease to be a beneficial interest in such Registered Global Note and become a beneficial interest in that other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Registered Global Note for as long as it remains such an interest.

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the registered holder of a Registered Global Note, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for the sole purpose of making payments in respect of the Notes (provided that the applicable tax treatment and procedures will be determined as if the person who is shown in the records of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular nominal amount of such Notes were the registered holder itself). Payments of principal, interest and additional amounts, if any, pursuant to Condition 7, in respect of a Registered Global Note will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the registered holder thereof. None of the Issuers, any Agent or any Dealer or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the

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Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### Note Certificates

Registration of title to Notes initially represented by a Restricted Global Note in a name other than DTC or a successor depositary or one of their respective nominees will not be permitted unless such depositary notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Note or ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and the Issuer of such Notes is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of such depositary.

Registration of title to Notes initially represented by a Reg. S Global Note in a name other than the nominee of the common depositary for Euroclear and Clearstream, Luxembourg will not be permitted unless Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business and does in fact do so and no alternative clearance system acceptable to the Trustee is available.

In such circumstances, the relevant Issuer will, at the cost of the Issuer, cause sufficient Note certificates to be executed and delivered to the Registrar for completion and dispatch to the relevant Noteholders. A person having an interest in a Registered Global Note must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Note certificates; and
- (ii) in the case of the Restricted Global Note only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Note certificates issued in exchange for a beneficial interest in the Restricted Global Note shall bear the legends applicable to transfers pursuant to Rule 144A (as set out under "Book-Entry Clearance Procedures; Registration of Transfers – Transfer Restrictions").

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 10 of the Terms and Conditions of the Notes.

The holder of a Note certificate may transfer the Registered Note represented thereby by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Note certificate issued in exchange for a Restricted Global Note ("144A Note Certificates") bearing the legend referred to under "Book-Entry Clearance Procedures; Registration of Transfers-Transfer Restrictions", or upon specific request for removal of the legend on a 144A Note Certificate, the Issuer will deliver only 144A Note Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The Registrar will not register the transfer of or exchange of interests in a Registered Global Note for Note certificates for a period 15 calendar days preceding the due date for any payment of principal or interest in respect of the Notes.

With respect to the registration of transfer of any 144A Note Certificate, the Registrar will register the transfer of any such 144A Note Certificate if the transferor, in the form of Transfer on such 144A Note Certificate has certified to the effect that such transfer is (i) to persons whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) in accordance with Regulation S, (iii) pursuant to Rule 144 under the Securities Act (if available) or (iv) to the Bank or its affiliates.

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If only one of the Global Notes (an "Exchanged Global Note") becomes exchangeable for Note certificates in accordance with the above paragraphs, transfers of Notes may not take place between, on the one hand, persons holding Note certificates issued in exchange for beneficial interests in the Exchanged Global Note and, on the other hand, persons wishing to purchase beneficial interests in the other Global Note representing the same series of Notes of the relevant Tranche.

### **Euroclear, Clearstream, Luxembourg and DTC**

Custodial and depositary links have been established with Euroclear and Clearstream, Luxembourg and DTC to facilitate the initial issue of the Registered Notes and cross-market transfers of the Registered Notes associated with secondary market trading.

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers, and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant either directly or indirectly.

Distributions of principal and interest with respect to book-entry interests in the Registered Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

DTC has informed the Issuers as follows: DTC is a limited-purpose trust company organised under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations such as the Dealers. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Holders of book-entry interests in the Registered Notes holding through DTC will receive, to the extent received by the Agent, all distributions of principal and interest with respect to book-entry interests in the Registered Notes from the Agent through DTC. Distributions in the United States will be subject to relevant U.S. tax laws and regulations.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The aggregate holdings of book-entry interests in the Registered Notes in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each institution. As necessary, the Registrar will adjust the amounts of Registered Notes on the Register for the accounts of (i) Euroclear and Clearstream, Luxembourg and (ii) DTC to reflect the amounts of Notes held through Euroclear, Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Registered Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Registered Notes will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Registered Notes.

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The Registrar will be responsible for maintaining a record of the aggregate holdings of Registered Notes registered in the name of a nominee for the common depository for Euroclear and Clearstream, Luxembourg, a nominee for DTC and/or holders of Registered Notes represented by Note certificates.

The Agent will be responsible for ensuring that payments received by it from the relevant Issuer for holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg as the case may be, and the Agent will also be responsible for ensuring that payments received by the Registered Agent from the relevant Issuer for holders of interests in the Notes holding through DTC are credited to DTC.

The Issuer will not impose any fees in respect of the Registered Notes; however, holders of book-entry interests in the Registered Notes may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear, Clearstream, Luxembourg or DTC.

Interests in the Reg. S Global Note and the Restricted Global Note will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Registered Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Reg. S Global Note will be credited to Euroclear participant securities clearance accounts on the business day following the closing date for the Relevant Notes against payment (value such closing date), and to Clearstream, Luxembourg participant securities custody accounts on such closing date against payment in same day funds. DTC participants acting on behalf of purchases electing to hold book-entry interests in the Registered Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Registered Notes following confirmation of receipt of payment to the Issuer on the closing date for the Relevant Notes.

**Trading between Euroclear and/or Clearstream, Luxembourg participants:** Secondary market sales of book-entry interests in Registered Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in Registered Notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

**Trading between DTC participants:** Secondary market sales of book-entry interests in the Registered Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars separate payment arrangements outside DTC are required to be made between the DTC participants.

**Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser:** When book-entry interests in Registered Notes are to be transferred from the account of a DTC participant holding a beneficial interest in a Restricted Global Note to the account of a Euroclear or Clearstream, Luxembourg participant wishing to purchase a beneficial interest in Reg. S Global Note (subject to such certification procedures as provided in the Agency Agreement), the DTC participant will deliver the book-entry interests in the Registered Notes represented thereby free of payment by 3.00 p.m., New York time, on the settlement date to the Custodian's account at DTC together with instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg participant. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Registered Notes registered in the name of the depository for DTC and evidenced by the Restricted Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg and evidenced by the Reg. S Global Note. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant participant's account on the second business day following the settlement date.

**Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser:** When book-entry interests in the Registered Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg participant to the account of a DTC participant wishing to purchase a beneficial interest in a Restricted Global Note (subject to such certification procedures as provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear/Clearstream, Luxembourg delivery free of payment instructions by 10.00 a.m., Brussels or Luxembourg time one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the

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common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (b) instruct the Registrar to (i) decrease the amount of Registered Notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Reg. S Global Note and (ii) increase the amount of Notes registered in the name of the depositary for DTC and evidenced by the Restricted Global Note.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, any Agent or any Manager or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

#### **Transfer Restrictions**

The Restricted Global Note and Note certificates issued in exchange for a beneficial interest in the Restricted Global Note will bear a legend to the effect contained in paragraph (v) under "Subscription and Sale and Transfer Restrictions—United States" hereof.

All purchasers of beneficial interests in a Restricted Global Note shall be deemed to have represented and agreed to reoffer, resell, pledge or otherwise transfer such beneficial interests only in accordance with such legend.

#### **Meetings of Noteholders**

The provisions for meetings of Noteholders scheduled to the Trust Deed provide that, where all the outstanding Notes are held by one person, the quorum in respect of the relevant meeting will be one person present (being an individual, present in person, or, being a corporation, present by a representative) holding all of the outstanding Notes or being a proxy in respect of such Notes.

#### **Purchase and cancellation of beneficial interests in Global Notes**

Cancellation of any Registered Note represented by a beneficial interest in the Reg. S Global Note or the Restricted Global Note which is surrendered for cancellation following its purchase will be recorded in the Register by the Registrar.

## SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Dealers have in an amended and restated programme agreement (the "Programme Agreement") dated 17th August, 2001 agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Form of the Notes" and "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme. The relevant Issuer may pay the Dealers commissions from time to time in connection with the sale of any Notes. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Notes under the Programme Agreement in certain circumstances prior to payment to the relevant Issuer.

### (a) United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

- (i) Offers, sales, resales and other transfers of Notes in the United States made or approved by a Dealer (including in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act.
- (ii) Offers, sales, resales and other transfers of Notes in the United States will be made only to Institutional Accredited Investors that have executed and delivered to a Dealer the IAI Investment Letter addressed to the Issuer substantially in the form set out in the Agency Agreement or to QIBs that are reasonably believed to qualify as qualified institutional buyers (as therein defined) within the meaning of Rule 144A. Notes sold to Institutional Accredited Investors will be issued solely in definitive registered form.
- (iii) Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising will be used in connection with the offering of the Notes in the United States.
- (iv) No sale of the Notes in the United States to an Institutional Accredited Investor will be for less than U.S.\$100,000 principal amount and no Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 principal amount of the Notes.
- (v) Each Registered Note (other than Reg. S Notes in definitive form) shall contain a legend in substantially the following form:

"This Note has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Neither this Note nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the absence of such registration or unless such transaction is exempt from, or not subject to, registration.

The holder of this Note by its acceptance hereof, on its own behalf and on behalf of any account for which it is purchasing this Note or any interest or participation herein, agrees to offer, sell or otherwise transfer such Note or any interest or participation herein only (A) to, or for the account or benefit of, the relevant Issuer or a Dealer (as defined in the offering circular for the Note), (B) to, or for the account or benefit of, a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act), (C) to, or for the account or benefit of, an "Accredited Investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) who is an institution that, prior to such transfer, furnishes a written certification containing certain representations and agreements relating to the restrictions on transfer of this Note (the form of which letter can be obtained from the Registrar and the Transfer Agents), (D) outside the United States in a transaction which meets the requirements of Rule 904 of Regulation S under the Securities Act, (E) pursuant to an effective registration statement under the Securities Act, or (F) pursuant to any other available exemption from the registration requirements of the Securities Act. Upon any transfer of this Note or any interest or participation herein pursuant to clauses (C), (D) or (F), the holder will be required to furnish to the relevant Issuer such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer is being made pursuant to an exemption from the registration requirements of the Securities Act. The holder will also be required to deliver

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to the transferee of this Note or any interest or participation therein a notice substantially to the effect of this legend. Any resale or other transfer or attempted resale or other transfer of this Note made other than in compliance with the foregoing restriction shall not be recognised by the Issuer, the Registrar or any other agent of the Issuer”.

In the case of Reg. S Global Notes only the following paragraph shall appear in the legend:

“The restrictions in the preceding paragraph shall only apply during the period which ends 40 days after completion of distribution of the Notes as certified by the relevant Dealer or Dealers, in the case of a non-syndicated issue, or as certified by the relevant Lead Manager, in the case of a syndicated issue.”

In the case of a Registered Global Note registered in the name of Cede & Co. as nominee (or another nominee) of The Depository Trust Company, the following paragraph shall also appear in the legend:

“Unless this Global Note is presented by an authorised representative of The Depository Trust Company, a New York corporation (“DTC”), to the relevant Issuer or its agent for registration of transfer, exchange or payment, and any registered Note issued is registered in the name of Cede & Co. or in such other name as is required by an authorised representative of DTC (and any payment is made to Cede & Co. or to such other entity as is required by any authorised representative of DTC), any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful in as much as the registered owner hereof, Cede & Co., has an interest herein.”

The legend endorsed on each Reg. S Global Note shall cease to apply after expiry of the Distribution Compliance Period applicable thereto.

By its purchase of any Notes, each investor in the United States shall be deemed to have agreed to the restrictions contained in any legend endorsed on the Note purchased by it (to the extent still applicable) and each such purchaser shall be deemed to have represented to the Issuer, the seller and the Dealer, if applicable that it is either (i) a QIB or (ii) an Institutional Accredited Investor that is acquiring the Notes for its own account for investment and not with a view to the distribution thereof. Each investor (other than an investor in Reg. S Notes following expiry of the applicable Distribution Compliance Period), by its purchase of any Notes, also agrees to deliver to the transferee of any Note a notice substantially to the effect of the above legend.

To the extent that any Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, such Issuer has agreed to furnish to Holders of the Notes and to prospective purchasers designated by such Holders, upon request thereby, such information as may be required by Rule 144A.

Each prospective investor is hereby offered the opportunity to ask questions of, and receive answers from, the Issuer and the Dealers concerning the terms and conditions of the offering.

Any purchaser of Notes must have sufficient knowledge and experience in business matters to be capable of evaluating the merits and risks of investing in and holding Notes and be able to bear the economic risk of the investment for an indefinite period of time because the Notes have not been registered under the Securities Act. There is no undertaking to register the Notes thereafter, and they cannot be sold unless they are subsequently registered or an exemption from such registration requirement is available. There can be no assurance that the Notes will be sold or that there will be a secondary market for the Notes.

Pursuant to the Dealer Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws.

Bearer Notes, which may be issued pursuant to a Pricing Supplement, are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

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Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Notes of any Tranche (i) as part of their distribution at any time or (ii) otherwise until expiry of the Distribution Compliance Period applicable to such Tranche issued prior to such determination, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the restricted period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States to, or for the account or benefit of, U.S. persons.

In addition, until expiry of the relevant Distribution Compliance Period, an offer or sale of Notes within the United States by a Dealer, including a dealer that is not participating in the offering, may violate the registration requirements of the Securities Act.

Each issuance of Dual Currency or Indexed Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree, as indicated in the applicable Pricing Supplement. Each Dealer has agreed and, if different, the relevant dealer in respect of each such issue will be required to agree that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

**(b) United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to Notes which have a maturity of one year or more and which are to be admitted to the Official List, it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of such Notes to listing in accordance with Part IV of the Financial Services Act 1986, as amended (the "Act"), or (after the repeal of that Part), Part VI of the Financial Services and Markets Act 2000 (the "FSMA"), except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended or the Act (or after the repeal of Part IV of the Act, the FSMA);
- (ii) in relation to Notes which have a maturity of one year or more and which are not to be admitted to the Official List, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended;
- (iii) in relation to any Tranche of Notes which is issued after Section 19 (the general prohibition) of the FSMA has come into force and which must be redeemed before the first anniversary of the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons:
  - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or
  - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (iv) *it has only issued or passed on and will only issue or pass on in the United Kingdom, before the repeal of section 57 of the Act, any document received by it in connection with the issue of any Notes, other than, in relation to any Notes to be admitted to the Official List, any document which consists of or any part of listing particulars, supplementary listing particulars or any other document*

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required or permitted to be published by listing rules under Part IV of the Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on. After the repeal of Section 57 of the Act, it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and

- (v) it has complied and will comply with all applicable provisions of the Act (and, after they come into force, all applicable provisions of the FSMA) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**(c) Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law") and each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that it will not, directly or indirectly, offer or sell, any Notes in Japan or to or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

**(d) Germany**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Selling Prospectus Act (Wertpapierverkaufprospektgesetz) of 13th December, 1990, as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

**(e) Hong Kong**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree as follows:

- (i) either, in respect of Notes issued by TMIHK, that:
  - (A) it has not offered or sold and will not offer or sell in Hong Kong by means of any document any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent); and
  - (B) unless it is a person permitted to do so under the securities law of Hong Kong, it has not issued, or had in its possession, or will not issue, or have in its possession for the purposes of issue, any advertisement, invitation or document relating to the Notes (except, where the prospectus as defined by section 2 of the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance Prospectus") in respect of an issue of Notes has been registered with the Registrar of Companies, the Companies Ordinance Prospectus) other than with respect to Notes intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent;
- (ii) or, in respect of Notes issued by an Issuer other than TMIHK, that:
  - (A) it has not offered or sold and will not offer or sell in Hong Kong by means of any document, any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and

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- (B) unless it is a person permitted to do so under the securities laws of Hong Kong, it has not issued or had in its possession, or will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes other than with respect to Notes intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal or holding of securities whether as principal or agent.

**(f) General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers or any other Dealer shall have responsibility therefor.

None of the Issuers or any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer(s) shall agree and as shall be set out in the relevant Pricing Supplement.

## GENERAL INFORMATION

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### Authorisation

Authorisation for the amendment and restatement of the Programme, entering into the Keep Well Agreement and the issue of Notes under the Programme has been duly obtained as set out below:

- (i) by resolutions of the Board of Directors of TMI dated 10th August, 2001;
- (ii) resolutions of the Board of Managing Directors of BTMD dated 14th August, 2001; and
- (iii) resolutions of the Board of Directors of TMIHK dated 16th August, 2001.

### Listing

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of that Tranche. The listing of the Programme in respect of such Notes is expected to be granted on or around 23rd August, 2001.

### Documents Available for Inspection

So long as any of the Notes remains outstanding and throughout the life of the Programme, copies of the following documents will, when available, be available for inspection from the respective registered offices of TMI, BTMD, TMIHK, and the Parent and from the specified office of the Agent for the time being in London:

- (i) the constitutional documents (in English, or, in the case of BTMD, in German accompanied by an English translation) of the Issuers;
- (ii) the audited consolidated financial statements of the Parent (in English) for the years ended 31st March, 2000 and 2001 and the audited financial statements (in English) of each of TMI, BTMD and TMIHK in respect of the financial years ended 31st December, 1999 and 2000;
- (iii) the most recently available audited annual financial statements (in English) of the Issuers and the Parent and the most recently published interim financial statements (in English) (if any) of the Issuers and the Parent;
- (iv) the Programme Agreement, the Trust Deed (which contains the forms of the bearer and registered, temporary and permanent global Notes, the definitive Notes, the Receipts, the Coupons and the Talons), the Agency Agreement and the Keep Well Agreement;
- (v) this Offering Circular; and
- (vi) any supplementary listing particulars, the Pricing Supplements in respect of Notes listed on any stock exchange and other documents incorporated herein by reference and, in the case of a syndicated Tranche of Listed Notes, the syndication agreement (or equivalent document).

### Clearing Systems

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer will make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

### Significant or Material Change

Save as described in this Offering Circular, there has been no significant change in the financial or trading position of any of the Issuers and their respective subsidiaries (if any) or the Parent since the date of the last financial year end of the relevant Issuer or the Parent, as the case may be, and save as disclosed in this Offering Circular, there has been no material adverse change in the financial position or prospects of the Issuers and their respective subsidiaries (if any), the Parent or the Parent and its subsidiaries, taken as a whole, since the date of the last financial year end of the relevant Issuer or the Parent, as the case may be.

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## **Litigation**

None of the Issuers and their respective subsidiaries (if any) (whether as defendant or otherwise) is or has been engaged in any legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware) which may have or have had during the twelve months prior to the date hereof a significant effect on the financial or trading position of the relevant Issuer and its subsidiaries (if any), taken as a whole or the Parent.

## **Auditors**

The auditors of TMI are KPMG, Chartered Accountants, who have audited TMI's accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the financial periods ended 31st December, 1998, 1999 and 2000, respectively.

The auditors of BTMD are KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft ("KPMGD"), certified public accountants, who have audited BTMD's accounts, without qualification, in accordance with generally accepted auditing standards in Germany for each of the financial periods ended 31st December, 1998, 1999 and 2000, respectively.

The independent auditors of TMIHK are Deloitte Touche Tohmatsu ("DTTHK"), certified public accountants who have audited TMIHK's accounts, without qualification, in accordance with generally accepted auditing standards in Hong Kong for the financial period ended 31st December, 1998, 1999 and 2000.

The auditors of the Parent are Deloitte Touche Tohmatsu, Independent Auditors, who have audited the Parent's accounts, without qualification, in accordance with auditing standards generally accepted in the United States of America for each of the financial periods ended 31st March, 1999, 2000 and 2001, respectively.

## **Hong Kong Compliance**

Each of DTTHK, KPMG, KPMGD and Deloitte Touche Tohmatsu has given, and has not before delivery of a copy of this Offering Circular to the Registrar of Companies in Hong Kong for registration withdrawn, its written consent to the inclusion of their report in this Offering Circular with its name and report contained in the audited financial statements of each Issuer as referred to on page 5 ("Documents Incorporated by Reference") incorporated herein by reference.

A copy of this Offering Circular has been delivered to the Registrar of Companies in Hong Kong together with copies of the Programme Agreement, the Agency Agreement, the Trust Deed, the Keep Well Agreement and of the consent letter of each of the auditors of the Issuers and the Parent.

## **NikkoSalomonSmithBarney Europe**

The Nikko Securities Co. Ltd. and Citigroup Inc. have established a series of business alliances in respect of Japan related activities. Salomon Brothers International Limited is authorised to conduct Japan related business under the name NikkoSalomonSmithBarney Europe.

## **Ratings**

The ratings (if any) of the Notes of each Tranche by Moody's Investors Service Limited will be specified in the applicable Pricing Supplement.

## **European Monetary Union**

The third stage of European economic and monetary union commenced on 1st January, 1999 when the value of the euro as against the currencies of the member states participating in the third stage was irrevocably fixed and the euro became a currency in its own right. Each euro is denominated into 100 cents and, for a transitional period of three years, expressed in participating member currencies at fixed exchange rates. With effect from 1st January, 2002 the participating member currencies will cease to exist.

## **Banking Act 1987 (Exempt Transactions) Regulations 1997**

*The text below applies until Section 19 of the FSMA is brought into force. This is currently expected to happen on 30th November, 2001 although this date may change. When the FSMA comes into force, the Regulations described below will be repealed.*

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Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom and which are issued pursuant to an exempt transaction under regulation 13(1) or (3) of the Banking Act 1987 (Exempt Transactions) Regulations 1997 (the "Regulations") will constitute commercial paper, shorter term debt securities or longer term securities (in each case, as defined in the Regulations), as specified in the applicable Pricing Supplement, in each case issued in accordance with regulations made under Section 4 of the Banking Act 1987. None of the Issuers is an authorised institution or a European authorised institution (as such terms are defined in the Regulations) and repayment of the principal and payment of any interest or premium in connection with such Notes will not be guaranteed.

In relation to any Notes which are issued pursuant to an exempt transaction under regulation 13(3) of the Regulations where such Notes would fall within regulation 13(4)(a) of the Regulations, the relevant Issuer confirms that:

- (a) as at the date hereof, it has complied with its obligations under the relevant rules (as defined in the Regulations) in relation to the admission to and continuing listing of the Programme and of any previous issues made by such Issuer under it and listed on the same exchange as the Programme;
- (b) it will have complied with its obligations under the relevant rules in relation to the admission to listing of such Notes by the time when such Notes are so admitted; and
- (c) as at the date hereof, it has not, since the last publication, if any, in compliance with the relevant rules of information about the Programme, any previous issues made by such Issuer under it and listed on the same exchange as the Programme, or any Notes issued by such Issuer falling within regulation 13(4)(a) of the Regulations, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of such Notes as they fall due.

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**REGISTERED AND HEAD OFFICES OF  
THE ISSUERS**

**Tokyo-Mitsubishi International plc,**  
6 Broadgate,  
London EC2M 2AA,  
England.

**Bank of Tokyo-Mitsubishi (Deutschland)  
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**Tokyo-Mitsubishi International (HK) Limited,**  
16th Floor,  
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Admiralty Centre,  
18 Harcourt Road,  
Hong Kong.

**THE PARENT**

**The Bank of Tokyo-Mitsubishi, Ltd.,**  
7-1, Marunouchi 2-chome,  
Chiyoda-ku,  
Tokyo 100-8388,  
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