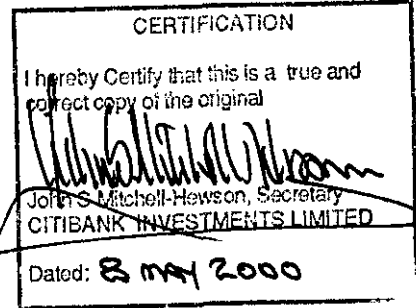


DATED 28<sup>th</sup> APRIL 2000



CITIBANK OVERSEAS INVESTMENT CORPORATION (1)

CITIBANK INVESTMENTS LIMITED (2)

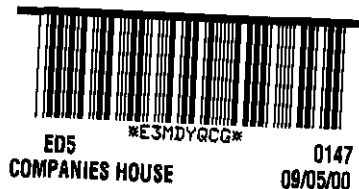
NESSUS INVESTMENT CORPORATION (3)

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## AGREEMENT

providing for the sale and purchase of two equity participations of PTE 2,500,000 and PTE 2,460,000 respectively in, and representing 99.2 per cent of, the issued share capital of **Citico - Sociedade Gestora de Participações Sociais, Lda** (Portugal) together with PTE 14,750,339,000 of supplementary capital thereof

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THIS AGREEMENT is made the TWENTY-EIGHTH day of APRIL 2000

**BETWEEN:**

- (1) **CITIBANK OVERSEAS INVESTMENT CORPORATION** a subsidiary of Citigroup Inc through Citibank, N.A. (defined below) (defined below) and organised in the United States of America pursuant to Section 25(A) of the Federal Reserve Act, United States of America having its principal office situate at New Castle Corporate Commons, One Penn's Way, New Castle, Delaware 19720, United States of America (the "Vendor");
- (2) **CITIBANK INVESTMENTS LIMITED** a wholly owned subsidiary of Citigroup Inc through the Vendor and a company limited by shares incorporated in Great Britain under the Companies Acts 1948 to 1981 registered in England and Wales with number 1911126 having its registered office and principal place of business situate at 336 Strand, London WC2R 1HB, United Kingdom (the "Purchaser");
- (3) **NESSUS INVESTMENT CORPORATION** a wholly owned subsidiary of Citigroup Inc through the Vendor, Citibank, N.A. (defined below) and Citicorp (defined below) and a company incorporated with limited liability in the United States of America under the laws of the State of Delaware having its principal office situate at New Castle Corporate Commons, One Penn's Way, New Castle, Delaware 19720, United States of America ("Nessus").



**WHEREAS:**

- A The Company (defined below) has its registered office and principal place of business situate at Rua Castilho 71, r/c dto, Lisbon, Republic of Portugal and is a company incorporated with limited liability in the Republic of Portugal with the Commercial Registry of Lisbon on 7 February 1986 with number 62347 and has at the date hereof an aggregate issued share capital of PTE 5,000,000 comprised of four equity participations (quotas): PTE 2,500,000; PTE 2,460,000 and two of PTE 20,000 each respectively of which all four equity participations of PTE 2,500,000; PTE 2,460,000 and the two of PTE 20,000 each respectively are either fully paid up or credited as fully paid up and *prestações suplementares* (the Supplementary Capital as defined below) of PTE 14,750,339,000.
- B The Company operates as a holding company principally of Citibank Portugal SA, a commercial bank incorporated in the Republic of Portugal with its headquarters in Lisbon and an additional branch operation in Funchal, in the Madeira Free Trade Zone of the Republic of Portugal.

- C The Vendor is the beneficial owner of two equity participations (quotas), namely PTE 2,500,000 and PTE 2,460,000 that represent, in aggregate, approximately 99.2 per cent of the total issued shares in the capital of the Company and are registered in the name of the Vendor in the books of the Company and of the Supplementary Capital all subject to this agreement; and
- D The Vendor has agreed to sell and the Purchaser has agreed to purchase the Shares together with the Supplementary Capital on the terms and subject to the conditions hereinafter provided.

**NOW IT IS HEREBY A G R E E D** as follows:

**1. DEFINITIONS**

- 1.1 In this agreement the following expressions shall in addition to the words and expressions hereinbefore defined, and unless the context otherwise requires, have the meanings respectively set opposite them:

"Business Day" means a day (other than a Saturday) when banks are open for the transaction of normal banking business in London;

"Company" means **Citico - Sociedade Gestora de Participações Sociais, Lda** a wholly-owned subsidiary undertaking of Citigroup Inc through the Vendor, Citibank, N.A. and Citicorp being a company incorporated with limited liability in the Republic of Portugal registered with the Commercial Registry of Lisbon on 7 February 1986 with number 62347 having its registered office situate at at Rua Castilho 71, r/c dto, Lisbon, Republic of Portugal;

"Citibank, N.A." means Citibank, N.A., Charter number 1461, a national banking association formed and organised under the laws of the United States of America and having its principal office situate at 399 Park Avenue, New York, New York 10043

United States of America and having in Great Britain a principal branch office registered at Cardiff, Wales, pursuant to Schedule 21A of the Companies Act 1985, as amended inter alia by The Oversea Companies and Credit and Financial Institutions (Branch Disclosure) Regulations 1992, with number BR001018 on 30 July 1993 now situate at 336 Strand, London WC2R 1HB, originally registered pursuant to Section 274 of the Companies (Consolidation) Act 1908, as amended by the Companies Act 1917, in England as a foreign company with number FC 1835 on 14 July 1920 and an authorised institution under the Banking Act 1987 and the entire issued share capital or equivalent of which is in the beneficial ownership of Citicorp;

"Citicorp"

means Citicorp (formerly known as Citi Merger Sub Inc. which pursuant to the terms of a merger effected under the provisions of Section 251 of the General Corporation Law of the State of Delaware was renamed Citicorp effective 8 October 1998) a company incorporated with limited liability in the United States of America under the laws of the State of Delaware on 8 May 1998 having its principal office situate at 399 Park Avenue, New York, New York 10043, United States of America and the entire issued share capital or equivalent of which is in the beneficial ownership of Citigroup Inc;

"Citigroup Inc"

means Citigroup Inc a company incorporated with limited liability in the United States of America under the laws of the State of Delaware on 23 March 1988 (formerly known prior to 8 October 1998 as Travelers Group Inc) having its principal office situate at 153 East 53<sup>rd</sup> Street, New York, New York 10043, United States of

America;

"Completion"	means the completion of the sale and purchase of the Shares together with the Supplementary Capital pursuant to Clause 5 hereof and "Completion Date" is the date on which Completion takes place;
"the Consideration Shares"	means the shares issued and allotted by the Purchaser to the Vendor as consideration for the Shares and the Supplementary Capital pursuant to, and in accordance with, Clause 3 hereof;
"person"	means any person, firm, company or body and every other type of entity, incorporated or unincorporated;
"the Shares"	means collectively the two equity participations (quotas) of PTE 2,500,000 and PTE 2,460,000 respectively credited as fully paid in the capital of the Company of which both equity participations are registered in the name of the Vendor in the books of the Company all such shares to be sold collectively pursuant to this agreement;
"the Supplementary Capital"	means collectively all of the ancillary contributions, supplementary capital contributions and shareholder loans amounting in aggregate to PTE 14,750,339,000 and recognised as <i>prestações suplementares</i> for the purposes of the Portuguese Commercial Companies Code and forming part of the capital resources of the Company all such Supplementary Capital to be sold collectively and simultaneously with the Shares pursuant to this agreement;
"Warranties"	means the representations and warranties set out in the Schedule hereto.

1.2 References herein to any provision of any statute shall be deemed to include any modification, amendment, re-enactment thereof (so far as capable of applying to any transactions prior to Completion) or any statutory instrument, provision, direction, order or regulation (which is capable of applying to any transactions prior to Completion) made or imposed thereunder or under any such amendment, extension or re-enactment and shall include also any past statutory provisions (as from time to time modified or re-enacted) which such provisions have directly or indirectly replaced. Subject as herein expressly provided or as the context may otherwise require, words and expressions defined in the Companies Acts 1985 to 1989 shall bear the same meanings in this agreement, words importing the singular only shall include the plural and vice versa, and words importing the masculine gender only shall include the feminine and neuter and vice versa.

1.3 Headings in this agreement are for ease of reference only and shall not in any way affect the interpretation hereof. Unless otherwise provided, references herein to clauses, *Recitals* and *Schedules* are references to clauses hereof and *Recitals* and *Schedules* hereto.

## 2. **SALE AND PURCHASE**

2.1 The Vendor shall sell as beneficial owner and the Purchaser shall purchase the Shares together with the Supplementary Capital with effect from the Completion Date free from all claims, charges, liens, encumbrances and equities whatsoever and together with all rights attached or accruing thereto and together with all dividends and distributions thereafter declared made or paid or agreed to be made or paid thereon or in respect thereof.

2.2 The Purchaser shall not be obliged to purchase any of the Shares or the Supplementary Capital unless the sale to it of all the Shares together with the Supplementary Capital is completed simultaneously.

## 3. **CONSIDERATION**

3.1 The aggregate consideration payable by the Purchaser to the Vendor in respect of all the Shares and the Supplementary Capital shall be the sum equal to the Pounds Sterling equivalent of PTE 14,733,054,000 (being representative of a 'fair market' value of the Shares together with the Supplementary Capital as

determined by an independent appraisal) determined by the Citibank, N.A. London Branch rate of exchange at 1000 hours (London Time) on 28 April 2000 rounded upwards to the nearest whole Pound Sterling ('the Aggregate Consideration') and shall be satisfied by the issue, and allotment, to the Vendor of a number of 6.5% Fixed Rate Cumulative Redeemable Preference shares of £1 each in the Purchaser, credited in the books of the Purchaser as fully paid up at par, with such number of such 6.5% Fixed Rate Cumulative Redeemable Preference shares being equal to the figure of the Aggregate Consideration.

#### **4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 4.1 The Vendor hereby represents, warrants and undertakes to the Purchaser that each of the statements set out in the Schedule hereto is true and accurate in all respects at the date of this agreement and the Vendor acknowledges that the Purchaser is entering into this agreement and agreeing to purchase the Shares together with the Supplementary Capital on the terms provided herein in reliance upon the said Warranties.

#### **5. COMPLETION**

- 5.1 Completion of the sale and purchase of the Shares together with the Supplementary Capital shall take place forthwith after the signing hereof when:-

- (i) The Vendor shall if requested by the Purchaser deliver or procure delivery to the Purchaser of duly executed transfers in favour of the Purchaser or its nominee(s) accompanied by the relevant share certificates in respect of the Shares (together with (if any) the power of attorney or other authority under which the same were executed).
- (ii) The Vendor shall if duly executed transfers are requested by the Purchaser pursuant to 5.1(i) above procure that a Board Meeting of the Company is held at which it shall be resolved that the said transfers in respect of the Shares be passed for registration subject only to stamping or adjudication as not liable to stamp duty, if applicable, and (subject to aforesaid) that the name of the Purchaser and its nominees(s) be entered in the Register of Members as the holders(s) of the Shares;
- (iii) The Vendor shall execute or procure the execution of all such documents



and do all such other acts and things as the Purchaser shall reasonably require in order to perfect the right title and interest of the Purchaser to and in the Shares and the Supplementary Capital and to procure the registration of the Purchaser and/or its nominee(s) as the registered holder(s) of the Shares and, where appropriate, the Supplementary Capital.

- (iv) Against compliance with all of the foregoing provisions the Purchaser shall send to the Vendor a duly executed share certificate for, and representing, the Consideration Shares.

## **6. BREACH OF REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

6.1 The Vendor hereby undertakes to the Purchaser that if it shall be found at any time or from time to time hereafter that there is a breach or non-fulfilment of any of the Warranties or that any matter being the subject of a Warranty is not as represented, warranted or undertaken then:-

- (i) if the effect thereof is that the amount or value of some asset, right or contract of the Company is or becomes less than its amount or value would have been if there had been no such breach or non-fulfilment of any of the Warranties or if the matter is subject of a Warranty had been represented, warranted or undertaken; or
- (ii) if the Company has incurred or is or becomes under any liability (including, without limitation, any costs, claims, damages or expenses) which would not have been incurred if there had been no such breach or non-fulfilment of any of the Warranties or if the matter the subject of a Warranty had been as represented, warranted or undertaken,

the Vendor shall, as the Purchaser may elect:-

- (i) make good the diminution in the amount or value of the asset, right or contract or all loss or expense of the Company and the Purchaser occasioned by or arising out of such liability by a payment in cash to the Purchaser; or
- (ii) shall pay to the Purchaser an amount equal to the diminution thereby

caused in the value of the Shares and the Supplementary Capital.

The provisions of this clause 6.1 shall be without prejudice to any other right or remedy which the Purchaser may have for a breach of the Warranties.

**7. WAIVER**

7.1 Nessus hereby confirms that by virtue hereof:-

- (i) it is aware that it is intended to issue and allot a number of 6.5% Fixed Rate Cumulative Redeemable Preference shares of £1 each in the Purchaser pursuant to clause 3.1 hereof, namely the Consideration Shares, credited as fully paid to the Vendor as consideration of the acquisition by the Purchaser of the Shares and the Supplementary Capital; and
- (ii) in accordance with the Articles of Association of the Purchaser and the pre-emption rights contained therein, it has been offered the Consideration Shares and hereby Waives any pre-emption and/or other rights which it may have to acquire the Consideration Shares whether pursuant to the Purchaser's Articles of Association or otherwise;

7.2 The Vendor hereby confirms that it is the beneficial owner of the 50 Ordinary shares of £1 each in the Purchaser registered in the name of Nessus and hereby confirms and directs Nessus to waive any pre-emption rights that it may have in respect of the issue of the Consideration Shares whether as a shareholder in the Purchaser or otherwise and whether pursuant to the Articles of Association of the Purchaser or otherwise.

**8. GENERAL**

8.1 Any notice to be given, made or served by any party hereto for any purpose hereof may be given, made or served by sending the same by prepaid recorded delivery post or telex or by delivering the same by hand to the relevant party at its registered office (in the case of a company) or (in any other case) at its address as stated herein or at such other address in the United Kingdom as shall have previously been notified to the other parties hereto for the purposes of this clause and any notice sent by post as aforesaid shall be deemed to have been given,

made or served forty-eight hours after despatch and any notice sent by telex shall be deemed to have been given, made or served at the time of despatch and in providing the giving, making or service of the same it shall be sufficient to prove, in the case of any notice sent by post as aforesaid, that the envelope containing the same was properly stamped, addressed and placed in the post and, in the case of a telex, that such telex was duly despatched and the appropriate answerback received. If however the date of delivery is not a Business Day then the deemed date of delivery shall be the next following business day.

- 8.2 The Vendor shall from time to time and any time (and whether before or after Completion) on the request of the Purchaser do, execute, perform or procure to be done, executed or performed all such further acts, deeds, documents and things as the Purchaser may reasonably require to give effect to this agreement or to perfect the right, title and interest of the Purchaser to and in the Shares.
- 8.3 This agreement shall be governed by and construed in accordance with the laws of England.
- 8.4 The parties shall bear their own costs and expenses in connection with this agreement and the sale of the Shares and the Supplementary Capital.
- 8.5 Time shall be of the essence of this agreement.
- 8.6 This agreement may be executed in any number of duplicates all of which taken together shall constitute one and the same agreement.

**IN WITNESS** whereof the parties hereto have executed this Agreement the day and year first written before.

#### **SCHEDULE**

The Shares and the Supplementary Capital:

- 1 (a) There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance on, over or affecting the Shares in the Company or any other shares or loan capital of the Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing and the Vendor is the beneficial owner of the Shares and the Supplementary Capital and is entitled to sell and transfer or direct the transfer of the full legal and beneficial ownership in the Shares and

the Supplementary Capital held by it to the Purchaser on the terms set out in this agreement. Neither the Vendor nor the Company has received any applications or intended application for the rectification of the register of members of the Company.

- (b) There are no outstanding options, rights to subscribe, agreements or commitments in respect of nor any pre-emption provisions which may become exercisable on Completion in respect of any unissued share or loan capital of the Company and there is not, and there has been no exercise, purported exercise or claim of, any charge, lien, encumbrance or equity over any issued or unissued share or loan capital of the Company.
- (c) *The Vendor warrants that it is so entitled to sell such Shares together with the Supplementary Capital without the need for a waiver by, the consent of, or any other action by, any third party which has not already been unconditionally obtained and that the Shares and the Supplementary Capital are fully paid up or credited as fully paid up and no call by the Company on the Shares or the Supplementary Capital is outstanding.*

*The Company:*

- 2 The copy of the Memorandum and Articles of Association or the equivalent constitutional documents of the Company supplied to the Purchaser by or on behalf of the Vendor prior to date hereof is accurate and complete in all respects and the register of members and other statutory books of the Company have been properly kept and contain a true, accurate and complete record of the matters which should be dealt with therein.
- 3 *None of the officers or so far as the Vendor is aware the employees of the Company has exceeded any individual limits placed on them or the scope of their individual authorities in the conduct of the business of the Company.*
- 4 All books and records relating to the activities of the Company are up to date, have been fully, properly, accurately and consistently made-up and completed (and in the case of accounting records have been kept in accordance with normal accounting practices consistently applied) and are a true and complete record of all acts and transactions of the Company and all documents required by law to be filed with any authority have been duly filed.

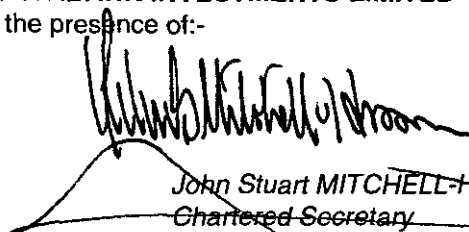
This Agreement:

5 There is no provision of any contract or arrangement (whether written or oral) to which the Company is a party or by or to which the Company may be bound or subject which would result in:-

- (i) any such contract or arrangement being terminated or modified; or
- (ii) the interest of the Company in any firm, company or partnership (or any arrangements relating to such interest) being terminated or modified;

in either case as a result of the provisions or implementation of this agreement and the Vendor knows of no fact or matter which leads them to believe that any such contract, arrangement or interest might be terminated as a result of the provisions or implementation of this agreement.

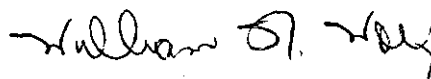
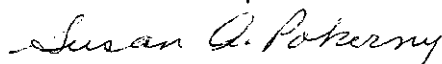
SIGNED by MR JEFFREY RUSSELL WALSH, Director  
for CITIBANK INVESTMENTS LIMITED  
in the presence of:-



John Stuart MITCHELL-HEWSON  
Chartered Secretary  
44 Deakin Leas, Tonbridge, KENT TN9 2JX

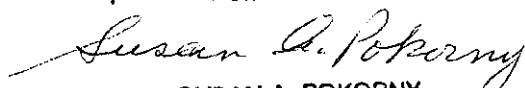


SIGNED by William H. Wolf  
Executive Vice President  
for and on behalf of  
CITIBANK OVERSEAS INVESTMENT  
CORPORATION in the presence of:-



SUSAN A. POKORNY  
NOTARY PUBLIC-DELAWARE  
My Commission Expires March 26, 2003

SIGNED by Michael F. Brisbane  
Vice President  
for and on behalf of  
NESSUS INVESTMENT CORPORATION  
in the presence of:-



SUSAN A. POKORNY  
NOTARY PUBLIC-DELAWARE  
My Commission Expires March 26, 2003

