



Sumitomo Corporation Capital Europe plc

(Incorporated with limited liability in England under the Companies Act 1985 (No. 1974199))

Sumitomo Corporation Capital Netherlands B.V.

(Incorporated with limited liability under the laws of the Netherlands and having its statutory domicile in Amsterdam)

U.S.\$2,000,000,000

Euro Medium Term Notes

Due from one month to 10 years from date of issue

This document (the "Offering Circular") is issued to update, amend and restate, and supersedes the offering circular dated 5th October, 1999 as supplemented by a supplementary listing particulars dated 8th October, 1999 relating to the U.S.\$2,000,000,000 Euro Medium Term Note Programme (the "Programme") of Sumitomo Corporation Capital Europe plc ("SCCE") and Sumitomo Corporation Capital Netherlands B.V. ("SCCN") (together the "Issuers" and each, in relation to Notes issued by it, an "Issuer").

Under the Programme, SCCE and SCCN may issue from time to time Euro Medium Term Notes (the "Notes"), subject to compliance with all relevant laws, regulations and directives. The Notes are not guaranteed by Sumitomo Corporation (the "Parent") but each Issuer has the benefit of a Keep Well Agreement (together, the "Keep Well Agreements") entered into between it and the Parent and the holders of Notes will have the benefit of deed polls (the "Deed Polls") executed by each Issuer and the Parent all as more fully described herein. The Notes will have maturities from one month to 10 years and their maximum nominal amount outstanding will not at any time exceed U.S.\$2,000,000,000 (or its equivalent in other currencies).

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority") for Notes issued within 12 months 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 of the UK Listing Authority together with admission to trading on the London Stock Exchange's market for listed securities constitute official listing on a stock exchange. Application has been made for Notes which are issued within 12 months of this Offering Circular to be admitted on the Premier Marché of the PARISBOURSE^{SBF} S.A. (the "Paris Stock Exchange"). The Issuers may agree with the Dealers to issue Notes which are not intended to be listed on the London Stock Exchange or on the Paris Stock Exchange (or any other stock exchange). The relevant Pricing Supplement (as defined on page 7) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities or the Paris Stock Exchange ("Paris Listed Notes") (or any other stock exchange).

Copies of this document, which comprise listing particulars relating to SCCE and listing particulars relating to SCCN (together, the "Listing Particulars") approved by the UK Listing Authority in relation to Notes to be issued during the period 12 months from the date of this Offering Circular, have been delivered for registration to the Registrar of Companies in England and Wales as required by Section 149 of the Financial Services Act 1986.

For the sole purpose of listing Notes on the Paris Stock Exchange, this Offering Circular has been submitted to the clearance procedures of the *Commission des Opérations de Bourse* (the "COB") and has been registered by the COB under registration number P00-509 on 29th September, 2000.

Each Tranche of Notes will initially be represented by a temporary Global Note which will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), on the issue date with a common depositary on behalf of Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ("Euroclear") and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. No interest will be payable in respect of a temporary Global Note except as described under "Summary of Provisions Relating to the Notes while in Global Form". Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so state in the relevant Pricing Supplement, for definitive Notes after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in bearer form as described under "Summary of Provisions Relating to the Notes while in Global Form".

Dealers

**Daiwa SBCM Europe
J.P. Morgan Securities Ltd.**

**Goldman Sachs International
SG Investment Banking**

Sumitomo Trust International plc
Arranger for the Programme
Goldman Sachs International

This Offering Circular, with the exception of the information contained in the section entitled "Sumitomo Corporation Capital Netherlands B.V." on pages 34 to 35 of this document, comprises listing particulars in relation to SCCE and, with the exception of the information contained in the section entitled "Sumitomo Corporation Capital Europe plc" on pages 32 to 33 of this document, comprises listing particulars in relation to SCCN, given in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 by the UK Listing Authority for the purpose of giving information with regard to each Issuer, the Parent and its subsidiaries and the Notes. Each Issuer accepts responsibility for the information contained in its listing particulars and the Parent accepts responsibility for the information contained in the Listing Particulars. To the best of the knowledge and belief of each Issuer (each of 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. To the best of the knowledge and belief of the Parent (which has taken all reasonable care to ensure that such is the case), the information contained in the listing particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in the Offering Circular in connection with the issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either Issuer, the Parent or any of the Dealers. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either Issuer or the Parent since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of either Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Plan of Distribution".

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuers, or the Dealers to subscribe for or purchase, any Notes.

The Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Parent or the Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of either of the Issuers during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

In connection with any Series (as defined below), one of the Dealers will act as a stabilising agent (the "Stabilising Agent"). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to "this issue" are to each Series in relation to which a Stabilising Agent is appointed.

In connection with this issue, the Stabilising Agent may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such transactions shall be carried out in accordance with all applicable laws and regulations.

In this Offering Circular, references to "U.S. dollars" and "U.S.\$" are to United States dollars, references to "yen" and "¥" are to the lawful currency of Japan, references to "NLG" are to the lawful currency of the Netherlands, references to "euro" and "EUR" are to the lawful currency of the member states of the European Union that adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and references to "£" and "Sterling" are to the lawful currency of the United Kingdom.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement, the most recently available audited annual financial statements and any interim financial statements of each Issuer (available subsequently to such annual financial statements) and the audited annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America, contained in the most recently available Annual Report of the Parent, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents provided, however, that no such document or modifying or superseding statement shall form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986. The documents incorporated by reference herein have not been submitted for the clearance procedures of the COB. For Paris Stock Exchange purposes, the most recently published audited annual financial statements and the interim financial statements of each Issuer and the consolidated audited annual financial statements of the Parent must be attached to the relevant Pricing Supplement and submitted to the clearance procedures of the COB. Copies of such documents will be available from the office of each of the Paying Agents set out at the end of this Offering Circular and, if and for so long as any Notes are listed on the Paris Stock Exchange, from the specified office of the relevant listing agent designated for such Paris Listed Notes (each a "Paris Stock Exchange Listing Agent").

This Offering Circular, together with each Pricing Supplement issued in respect of each Tranche of Notes, may only be used in connection with the offer, sale and listing of Notes in an aggregate nominal amount of not more than U.S.\$2,000,000,000 (or its equivalent in other currencies) outstanding at any time. References herein to "Offering Circular" shall include any relevant Pricing Supplement.

SUPPLEMENTARY LISTING PARTICULARS

Each of the Issuers has given undertakings to the Dealers generally and in connection with the listing of the Notes on the Official List and admission to trading on the London Stock Exchange's market for listed securities to the effect that if, after preparation of the listing particulars for submission to the UK Listing Authority and so long as any Notes are outstanding, there is a significant change affecting any matter contained in the listing particulars or a significant new matter arises, the inclusion of information in respect of which would have been required to be mentioned in the listing particulars if it had arisen at the time of their

preparation, whose inclusion was required by Section 146 of the Financial Services Act 1986 or by the UK Listing Authority, the Issuers shall publish supplementary listing particulars as may be required by the UK Listing Authority, and Section 147 of the Financial Services Act 1986 and shall supply to each Dealer such number of copies of the supplementary listing particulars as such Dealer may reasonably request. Each of the Issuers will also undertake to the COB that while Notes are outstanding and listed on the Paris Stock Exchange any such change shall be notified to the COB and published in accordance with its rules.

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SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular.

Issuers	Sumitomo Corporation Capital Europe plc Sumitomo Corporation Capital Netherlands B.V.
Keep Well Provider	Sumitomo Corporation
Keep Well Agreement	See "Relationship of the Issuers with the Parent"
Description	Continuously Offered Euro Medium Term Note Programme
Arranger	Goldman Sachs International
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Canadian dollars, Australian dollars, New Zealand dollars, euro, Japanese yen, Swiss francs, Sterling or in any currency agreed between the Issuers and the Dealers.

Dealers	Daiwa Securities SB Capital Markets Europe Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Société Générale and Sumitomo Trust International plc.
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The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme. References in this Offering Circular to "Permanent Dealers" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "Dealers" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

The Issuers have reserved the right to sell Notes directly on their own behalf to certain purchasers which are not Permanent Dealers.

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 Corporation 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 duly licensed by the Swiss Federal Banking Commission as per 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 relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

Fiscal Agent

Citibank, N.A., London office

Size

The aggregate nominal amount of Notes outstanding at any one time shall not exceed U.S.\$2,000,000,000 (or its equivalent in other currencies at the date of issue).

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 10 years.

Issue Price

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Method of Issue

The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "Pricing Supplement").

Fixed Rate Notes

Fixed interest will be payable in arrear on such date or dates in each year as are specified on the Note and in the relevant Pricing Supplement and at maturity.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (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 1991 ISDA Definitions (as amended and supplemented by the 1998 Supplement to the 1991 Definitions and the 1998 ISDA Euro Definitions) published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

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 may be specified in the relevant Pricing Supplement.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.

Unless 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 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 date of issue and are to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.

Redemption by Instalments

The Pricing Supplement issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Other Notes

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note which the Issuers and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Form of Notes

Each Tranche of Notes will initially be represented by a temporary Global Note which will be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the relevant Issuer and the relevant Dealer. No Interest will be payable in respect of a temporary Global Note except as described under "Summary of Provisions Relating to the Notes while in Global Form". Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Pricing Supplement, for definitive Notes after the date falling 40 days after the issue date upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for definitive Notes in bearer form as described under "Summary of Provisions Relating to the Notes while in Global Form".

Denominations

Definitive Notes will be in such denominations as may be specified on the Note and in the relevant Pricing Supplement, save that, 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 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 date of issue and are to be listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.

Optional Redemption

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and/if so, the terms applicable to such redemption.

Early Redemption

Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the Issuers prior to maturity only for tax reasons.

Listing

Each Series will either be unlisted or listed on the Official List and to admit them to trading on the London Stock Exchange and/or the Paris Stock Exchange and/or such other stock exchange as is specified in the relevant Pricing Supplement. Each Series of Notes listed on the Paris Stock Exchange must be issued in compliance with the *Principes Généraux* of the COB and the *Conseil des Marchés Financiers* ("CMF") published from time to time.

Status of Notes

The Notes will constitute direct, unconditional and unsecured obligations of the Issuers ranking *pari passu* with all other unsecured indebtedness of the Issuers, subject to customary exceptions.

Negative Pledge

As described in "Terms and Conditions of the Notes — Negative Pledge".

Withholding Tax

All payments of principal and interest will be made without deduction for or on account of withholding taxes in the United Kingdom (in the case of SCCE) and the Netherlands (in the case of SCCN), subject to customary exceptions.

Governing Law

English law

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions (the "Conditions") which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be applicable to the Global Notes issued on or after 2nd October, 2000 (except for Notes expressed to be fungible with Notes issued before 2nd October, 2000) (subject as provided in "Summary of Provisions relating to the Notes while in Global Form") and the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series, and, subject further to simplification by deletion of non-applicable provisions, will be endorsed on such Notes, details of the relevant series being shown on the relevant Notes and in the relevant Pricing Supplement. Either (i) the full text of the Conditions together with the relevant provisions of the Pricing Supplement or (ii) the Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The issue by [Sumitomo Corporation Capital Europe plc]*/[Sumitomo Corporation Capital Netherlands B.V.]** (the "Issuer") of all Notes issued from time to time was authorised by a decision of the Board of [Managing]* Directors of the Issuer dated [29th]* [26th]** August, 1994. The Notes in both global and definitive form will be issued pursuant to an agency agreement dated 31st August, 1994, as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), (the "Agency Agreement") and made between Sumitomo Corporation Capital Europe plc, Sumitomo Corporation Capital Netherlands B.V., Citibank, N.A., London office, as a successor to Morgan Guaranty Trust Company of New York, London office as fiscal agent and principal paying agent (the "Fiscal Agent") and the Bank of New York, Brussels Office, as a successor to Citibank, N.A., Brussels office, as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "Paying Agents"). The initial Calculation Agent (if any) is specified on this Note. The Noteholders (as defined below), the holders of interest coupons (the "Coupons") appertaining to interest-bearing definitive Notes and, where applicable, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the instalment receipts (the "Receipts") (the "Receiptholders") relating to the payment of principal by instalments are bound by and are deemed to have notice of all of the provisions of the Agency Agreement, copies of which will be available for inspection at the specified offices of the Paying Agents.

1 Form and Denomination

The Notes are serially numbered and in bearer form in the Specified Denomination(s) shown hereon.

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, Dual Currency Notes or Partly Paid Notes, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

The Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these conditions are not applicable. Instalment Notes are issued with one or more Receipts attached. Title to the Notes, Receipts, Coupons and Talons will pass by delivery. In these conditions, "Notes" means those notes which form a single series with this Note, "Noteholder" means the bearer of any Note and the Receipts relating to it, "holder" (in relation to a Note, Receipt, Coupon or Talon)

* Square bracketed provisions marked "*" will only appear on Notes issued by SCCE.

** Square bracketed provisions marked "**" will only appear on Notes issued by SCCN.

means the bearer of any Note, Receipt, Coupon or Talon and capitalised terms have the meanings given to them on the Notes, the absence of any such meaning indicating that such term is not applicable to the Notes. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and the Fiscal Agent shall be entitled to treat the holder of any Note, Receipt, Coupon or Talon as the absolute owner thereof for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and shall not be required to obtain any proof thereof or as to the identity of the holder.

2 Status

The Notes, Receipts and any Coupons are (subject to Condition 3) direct and unsecured obligations of the Issuer ranking *pari passu*, and rateably without any preferences among themselves and, save for obligations preferred by mandatory provisions of law and subject to Condition 3 rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

3 Negative Pledge

- (a) The Issuer will not, so long as any Note, Receipt or Coupon remains outstanding (as defined in the Agency Agreement), create any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future, to secure any Indebtedness issued or guaranteed by it without at the same time securing the Notes, the Receipts and the Coupons equally and rateably with such Indebtedness or the guarantees thereof, as the case may be.
- (b) For the purposes of this Condition, the expression "Indebtedness" means any indebtedness in the form of or represented by bonds, notes, debentures or other similar securities.

4 Interest and Other Calculations

(a) Interest on Fixed Rate Notes:

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(b) Interest Rate 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 from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the

number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

- (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
- (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in Europe as selected by the Calculation Agent (the "Principal Financial Centre") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).
- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) Zero Coupon Notes:

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(d)).

(d) *Dual Currency Notes:*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) *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 hereon.

(f) *Accrual of Interest:*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(g) *Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:*

- (i) if any Rate of Interest is expressed to be as adjusted by a Margin or Rate Multiplier, such adjustment shall be made by adding (if a positive number) or subtracting the absolute value (if a negative number) of any Margin specified on the Notes or multiplying by any Rate Multiplier specified on the Notes, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified on the Notes, then such Rate of Interest, Instalment Amount or Redemption Amount shall in no event exceed the maximum or be less than the minimum.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency which is available as legal tender in the country of such currency.

(h) *Calculations:*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note, or such period will equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:***

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it will determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Noteholders and, if the Notes are listed on a stock exchange and the rules of that exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon the Issuer, the Fiscal Agent, all relevant Noteholders and Couponholders and any stock exchange on which the Notes are from time to time listed.

(j) ***Definitions:***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “TARGET Business Day”) and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) not comprising a complete year (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual - ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a

leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

- (ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360 and
- (iv) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))
- (v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and
- (vi) if "Actual/Actual-ISMA" is specified hereon,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

"Interest Accrual Period" means the period beginning on the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Pricing Supplement.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is specified, (i) the day falling two Relevant Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (ii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Period" means the period beginning on the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 1991 ISDA Definitions (as amended and supplemented by the 1998 Supplement to the 1991 Definitions and the 1998 ISDA Euro Definitions) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("Reuters") and the Bridge/Telerate ("Telerate")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated with the provisions hereon.

"Reference Banks" means, the institutions specified as such on the Notes or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be Europe).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined (in accordance with a Screen Rate Determination) on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be Europe) or, if none is so connected, London.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe as a Relevant Financial Centre, Central European Time.

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period.

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

(k) Calculation Agent and Reference Banks:

The Issuer will use reasonable endeavours to procure that there shall at all times be four Reference Banks with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to this Note and for so long as it is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid. For the purpose of any determination or calculation in respect of the Notes, the Calculation Agent shall act as an independent expert and not as an agent of the Issuer.

5 Redemption and Purchase

(a) Final Redemption:

Unless previously redeemed or purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified on each Note.

(b) Redemption for Taxation Reasons:

If the Issuer determines that, as a result of any change in, amendment to, or judicial decision relating to, the laws or regulations of the United Kingdom or any political sub-division of, or any authority in, or of the United Kingdom having power to tax (in the case of Notes issued by SCCE) or the laws or

regulations of the Netherlands or any political sub-division of, or any authority in, or of the Netherlands having power to tax (in the case of Notes issued by SCCN) or any change in the official application or official interpretation of any such law or regulation, which change or amendment becomes effective on or after the Issue Date, on the occasion of the next payment due in respect of the Notes the Issuer would be required (i) to pay additional amounts as provided in Condition 7 or (ii) to account to any taxing authority in the United Kingdom (in the case of Notes issued by SCCE) or the Netherlands (in the case of Notes issued by SCCN) for any amount other than any tax withheld or deducted from interest payable on the Notes calculated by reference to any other amount payable in respect of the Notes, then the Issuer may, at its option, on any Interest Payment Date or, if so specified on the Notes, at any time redeem the Notes, as a whole but not in part, upon not less than 35 days' nor more than 65 days' irrevocable notice to the Noteholders in accordance with Condition 13, at their Early Redemption Amount (as described in Condition 5(d) below), together with interest accrued thereon to the date fixed for redemption; provided that the Issuer determines, in its reasonable business judgement, that the obligation to pay such additional amounts cannot be avoided by the use of reasonable measures available to the Issuer not including substitution of the obligor under the Notes.

(c) Purchases:

The Issuer or any of its subsidiaries may at any time purchase or otherwise acquire Notes at any price in the open market or otherwise. The Issuer or any such subsidiary may, at its option, retain such Notes for its own account or resell or cancel (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) or otherwise deal with them at its discretion. Notes purchased or otherwise acquired, while held by or on behalf of the Issuer or any of its subsidiaries, any parent company or any other subsidiaries of any such parent company shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

(d) Early Redemption

(i) Zero Coupon Notes:

- (A)** The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B)** Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C)** If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 6 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgement) until the Relevant Date unless the Relevant Date falls on or after the

Maturity Date, in which case the amount due and payable shall be the nominal amount of such Note together with any interest which may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(e) *Redemption at the Option of the Issuer and Exercise of Issuer's Options:*

If a Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other Notice Period as specified hereon), redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together, if applicable, with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(f) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options:*

If a Put Option is specified hereon, the Issuer shall, at the option of holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together, if applicable, with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option which may be set out in this Note (which must be exercised on an Option Exercise Date) the holder must deposit such Note with any Paying Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(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 provisions specified hereon.

(h) *Redemption by Instalments:*

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or (f), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding nominal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(i) *Cancellation:*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries, any parent company, or any other subsidiaries of any such parent company may be surrendered to the Fiscal Agent for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6 Payments and Talons

(a) *Payments on Notes:*

Payments on principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(e)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holders, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency, or, in the case of euro, a city in which banks have access to the TARGET system.

(b) *Payments in the United States:*

Notwithstanding the foregoing, if any Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the reasonable opinion of the Issuer, adverse tax consequences to the Issuer.

(c) *Payments subject to law etc.:*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the holders of any Notes, Coupons or Receipts in respect of such payments.

(d) *Appointment of Agents:*

The Issuer will reserve the right to terminate the appointment of the Fiscal Agent or any Paying Agent and appoint a substitute Fiscal Agent and/or appoint additional or other Paying Agents (either generally or in respect of a particular Series of Notes) provided that it will, so long as any of the Notes remains outstanding, maintain (i) a Fiscal Agent; and (ii) a Paying Agent having a specified office in a continental European city. In addition, so long as any Notes are listed on the Official List, the Issuer will maintain a Paying Agent in London and, so long as any Notes are listed on the Paris Stock Exchange, the Issuer will maintain a Paying Agent in Paris. In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (b) above. Notice of changes in the Fiscal Agent or the Paying Agents or their specified offices will be given to the Noteholders in accordance with Condition 13.

(e) *Unmatured Coupons and Receipts and Unexchanged Talons:*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) If the relative Notes so provide, upon due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of such Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(f) Talons:

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8).

(g) Non-Business Days:

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdiction as shall be specified as "Additional Financial Centres" on the Note and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET business day.

7 Taxation

All payments of principal and interest in respect of the Notes, the Receipts and the 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 [the United Kingdom]*[the Netherlands]** or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts receivable by the holders of the Notes, the Receipts and the Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes, Receipts or (as the case may be) Coupons in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with [the United Kingdom]* [the Netherlands]** otherwise than merely by the holding of any Note, Receipt or Coupon or by the receipt of principal and interest in respect thereof or
- (b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment at the expiry of such period of 30 days.
- (c) in the United Kingdom

As used in these Conditions, the "Relevant Date" means the date on which such payment first becomes due, but if the full amount of the money payable has not been received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face

Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts which may be payable under this Condition.

8 Prescription

Claims against the Issuer for the payment of principal, premium (if any), Redemption Amount, Amortised Face Amount and Interest Amount in respect of the Notes shall be prescribed unless made within 10 years (in the case of principal, premium, Redemption Amount and Amortised Face Amount) and five years (in the case of Interest Amount) from the due date for payment.

9 Events of Default

If one or more of the following events ("Events of Default") shall have occurred and be continuing, that is to say:

- (a) if the Issuer shall fail to pay any principal, premium, interest or any other payment due on any of the Notes for a period of 14 days after it becomes due; or
- (b) if the Issuer shall fail duly to perform or observe any other term, covenant or agreement contained in the Notes for a period of 30 days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Fiscal Agent by the holder of any Note at the time outstanding; or
- (c) if any event of default, as defined in any indenture or instrument which evidences that, or under which, the Issuer has outstanding at the time that such event of default occurs indebtedness for borrowed money of U.S.\$5,000,000 (or the equivalent thereof in any other currency or currencies) or more, shall happen and be continuing and such indebtedness shall have been accelerated so that the same shall be or become due and payable prior to the date on which the same would otherwise have become due and payable, and such acceleration shall not have been stayed, rescinded or annulled within 10 days of the date on which written notice of such default shall first have been given to the Fiscal Agent by the holder of any Note, or if any such indebtedness shall have reached its final maturity (or the expiration of any applicable grace period) and not have been paid, or if the Issuer shall fail to pay, when properly called upon to do so, any guarantee in respect of any such indebtedness for borrowed money of any person; or
- (d) if a decree or order by a court having jurisdiction shall have been entered adjudging the Issuer bankrupt or insolvent, or approving a petition seeking reorganisation of the Issuer under any applicable bankruptcy or reorganisation law, and such decree or order shall have continued undischarged and unstayed for a period of 60 days, or if a decree or order of a court having jurisdiction for the appointment of [an administrator, administrative receiver,]* a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the property, or for the winding-up or liquidation of the affairs, of the Issuer shall have been entered, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or
- (e) If the Issuer shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the filing of bankruptcy proceedings against it, or shall file a petition or answer or consent seeking reorganisation or arrangement under any applicable bankruptcy or reorganisation law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or its property, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally

as they become due (within the meaning of [Section 123 of the Insolvency Act 1986]* [Section 1 of the Bankruptcy Act of the Netherlands]**), [or if the Issuer applies for a *surséance van betaling* (within the meaning of the Bankruptcy Act of the Netherlands)]** or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or

- (f) if the keep well agreement (the "Keep Well Agreement") dated 11th August, 1994, as from time to time modified or amended, between the Issuer and Sumitomo Corporation (the "Parent") is not (or is claimed by either party not to be) in full force and effect or the Keep Well Agreement is modified, amended or terminated in circumstances where such modification, amendment or termination would have a material adverse effect upon any Noteholder or Couponholder, or the Issuer waives, or fails to take all reasonable steps to exercise, any of its rights under the Keep Well Agreement or the Parent fails to perform or observe any obligation on its part under the Keep Well Agreement so as to affect materially and adversely the interests of any noteholder or Couponholder,

then in each and every such case the Early Redemption Amount of such Note together with accrued interest to the date of payment shall, at the option of, and upon written notice in English to, the Fiscal Agent by the then holder thereof, become immediately due and payable upon the seventh day after the date on which such written notice is received by the Fiscal Agent unless within such seven days all Events of Default in respect of the Notes shall have been cured.

10 Meeting of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of these Conditions. Any such modifications may be made if sanctioned by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders. The quorum for any meeting convened to consider an Extraordinary Resolution will be persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of Notes held or represented, unless the business of such meeting includes the consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of any of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount, of any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if there is shown on the face of this Note a Minimum and/or a Maximum Rate of Interest, to reduce such Minimum and/or such Maximum Rate of Interest, (v) to change any method of calculating the Final Redemption Amount, (vi) to change the currency or currencies of payment of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) which are required by any relevant Pricing Supplement or Conditions to be passed at a meeting to which the special quorum provisions apply, in which case the necessary quorum will be two or more persons holding or representing not less than three-quarters, or at any adjourned meeting not less than one quarter in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement is capable of amendment by the parties thereto, without the consent of Noteholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders or Couponholders.

11 Replacement of Notes, Receipts, Coupons and Talons

If a Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12 Further Issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (except for the Issue Price and the First Interest Payment Date) and so that the same shall be consolidated and form a single series with the outstanding securities of any series (including the Notes), and references in these Conditions to "Notes" shall be construed accordingly.

13 Notices

Notices to Noteholders will be valid if published in a leading London daily newspaper (which is expected to be the *Financial Times*) and so long as the relevant Notes are listed on the Paris Stock Exchange, in a daily newspaper with general circulation in Paris (which is expected to be either *les Echos* or *la Tribune*). Notices will be deemed to have been given on the date of the first or only publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the Noteholders in accordance with this Condition.

14 Governing Law [and Jurisdiction]**

(a) [Governing Law:]**

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

(b) [Jurisdiction:]

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, Receipts, Coupons and Talons and accordingly any legal action or proceedings arising out of or in connection with the Notes, Receipts, Coupons and Talons ("Proceedings") may be brought in such courts. SCCN irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground that the Proceedings have been brought in an inconvenient forum or otherwise. This submission is made for the benefit of each of the Noteholders and Couponholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any court of competent jurisdiction preclude any of them from taking Proceedings in any other court of competent jurisdiction (whether concurrently or not).

(c) *Service of Process:*

SCCN appoints the Managing Director of Sumitomo Corporation Capital Europe plc (being at the date hereof at 5th Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ as its agent in England to receive service of process in any Proceedings commenced in England.)**

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Each issue of Notes having an original maturity of more than one year will initially be represented by a temporary Global Note and each issue of Notes having an original maturity of one year or less will initially be represented by a permanent Global Note, in each case in bearer form without Coupons, Receipts or a Talon which will be deposited on behalf of the subscribers of the relevant Notes (a) with a common depositary (the "Common Depositary") for Euroclear and for Clearstream, Luxembourg, or (b) otherwise as agreed between the Issuer and the relevant Dealer, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note, except as provided below. Upon deposit of the temporary Global Note(s) with the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

In the case of Notes held through Sicovam S.A., the "*intermédiaires financiers habilités*" (banks or brokers authorised to maintain securities accounts on behalf of their clients (each an "Approved Intermediary")) who are entitled to such Notes according to the records of Sicovam S.A. will likewise credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or such Approved Intermediary as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or such Approved Intermediary for his share of each payment made by the Issuers to the bearer of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or Sicovam S.A. (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuers will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

The temporary Global Notes and the permanent Global Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1 Exchange

- (a) **Temporary Global Note.** Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date, in whole or in part upon certifications as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.
- (b) **Permanent Global Note.** Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date, in whole or (in the case of Partly paid Notes or if the permanent Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg and the rules of Euroclear and Clearstream, Luxembourg then permit), in part at the request of the holder:
 - (i) by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange, unless principal in respect of any Note is not paid when due;
 - (ii) if the relevant Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; and
 - (iii) otherwise, if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg 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 in fact does so, by the holder giving notice to the Fiscal Agent of its election for such exchange.

On or after any Exchange Date (as defined below) the holder of a permanent Global Note may surrender such permanent Global Note to or to the order of the Fiscal Agent. In exchange for any permanent Global Note, or the part thereto to be exchanged, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated definitive Notes (if appropriate, having attached to them all Coupons and Talons in respect of interest of Instalment Amounts which have not already been paid on the permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 2 to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant definitive Notes.

"Exchange Date" means, in relation to a temporary Global Note, the date falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the cities in which Euroclear and/or Clearstream, Luxembourg are located.

2 Payments

No payment falling due more than 40 days after the issue date will be made on a temporary Global Note unless exchange for an interest in a permanent Global Note or for definitive Notes is improperly withheld or refused. Payments on any temporary Global Note during the period up to 14 days after its issue date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payments fall to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

3 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Notes are listed on the Paris Stock Exchange and the rules of the relevant authorities of that exchange so require, notices in respect of such Notes shall also be published in a daily newspaper having general circulation in Paris (which is expected to be *les Echos* or *la Tribune*).

4 Prescription

Claims against the Issuer in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

5 Meetings

The holder of a permanent Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged.

6 Purchase and Cancellation

Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the nominal amount of the relevant Global Note on its presentation to or to the order of the Fiscal Agent for endorsement in the relevant schedule of such Global Note, whereupon the nominal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

7 Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such permanent Global Note which is becoming due and repayable. Following the giving of a notice of an event of default, the holder of a Global Note may elect that the Global Note becomes void as to a specific portion and that the persons entitled to such portion as accountholders with a clearing system acquire direct enforcement rights against the relevant Issuer under the terms of a Deed of Covenant executed as a deed by each of the Issuers on 31st August, 1994.

8 Issuer's Option

No drawing of Notes will be required under Condition 5(e) in the event of that the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Global Note. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with Euroclear, Clearstream, Luxembourg or Sicovam S.A. (as the case may be) in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or Sicovam S.A. (as the case may be).

9 Noteholders' Option

Any Noteholders' option may be exercised by the holder of a Global Note giving notice to the Fiscal Agent of the nominal amount of Notes in respect of which the option is exercised and presenting such Global Note for endorsement of exercise within the time limits specified in the Conditions

PARTLY PAID NOTES

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligations to their holder in respect of them.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used by for the Issuer's general corporate purposes.

SUMITOMO CORPORATION CAPITAL EUROPE PLC

General

SCCE was incorporated under the laws of England and Wales on 30th December, 1985 as a private company limited by shares with the name Sumicorp Finance Limited. It was re-registered as a public limited company, changing its name to Sumitomo Corporation Capital Europe plc, on 4th August, 1992. Its registered office is at 5th Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ.

SCCE was incorporated as and remains a wholly-owned subsidiary of Sumitomo Corporation. Its main operations are raising funds in the capital markets for financing the business activities of Sumitomo Corporation's overseas subsidiaries and engaging in other financial activities.

SCCE has one subsidiary, SCCN (see the section entitled "Sumitomo Corporation Capital Netherlands B.V.").

Capitalisation and Indebtedness

The following table based on the audited accounts of SCCE as at 31st March, 1999 and 2000 sets forth the consolidated capitalisation and indebtedness of SCCE as at 31st March, 1999 and 2000:

	1999	2000
	(U.S.\$ thousands)	
Debt falling due within one year:		
Euro-commercial paper	65,000	10,000
Euro medium-term notes	217,445	1,290,149
Short-term loan	246,644	11,200
Long-term loan	24,334	51,234
Total short-term debt	<u>553,423</u>	<u>1,362,583</u>
Debt falling due after more than one year:		
Euro medium-term notes	1,494,391	500,163
Long-term loan	164,694	212,632
Total long-term debt	<u>1,659,085</u>	<u>712,795</u>

	1999	2000
	(U.S.\$ thousands)	
Shareholders' equity:		
Authorised:		
15,000,000 ordinary shares of £1 each		
150,000,000 ordinary shares of \$1 each		
Allotted and fully paid:		
5,765,856 ordinary shares of £1 each	11,382	11,382
125,000,000 ordinary shares of \$1 each	125,000	125,000
	<hr/> 136,382	<hr/> 136,382
Profit and loss account	866	3,605
Total shareholders' equity	<hr/> 137,248	<hr/> 139,987

Notes

- (1) All the liabilities above (Euro-commercial paper, euro medium-term notes and loan) are unsecured and unguaranteed. As at 31st March, 2000, SCCE had no outstanding guaranteed or secured borrowings.
- (2) As at 31st March, 2000, SCCE had no contingent liabilities nor guarantees.
- (3) As at 31st August, 2000, SCCE had issued a further net amount of U.S.\$185,000 thousand of short term commercial paper and had repaid a net amount of U.S.\$210,735 thousand of Euro medium term notes short term portion. As at 31st August 2000, U.S.\$117,357 thousand of Euro medium term notes long term portion had been reclassified to short term portion and a further net amount of U.S.\$34,484 thousand of medium term notes long term portion had been issued. The balance of debt falling due within one year at 31st August, 2000 had increased to U.S.\$1,453,485 thousand. The balance of debt falling due after more than one year at 31st August, 2000 had decreased to U.S.\$629,346 thousand. During September 2000, a total of U.S.\$814,997 thousand of Euro medium term notes short term portion has been repaid financed by the liquidation of short term cash and securities positions.
- (4) An interim dividend of U.S.\$3,150,000 was paid on 26th June 2000.
- (5) Save as disclosed above, there has been no material change in the consolidated capitalisation, indebtedness, contingent liabilities or guarantees of SCCE since 31st March, 2000.

Management

The Board of Directors has the ultimate responsibility for the administration of the affairs of SCCE. The Directors of SCCE are Kunio Fujimoto (Chairman), who is also Chairman of SCCN and a full-time officer of Sumitomo Corporation in Japan, and Koji Kobayashi (Managing Director), who is engaged in the business of SCCE on a full-time basis. The registered address and business address of the members of the Board of Directors of SCCE is Sumitomo Corporation Capital Europe plc, 5th Floor, Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ.

SUMITOMO CORPORATION CAPITAL NETHERLANDS B.V.

General

SCCN was incorporated under the laws of the Netherlands on 5th October, 1987 as a private company with limited liability with the name SumiClear Europe B.V. The name was changed to Sumitomo Corporation Capital Netherlands B.V. on 27th July, 1994. Its registered office is at Strawinskylaan 643 C, 1077 XX Amsterdam, the Netherlands and it is registered with the Amsterdam Chamber of Commerce under number 33196128.

SCCN was incorporated as and remains a wholly-owned subsidiary of SCCE. Its main operations are raising funds in the capital markets for portfolio investment in marketable securities and financing the business activities of Sumitomo Corporation's overseas subsidiaries.

SCCN has no subsidiaries.

Capitalisation and Indebtedness

The following table, based on the audited accounts of SCCN as at 31st March, 1999 and 2000, sets forth the capitalisation and indebtedness of SCCN as at 31st March, 1999 and 2000:

	1999	2000
	(U.S.\$ thousands)	
Debt falling due within one year:		
Short-term liabilities:		
Group companies	216,644	196,990
Euro medium-term notes	72,963	834,307
Other loans	4,334	4,334
Total short-term liabilities	<u>293,941</u>	<u>1,035,631</u>
Debt falling due after more than one year:		
Long-term liabilities:		
Euro medium-term notes	1,097,980	349,352
Loans from group companies	0	48,497
Other loans	164,694	164,135
Total long-term liabilities	<u>1,262,674</u>	<u>561,984</u>
Shareholders' equity:		
Authorised 100,000 ordinary shares of NLG1,000 each.		
Issued and outstanding 48,696 ordinary share (fully-paid).	30,000	30,000
Currency translation differences	(6,300)	(8,952)
Retained earnings	35	408
Total shareholders' equity	<u>23,735</u>	<u>21,456</u>

Notes:

- (1) All the short-term and long-term liabilities above are unsecured and unguaranteed. As at 31st March, 2000, SCCN had no outstanding guaranteed or secured borrowings.
- (2) As at 31st March, 2000, SCCN had no contingent liabilities nor guarantees.
- (3) As at 31st August, 2000, the balance of debt falling due within one year had decreased to U.S.\$861,815 thousand. The balance of debt falling due after one year at 31st August, 2000 was U.S.\$577,770 thousand.
- (4) Save as disclosed above, there has been no material change in the consolidated capitalisation, indebtedness, contingent liabilities or guarantees of SCCN since 31st March, 2000.

Management

The Board of Directors has the ultimate responsibility for the administration of the affairs of SCCN. The Directors of SCCN are Kunio Fujimoto (Chairman), who is also Chairman of SCCE and a full-time officer of Sumitomo Corporation in Japan, and Takeshi Okubo (President), who is engaged in the business of SCCN on a full-time basis. The business address of the Board of Managing Directors of SCCN is Sumitomo Corporation Capital Netherlands B.V., Strawinskylaan 643 C, 1077 XX Amsterdam, the Netherlands.

RELATIONSHIP OF THE ISSUERS WITH THE PARENT

Keep Well Agreements

Each Issuer has entered into a separate Keep Well Agreement with the Parent dated 11th August, 1994 (each a "Keep Well Agreement"). The following is a summary of certain of the terms of the Keep Well Agreements and is qualified in its entirety by the provisions of the Keep Well Agreements, copies of which are available for inspection as stated in "General Information".

- (i) The Parent will own directly or indirectly all of the Issuer's outstanding capital stock, so long as the Issuer has any debt or any foreign exchange, swap or other derivative transactions (each a "Transaction") outstanding and will not pledge, grant a security interest in or encumber any of such capital stock.
- (ii) The Parent will cause the Issuer and its subsidiaries, if any, to have a consolidated tangible net worth (as defined in the Keep Well Agreement) on the Issuer's most recent balance sheet, of at least U.S.\$50,000.
- (iii) If the Issuer determines at any time that it will not have available to it cash or other liquid assets sufficient to meet its payment obligations in respect of its debt obligations or other borrowings then or subsequently to mature or in respect of any Transactions, and that it shall have no unused commitments available under its credit facilities with lenders other than the Parent, then the Issuer will promptly notify the Parent of the shortfall and the Parent will make available to the Issuer before the due date of the relevant payment obligations funds sufficient to enable the Issuer to meet such payment obligations in full as they fall due.
- (iv) Any and all funds provided by the Parent to the Issuer shall be either by way of subscription for any payment of non-redeemable share capital of the Issuer, or by way of loan which is effectively subordinated on a winding-up of the Issuer to all of the creditors of the Issuer other than the Parent.

It should be noted that the performance by the Parent of its obligations under (ii), (iii) and (iv) above will be subject, on each occasion, to a reporting requirement to the Ministry of Finance of Japan.

The performance by the Parent of its obligations under the Keep Well Agreements may be subject to the approval or clearance or other authorisation of Japanese governmental authorities.

The Keep Well Agreements are not, and should not be regarded as equivalent to, guarantees by the Parent of the payment of any indebtedness, liability or obligation of the Issuers. The only parties to each Keep Well Agreement are the Parent and the relevant Issuer. The holders of any indebtedness, liability or obligation of the Issuers are not parties to the Keep Well Agreements and will not be entitled to enforce their provisions. Consequently, the Parent will not, by virtue of the Keep Well Agreements, have any obligations or liability to the holder of any such indebtedness, liability or obligation and the Keep Well Agreements will not be enforceable against the Parent by anyone other than the relevant issuer (which could include an administrator, a liquidator or a receiver acting on behalf of SCCE, or a liquidator or an administrator in the event of a bankruptcy ("*faillissement*"), or, as the case may be, moratorium ("*surséance van betaling*") or winding-up ("*ontbinding*") of SCCN under Netherlands law).

In the event of a breach by the relevant Issuer of its payment obligations under the Notes and such indebtedness remaining unpaid, an aggrieved Noteholder, in appropriate circumstances, would be able to petition, or support an existing petition, to the competent court of England for the winding-up of SCCE or, unless such proceedings had already been commenced by another creditor of SCCN, to file as a creditor of SCCN a petition in the competent court of the Netherlands for the bankruptcy ("*faillissement*") of SCCN,

with a view to the liquidator (appointed by the court) pursuing SCCN's rights under the relevant Keep Well Agreement against the Parent. The granting of a winding-up order in England would be at the discretion of the court. The granting of a bankruptcy ("*faillissement*") order in the Netherlands would be in the discretion of the court and might be delayed by the grant of a moratorium ("*surséance van betaling*") order, in which event SCCN's rights against the Parent would be exercisable by the court-appointed administrator and the directors of SCCN jointly. However, in the event of an English winding-up order being made, a liquidator would be appointed, whose duties, under English law, would include realising SCCE's assets for the benefit of its creditors by seeking to enforce, on behalf of SCCE, obligations and debts owed to it, including obligations of the Parent under the relevant Keep Well Agreement, if that Keep Well Agreement had not been terminated prior to the winding-up. Subject to applicable laws relating to creditors' rights, the Keep Well Agreement upon which the liquidator's action for enforcement would be based would be in the form existing at that time which would include any variation or amendment effected prior to the winding-up.

Each of the Keep Well Agreements provides that it may be modified, amended or terminated only by the written agreement of the Parent and the relevant Issuer provided, however, that no such modification, amendment or termination shall have any adverse effect upon the holder of any debt obligations or other borrowings of the relevant Issuer, or upon any counterparty under any Transaction, outstanding on the date such modification or amendment becomes effective. Condition 9 of the Notes provides that any modification, amendment or termination of the relevant Keep Well Agreement may constitute an event of default under the Notes if it would have a material adverse effect upon any Noteholder or Couponholder; in addition it may amount to an event of default under the Notes if the Issuer waives or fails to take all reasonable steps to exercise, any of its rights under the Keep Well Agreement or the Parent fails to perform or observe any obligation on its part under the Keep Well Agreement so as to affect materially and adversely the interests of any Noteholder or Couponholder.

The parties to each of the Keep Well Agreements have agreed to notify each statistical rating agency that has issued a rating in respect of the relevant Issuer or any of its debt obligations at least 30 days prior to any modification or amendment to, or termination of, the relevant Keep Well Agreement taking effect.

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

Deed Polls

Separate Deed Polls dated 11th August, 1994 (the "Deed Polls") have been entered into by the Parent and SCCE and by the Parent and SCCN for the benefit of the persons (the "Beneficiaries") from time to time the holders of, or beneficially entitled to, any debt obligation or other borrowing (the "Debt") of the relevant Issuer, or counterparties under any Transactions from time to time outstanding (together, the "Obligations"). Each of the Parent and the relevant Issuer has covenanted in each Deed Poll that:

- (i) the Keep Well Agreement will be modified, amended or terminated only by the written agreement of the Parent and the Issuer and provided that no such modification, amendment or termination shall be made if it shall or may have any adverse effect upon any Beneficiary;
- (ii) the Parent and the Issuer shall not amend, vary, terminate or suspend the Deed Poll or either of their obligations under it until six years after all Obligations have ceased to be outstanding and for so long thereafter as any claim made against the Parent or the Issuer by any Beneficiary shall not have been finally adjudicated, settled or discharged; and

- (iii) each of the Parent and the Issuer will fully and promptly perform its obligations and exercise its rights under the Keep Well Agreement and, in the case of the Issuer, will exercise its right to enforce performance of the terms of the Keep Well Agreement by the Parent.

Each Beneficiary shall be entitled severally to enforce the obligations of the Parent and the relevant Issuer contained in the relevant Deed Poll.

SUMITOMO CORPORATION

Sumitomo Corporation (together with its consolidated subsidiaries, "Sumitomo") is one of the world's largest general trading companies.

The following amounts were prepared based on generally accepted accounting principles in the U.S.A.

Sumitomo's consolidated net sales (total trading transactions) amounted to ¥10,656 billion (U.S.\$103 billion) for the year ended 31st March, 2000.

Sumitomo's trading activities involve a broad range of goods and commodities, including metals and minerals, chemicals and fuels, foodstuffs, textiles and other products. Such products are obtained from and supplied to a diverse group of suppliers and customers throughout the world.

Sumitomo Corporation's registered head office is located at 5-33, Kitahama 4-chome, Chuo-ku, Osaka 540-8666, its Tokyo head office is located at 2-2, Hitotsubashi 1-chome, Chiyoda-ku, Tokyo 100-8601 and its other major domestic offices are located in Nagoya and other major cities. Major overseas offices of Sumitomo are located in New York, London, Düsseldorf, Singapore and Sydney. On 31st March, 2000, Sumitomo maintained 192 offices in 89 countries, employing over 33,000 people (including consolidated subsidiaries).

On 31st March, 2000, Sumitomo Corporation had 251 subsidiaries (companies in which Sumitomo Corporation holds, directly or indirectly, more than 50 per cent. of the issued share capital) in Japan, of which 207 were consolidated; it had 372 overseas subsidiaries, of which 346 were consolidated; and it had 287 associated companies (companies in which Sumitomo Corporation holds, directly or indirectly, not less than 20 per cent. and not more than 50 per cent. of the issued share capital) in Japan and overseas. On the same date, 214 associated companies were accounted for by the equity method. Investments in unconsolidated subsidiaries and associated companies recorded by the cost method have no material impact on the consolidated financial statements in aggregate.

Summary Financial Information

The following table sets out a summary of certain audited consolidated financial information relating to Sumitomo as at and for the years ended 31st March, 1999 and 2000:

	1999	2000	2000 ⁽¹⁾
	(yen millions)		(U.S.\$ millions)
Total Trading Transactions	11,378,831	10,656,046	103,457
Net Income/(Loss)	(13,076)	35,065	340
Total Assets	5,389,356	4,904,644	47,618
Shareholders' Equity	569,653	634,223	6,158

Note

(1) The U.S. dollar amounts for 2000 have been translated from Japanese yen amounts at the rate of ¥103 = U.S.\$1.

UNAUTHORISED COPPER TRADING

Loss Amount and Causes

In June 1996, Sumitomo Corporation announced that it had incurred losses as a result of unauthorised copper transactions. Sumitomo Corporation recorded losses amounting to approximately U.S.\$2.6 billion in the fiscal year ended 31st March, 1997.

The loss of approximately U.S.\$2.6 billion resulted from off-book and unauthorised trading in copper futures, forwards, options and other derivative transactions by Yasuo Hamanaka ("Hamanaka"), the former General Manager of the Nonferrous Metals Department. As of 5th June, 1996 when Hamanaka confessed to his unauthorised transactions, the cumulative determinate losses from Hamanaka's unauthorised transactions amounted to approximately U.S.\$1.4 billion. In addition to these determinate losses, Hamanaka left behind a large volume of unliquidated positions which involved a loss of a then indeterminate amount. Liquidating these positions subsequently resulted in a further loss of approximately U.S.\$1.2 billion, bringing the total loss to approximately U.S.\$2.6 billion.

Litigation in Japan

In February 1998, Sumitomo Corporation filed a lawsuit seeking ¥738 million in damages against Hamanaka and two other defendants for conspiracy to unlawfully take funds away from Sumitomo Corporation. In July 2000, the Tokyo District Court rendered judgement in favour of Sumitomo Corporation. The judgement became final.

In September 1996, one of Sumitomo Corporation's shareholders filed a suit demanding that Sumitomo Corporation repeal a portion of the resolutions that were passed at the 128th Regular Shareholders Meeting held in June 1996, immediately after the copper trading incident was discovered. In March 1998, the Osaka District Court dismissed that suit and the shareholder filed an appeal in the Osaka High Court. In November 1998, the Court rejected that appeal. The shareholder has further filed an appeal and this appeal is pending in the Supreme Court.

In June 1999, Sumitomo Corporation filed a lawsuit against UBS AG ("UBS") for approximately ¥27.8 billion damages. The suit alleges that UBS provided Hamanaka with unauthorised loans, disguised as copper derivative transactions. This lawsuit is currently pending in the Tokyo District Court.

Civil Litigation (filed or threatened against Sumitomo Corporation)

In August 1998, without admitting to any wrongdoing or liability, Sumitomo Corporation reached an agreement to resolve six class action lawsuits filed against Sumitomo Corporation in New York federal court. The court approved the settlement in September 1999. The New York lawsuits involved allegations of market manipulation in violation of the U.S. Commodity Exchange Act arising out of Hamanaka's unauthorised copper trading activities. The plaintiffs in the New York lawsuits represented a class of all persons who traded copper futures or options on the Comex Division of the New York Mercantile Exchange between 24th June, 1993 and 15th June, 1996. In accordance with the agreement, Sumitomo Corporation paid U.S.\$99 million to the class members; U.S.\$18 million of this settlement was paid from a fund established as part of Sumitomo Corporation's prior settlement with the Commodity Futures Trading Commission (the "CFTC"), which was announced in May 1998 and is discussed below.

In September 1998, without admitting to any wrongdoing or liability, Sumitomo Corporation reached an agreement that resolved two class action lawsuits filed against Sumitomo Corporation in California state court. The court approved the settlement in February 1999. In accordance with the agreement, Sumitomo Corporation paid U.S.\$42.5 million to the class members; U.S.\$7 million of this settlement was paid from a fund established as part of Sumitomo Corporation's prior settlement with CFTC in May 1998. The California lawsuits involved allegations under antitrust statutes of 19 states in connection with the same unauthorised trading activities. The plaintiffs in the California lawsuits represented a class of persons who purchased copper and copper products in the 19 states for use in a trade or business between 1st January, 1993 and 1st July, 1996.

In June 1998, a lawsuit was filed by Ocean View Capital Inc. against Sumitomo Corporation and other defendants in New York federal court for alleged violation of the Sherman Act and Rhode Island anti-monopoly laws. The lawsuit seeks "at a minimum, tens of millions of dollars" in damages prior to trebling under the applicable statutes. In December 1999, this lawsuit was transferred to Wisconsin federal court and consolidated with other lawsuits pending in Wisconsin federal court which are discussed below. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In July 1999, a lawsuit was filed in New York state court by Andrew Sardanis seeking U.S.\$10 million in damages. The complaint alleges fraud, commercial bribery, breach of fiduciary duty and unjust enrichment. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In June 1999, a class action lawsuit seeking an unspecified amount of monetary damages was filed by two copper scrap traders against Sumitomo Corporation and other defendants in Wisconsin federal court for alleged violation of federal antitrust laws and antitrust laws of the District of Columbia and the several states. In July 1999, another class action lawsuit seeking an unspecified amount of monetary damages was filed by another copper scrap trader against Sumitomo Corporation in Wisconsin federal court for substantially the same allegation. The plaintiffs in these class action lawsuits are suing on behalf of purported nation-wide class consisting of all copper or metal dealers and other entities in the United States that purchased physical copper during the period from June 1994 through 15th June, 1996, in commercial quantities at prices expressly indexed to LME or Comex copper future prices. These class action lawsuits were dismissed by the Wisconsin federal court in August 2000.

In August 1999, a class action lawsuit seeking an unspecified amount of monetary damages was filed by a copper scrap trader against Sumitomo Corporation and other defendants for alleged violation of antitrust laws of California and other states in California state court. The plaintiff purports to represent a class consisting of all purchasers of scrap or recycled copper product for use in any trade or business or for resale in 19 states including among others California, Michigan and the District of Columbia. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In September 1999, a lawsuit seeking an unspecified amount of monetary damages was filed against Sumitomo Corporation and other defendants by two U.S. companies, CBS Corp. (formerly known as Westinghouse Electric Corp.) and Emerson Electric Co. in Wisconsin federal court for alleged violation of the Sherman Act and antitrust laws of 17 states and other causes of action. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In October 1999, a lawsuit seeking an unspecified amount of monetary damages was filed against Sumitomo Corporation and other defendants by 51 U.S. companies in California state court for alleged violation of antitrust laws of 21 states and other causes of action. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In December 1999, a lawsuit seeking an unspecified amount of monetary damages was filed against Sumitomo Corporation by Metallgesellschaft A.G. and its affiliated company in New York federal court. The complaint alleges violation of federal antitrust laws. In December 1999, this lawsuit was transferred to Wisconsin federal court and consolidated with above-mentioned lawsuits pending in Wisconsin federal court. Sumitomo Corporation believes it has a number of valid defences to this action and intends to vigorously defend itself in this matter.

In August 1999, a U.S. company which opted out of the settlements of California and New York class actions discussed above threatened to sue Sumitomo Corporation for damages arising from Hamanaka's unauthorised trading activities. The amount of damages claimed is not yet known. If this company files a lawsuit, Sumitomo Corporation intends to defend itself vigorously in the matter.

Civil Litigation (filed by Sumitomo Corporation)

In June 1999, Sumitomo Corporation filed a lawsuit against The Chase Manhattan Bank ("Chase") in New York federal court, seeking not less than U.S.\$532 million in damages. The suit alleges that Chase provided Hamanaka with loans, disguised as copper swap transactions, to help him continue his illicit trading activities. This suit is currently pending.

In July 1999, Sumitomo Corporation filed a suit against Credit Lyonnais Rouse Limited ("CLR") in London. Sumitomo Corporation is seeking approximately U.S.\$248 million in damages. The suit alleges that Hamanaka acted in breach of his fiduciary duty and contractual duties and that CLR dishonestly assisted Hamanaka and/or procured a breach of his contract of employment. The suit is currently pending.

In August 1999, Sumitomo Corporation filed a lawsuit in New York federal court against J.P. Morgan & Co., Inc. and others, seeking U.S.\$735 million in damages. The suit alleges, among other things, that the defendants provided Hamanaka with finances, disguised as copper derivative transactions, to help him continue his illicit trading activities. This suit is currently pending.

In May 2000, without bringing litigation, Sumitomo Corporation reached an agreement with Merrill Lynch & Co. Inc. ("Merrill Lynch") that resolved all issues between Sumitomo Corporation and Merrill Lynch in connection with unauthorised copper trading. In accordance with the agreement, in June 2000, Merrill Lynch paid Sumitomo Corporation U.S.\$275 million.

Settlements with Regulatory Authorities in the United States and Great Britain

In May 1998, Sumitomo Corporation reached agreements with regulatory authorities in both the United States and the United Kingdom. Without admitting or denying any of the allegations stemming from the copper trading incident, Sumitomo Corporation paid U.S.\$125 million in the proceeding brought by the CFTC, with another U.S.\$25 million to be set aside for the potential resolution of certain claims by private parties. In the United Kingdom, Sumitomo Corporation paid £5 million, or approximately U.S.\$8 million, to the Financial Services Authority, formerly called the Securities and Investment Board. These agreements resolve all liability of Sumitomo Corporation to the above mentioned authorities arising from or related to the copper trading incident.

It is opinion of Sumitomo Corporation that the litigation and claims discussed above, threatened or pending, will be resolved without material adverse effect on the operation of Sumitomo Corporation's business. Sumitomo Corporation, to the best of its knowledge, is not aware of any material litigation, governmental or administrative actions involving Sumitomo Corporation or its subsidiaries, threatened or pending.

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding tax treatment at the date hereof in relation to payments of principal and interest on the Notes based on current United Kingdom law and Inland Revenue practice. It is not exhaustive as it only deals with United Kingdom withholding tax. It does not necessarily apply where income is deemed for tax purposes to be the income of any other person. It relates only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of persons such as dealers in securities. Particular terms of issue of any series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other series of Notes. Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should consult their professional advisers.

Notes Issued by SCCE

1. The Notes are in bearer form and will constitute "quoted Eurobonds" within the meaning of Section 124 of the Income and Corporation Taxes Act 1988 ("Taxes Act") provided they carry a right to interest and are and remain quoted on a recognised stock exchange (the London Stock Exchange is so recognised). While the UK Bearer Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax where:
 - (a) the person by or through whom the payment is made is not in the United Kingdom; or
 - (b) the payment is made by or through a person who is in the United Kingdom; and:
 - (i) the person who is the beneficial owner of the UK Bearer Notes and the related Coupons is not resident in the United Kingdom for tax purposes; or
 - (ii) the Notes and the associated Coupons are held in a "recognised clearing system" (Clearstream, Luxembourg, Euroclear, First Chicago Clearing Centre and Depository Trust Company of New York have each been designated a "recognised clearing system");and a declaration to that effect in the form required by law has been given to the person by or through whom the payment is made (or the Inland Revenue has issued a notice to that effect to the person by or through whom the payment is made) provided that the Inland Revenue has not issued a direction that it considers that neither of the conditions in (i) or (ii) is satisfied.
2. In all cases not falling within paragraph 1 above, interest on the Notes will be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to any direction to the contrary from the Inland Revenue in respect of such relief as may be available under the provisions of any applicable double taxation treaty.
3. Interest on the Notes has a United Kingdom source and accordingly may be chargeable to United Kingdom tax by direct assessment. Interest received without deduction or withholding will not be assessed to United Kingdom tax in the hands of a holder of the Notes who is not resident for tax purposes in the United Kingdom, unless that holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which such Notes are attributable, in which case (subject to exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency.

4. Where interest has been paid under deduction of United Kingdom income tax, a holder of UK Notes who is not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.
5. Holders of Notes should note that the provisions relating to additional amounts referred to in Condition 7 of the Notes below ("Taxation") would not apply if the Inland Revenue sought to assess directly the person entitled to the relevant interest to United Kingdom tax. However, exemption from or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

Notes Issued by SCCN ("SCCN Notes")

6. Payments of interest made by a United Kingdom paying agent on the SCCN Notes will, subject to such relief as may be available under the provisions of any applicable double taxation treaty, be subject to withholding or deduction for or on account of United Kingdom income tax at the lower rate (currently 20 per cent.) unless one of certain exceptions applies, including the following:
 - (c) the SCCN Notes are held in a "recognised clearing system" (for which, see above) and certain other requirements are met; or
 - (d) the person beneficially entitled to the interest and the related SCCN Notes is not resident in the United Kingdom; or
 - (e) the interest arises to trustees not resident in the United Kingdom of certain discretionary or accumulation trusts (where, *inter alia*, none of the beneficiaries of the trust is resident in the United Kingdom); or
 - (f) the person beneficially entitled to the interest is eligible under specified provisions for relief from United Kingdom tax in respect of the interest; or
 - (g) the interest falls to be treated as the income of, or of the government of, a sovereign power or of an international organisation.

For exception (a) to be available, a declaration in a specified form as to be provided (or a notice issued by the Inland Revenue) to the paying agent in cases where the interest is payable to, or at the direction of, the depository of the clearing system. For exceptions (b) to (e) to be available, such a declaration has to be provided (or notice issued) in all cases and, if the Notes are in bearer form, a separate declaration or notice is required for each payment. The paying agent is required to withhold if the Inland Revenue issues a direction to that effect, having reason to believe that no exception applies or that the depository or paying agent has failed to comply with certain requirements.

All Notes

7. A person in the United Kingdom who in the course of a trade or profession either:
 - (a) acts as custodian of the Notes and receives interest on such Notes, or directs that interest on the Notes be paid to another person, or consents to such payment; or
 - (b) collects or secures payment of, or receives interest on, such Notes for a Noteholder or a person entitled to receive interest (except by means of clearing a cheque or arranging for the clearing of a cheque),

(such person being a "collecting agent") will be required to withhold on account of United Kingdom income tax at the lower rate (currently 20 per cent.) unless:

- (iii) the relevant Notes are held in a "recognised clearing system" and the collecting agent pays or accounts for the interest directly or indirectly to the clearing system; or
- (iv) the person beneficially entitled to the interest and the related Notes is not resident in the United Kingdom; or
- (v) the interest arises to trustees not resident in the United Kingdom of certain discretionary or accumulation trusts (where, *inter alia*, none of the beneficiaries of the trust is resident in the United Kingdom); or
- (vi) the person beneficially entitled to the interest is eligible under specified provisions for relief from United Kingdom tax in respect of the interest; or
- (vii) the interest falls to be treated as the income of, or of the government of, a sovereign power or of an international organisation; or
- (viii) the collecting agent acts as depository for the clearing system in which the Notes are held.

For exception (i) to be available, a declaration in a specified form has to be provided (or a notice issued by the Inland Revenue) to the collecting agent if the interest is payable to, or at the direction of, the depository of the clearing system. For exceptions (ii) to (v) to be available, such a declaration has to be provided (or notice issued) in all cases. The collecting agent is required to withhold if the Inland Revenue issues a direction to that effect, having reason to believe that no exception applies or that the depository or collecting agent has failed to comply with certain requirements.

Other Rules Relating to United Kingdom Withholding Tax

- 8. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of any relevant Issuer of the Notes and does not consider the tax consequences of any such substitution.
- 9. If a Note carries a right to interest and has a maturity date less than one year from the date of issue (and is not issued under any arrangement, the effect of which is to render such Note part of a borrowing for a total term of one year or more) payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax.
- 10. If Notes are issued at a discount no United Kingdom withholding tax will apply to any such discount. Where UK Notes are issued with a redemption premium, any element of premium may constitute a payment of interest. Payments of interest may be subject to United Kingdom withholding tax.
- 11. The references to "interest" mean "interest" as understood in United Kingdom tax law. The statements in 1-7 above do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documents.

Foreign Tax Credits

- 12. The amount of tax for which a paying agent or collecting agent is liable to account as described above may be reduced by foreign tax credits which are available in respect of the relevant income under United Kingdom tax law.

Withholding Tax: United Kingdom Finance Act 2000 Changes and European Council Proposals

13. United Kingdom withholding tax (including withholding by issuers, paying and collecting agents) will be abolished in relation to interest payments made on or after 1st April, 2001 on securities issued by companies provided that, where the payments are of United Kingdom source interest and made by United Kingdom issuer and paying agents, those securities are listed on a recognised stock exchange, as defined in Section 841 of the Taxes Act. It is proposed to introduce new machinery from the same date enabling the United Kingdom Inland Revenue to obtain information about United Kingdom savings income of all individuals and, in certain circumstances, to exchange taxpayer information with the tax authorities of other jurisdictions.

In June 2000 the European Council agreed to amend earlier proposals published in May 1998 by the European Commission regarding the taxation of income of non-residents and relating, in particular, to the introduction of withholding tax on payments of interest. Subject to sufficient reassurances being obtained from a number of countries outside the European Union to promote the adoption of equivalent measures, the European Council has now agreed that Member States will be required no later than 31st December, 2002 either (a) to exchange information with other Member States regarding savings income paid to non-residents or (b) to withhold tax on such income at a rate to be agreed, provided that Member States that operate a withholding system must implement exchange of information as soon as conditions permit and in any case no later than seven years after implementation of the proposals. Details of the amended proposals have not yet been published.

The United Kingdom intends to opt for exchange on information rather than withholding under the EU proposals through implementation of the Finance Act 2000 provisions noted above. Following implementation of both sets of proposals no withholding of UK tax would be expected to be required in respect of any payments of interest on the Notes by a United Kingdom issuer or paying agent.

Noteholders will note that if a paying agent in a Member State outside the United Kingdom were obliged to withhold as a result of the government of that Member State opting for a withholding system under the EU proposals, the provisions relating to additional amounts referred to in "Terms and Conditions of the Notes -Taxation" above would be unlikely to apply as a result of any withholding tax imposed as a result thereof.

Noteholders will note that it is the position of certain EU Member States that implementation of the proposals should not adversely affect the Eurobond market.

NETHERLANDS TAXATION

The following is a general summary of the Netherlands taxation discussed as at the date hereof in relation to payments made under the Notes. It is not exhaustive and holders of Notes who are in doubt as to their tax position should consult their professional advisors.

(a) Withholding Tax

All payments of interest and principal under the Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Notes qualify as profit sharing debentures (*winstdelende obligaties*) as referred to in Article 1 of the Dutch Dividend Tax Act (*Wet op de dividendbelasting 1965*).

(b) Taxes on Income and Capital Gains

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on income or capital gains unless:

- (i) the holder is or is deemed to be resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or permanent representative in the Netherlands; or
- (iii) the holder has, directly or indirectly, a substantial interest or a deemed substantial interest in the Issuer and such interest or the Notes do not form part of the assets of an enterprise; or
- (iv) if the holder is an individual not having a substantial interest or a deemed substantial interest in the Issuer, any of certain connected persons has a substantial interest or a deemed substantial interest in the Issuer and such interest or the Notes do not form part of the assets of an enterprise.
- (v) as of 1st January, 2001, the income from a Note or a gain realised on the disposal or redemption of a Note is attributable to activities carried out in the Netherlands by the holder to the extent that such activities exceed normal "investment activities".

The Dutch Ministry of Finance has issued policy statements on the income tax treatment of holders of notes who are, or deemed to be, resident in the Netherlands for the purposes of the relevant provisions and hold such notes as a private investment ("Resident Noteholders"). According to the policy statement, Resident Noteholders of exchangeable notes apart from being subject to Dutch income tax on the interest on the note, will be subject to Dutch income tax on the fair market value of the exchange right upon subscription.

Any subsequent Resident Noteholders of exchangeable notes may be subject to Dutch income tax on deemed income.

Resident Noteholders of reverse exchangeable notes will be subject to Dutch taxation on the full Coupon and no deduction or capital loss can be claimed with respect to the delivery of any securities on the maturity date under such notes.

On 1st January, 2001, the Income Tax Act 2001 will enter into force replacing the Income Tax Act 1964. This new tax system will change the Dutch income tax position of a Resident Noteholder who will be taxed on a deemed return regardless of actual income derived from a Note or gain or loss realised upon disposal or redemption of a Note.

(c) Net Wealth Tax

Dutch net wealth tax will not be levied on a holder of a Note unless such holder is an individual and;

- (i) the holder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands.

As of 1st January, 2001, the net wealth tax will be abolished.

(d) Gift, Estate or Inheritance Taxes

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift, or on the death of a holder, unless;

- (i) the holder is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be, resident in the Netherlands; or
- (iii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands.

(e) Value Added Tax

There is no Dutch value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

(f) Other Taxes and Duties

There is no Dutch registration tax, capital tax, stamp duty or any other similar tax or duty other than court fees and contributions for the registration with the Trade Register of the Chamber of Commerce, payable in the Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgement in the courts of the Netherlands) of the Issue Documents or the performance of the Issuer's obligations under the Issue Documents.

(g) Residence

A holder of a Note will not become resident or deemed to be resident, in the Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of the Notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions contained in a Distribution Agreement dated 31st August, 1994 (the "Distribution Agreement") between the Issuers, Daiwa Securities SB Capital Markets Europe Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Société Générale and Sumitomo Trust International plc, the Notes will be offered on a continuing basis by the Issuers to the Permanent Dealers. However, the Issuers have reserved the right to sell Notes directly on their own behalf to purchasers which are not Permanent Dealers provided that such sales are upon the terms of the Distribution Agreement. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers, through the Dealers, acting as agents of the Issuers. The Distribution Agreement also provides for Notes to be issued in Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuers will pay each relevant Dealer a commission of from 0.15 per cent. to 0.60 per cent. of the nominal amount of the Notes, depending upon maturity in respect of Notes subscribed or procured for subscription by it. The Issuers have agreed to reimburse the Dealers for their reasonable expenses incurred in connection with the establishment of the offering contemplated hereby and the Dealers' activity in connection with such offering. In respect of a Syndicated Issue, the commission will be stated in the Pricing Supplement.

The Issuers have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all the Dealers or any of them by the Issuers or, in relation to itself and the Issuers only, by any Dealer, at any time on giving not less than 10 business days' notice.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (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 except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes with a maturity of more than one year 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 U.S. 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.

Each Dealer has agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the issue date of such Tranche as determined, and certified to the Issuers, by the Fiscal Agent or, in the case of Notes issued on a syndicated basis, the Lead Manager only in accordance with Rule 903 of Regulation S under the Securities Act, 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 distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented and agreed that:

- (1) it has not offered or sold and shall not offer or sell (a) any Notes (other than Notes with a maturity of less than one year or a minimum denomination of at least euro 40,000 or its equivalent in other currencies), in respect of which admission to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act") is to be sought, to persons in the United Kingdom prior to admission of such Notes to such listing or (b) prior to the date six months after their date of issue, any Notes (other than Notes with a maturity of less than one year or a minimum denomination of at least euro 40,000 or its equivalent in other currencies), in respect of which admission to such listing is not to be sought, to persons in the United Kingdom, in each case, 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 or, in the case of Notes in respect of which admission to such listing is to be sought, the Act;
- (2) it has complied with and shall comply with all applicable provisions of the Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (3) it has only issued or passed on and shall only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes, other than any document that consists of or any part of listing particulars, supplementary listing particulars or any other document 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 or is a person to whom such document may otherwise lawfully be issued or passed on.

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 agreed (and each further Dealer appointed under the Programme will be required to agree) that it will not offer or sell any Notes, directly or indirectly 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), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any applicable laws, regulations and ministerial guidelines of Japan.

In connection with the issue of the Notes which are denominated or payable in yen, the Issuer is required to comply with all applicable laws, regulations and guidelines, as amended from time to time, of the Japanese governmental and regulatory authorities.

The Netherlands

Notes issued by SCCN:

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) in respect of Notes issued by SCCN that it has not, directly or indirectly, offered, sold, transferred or delivered and will not, directly or indirectly, offer, sell, transfer or deliver any Notes (including rights representing an interest in a Global Note) to any person or entity anywhere in the world other than to entities which trade or invest in securities in the conduct of a business or profession (which includes but is not limited to, investment banks, credit institutions, brokers, pension funds, insurance companies, securities firms, investment institutions, central governments, large international and supranational organisations and other comparable entities such as treasuries and finance companies or groups, which are regularly active in financial markets in a professional manner). This restriction shall not apply to Series comprising only Notes (including rights representing an interest in a Global Note) issued under this Programme having a denomination of NLG1,000,000 (or the equivalent thereof in other currencies), EUR500,000 or U.S.\$500,000 or more, provided that if such Notes are issued:

1. at a discount such Notes shall have an issue price of at least such amount;
2. on a partly-paid basis, they shall be paid up by their initial holders to at least such amount; and
3. with a denomination of precisely NLG1,000,000 (or the equivalent in other currencies), they shall be issued on a fully-paid basis and at par or at a premium.

Furthermore, each Dealer has represented and agreed that in respect of any Notes (including rights representing an interest in a Temporary Global Note or a Permanent Global Note) issued by SCCN having a denomination of less than NLG100,000 or its equivalent in euro or in any other currency), (a) it shall be made clear upon making any offer of such Notes and from any documents or advertisements in which a forthcoming offering of such Notes is publicly announced (whether electronically or otherwise) that the offer is exclusively made to the aforesaid individuals or legal entities and (b) a copy of any offering circular (including the Pricing Supplement in respect of such Notes) must be submitted to the Securities Board of the Netherlands (*Stichting Toezicht Effectenverkeer*, hereinafter the "STE") before the issue date.

Notes issued by SCCE:

In addition, each Dealer has represented and agreed that any Notes issued under the Programme by SCCE (including rights representing an interest in a Note in global form) which are offered as part of their initial distribution or by way of re-offering, in the Netherlands shall, in order to comply with the Securities Market Supervision Act 1995 ("*Wet Toezicht Effectenverkeer 1995*", hereinafter the "Netherlands Securities Act") only be offered:

- (i) in the event that such Notes have been or are likely to be admitted shortly to listing on the Official Segment of Euronext Amsterdam N.V.'s stock market; or
- (ii) subject to the provisions stated below, in the event that (a) such Notes have been admitted to the official listing on a stock exchange or have otherwise been publicly offered in another state belonging to the Treaty on the European Economic Area (hereinafter the "EEA") and (b) the Offering Circular has been approved by, and the applicable Pricing Supplement in respect of such Notes has been submitted to or approved by, the competent authority as referred to in Article 20 or Article 21 of EC Directive 89/298/EEC and (c) the STE has confirmed, where necessary, the availability of recognition in respect of such documents; or
- (iii) if the Notes have a denomination of at least NLG100,000 (or its equivalent in any other currency), EUR50,000 or U.S.\$50,000, provided that if any such Notes are issued:

- (a) at a discount, they may only be offered in The Netherlands if their issue price is at least such amount; and
 - (b) on a partly-paid basis, they may only be offered in The Netherlands if paid-up to at least such amount; and
 - (c) with a denomination of precisely NLG100,000 (or equivalent), they may only be offered in The Netherlands on a fully-paid basis and at par or at a premium; or
- (iv) as part of their initial distribution or at any time thereafter, to individuals or legal entities situated in The Netherlands who trade or invest in securities in the conduct of a profession or business (which includes but is not limited to investment banks, credit institutions, brokers, insurance companies, securities firms, pension funds, investment institutions, central governments, large international supranational organisations and entities such as treasuries and finance companies or groups which are regularly active in financial markets in a professional manner), in which case:
- (a) it must be made clear both upon making the offer and in any documents or advertisements in which a forthcoming offering of Notes is publicly announced (whether electronically or otherwise) that the offer is exclusively made to the said individuals or legal entities; and
 - (b) a copy of this Offering Circular and the applicable Pricing Supplement must be submitted to the STE before the issue date; or
- (v) (for syndicated Series or Tranches of Notes) if the following criteria are met:
- (a) the Notes are subscribed for and placed by a syndicate of which at least two members are established in different states that are a party to the Treaty on the EEA;
 - (b) 60 per cent. or more of the series of Notes issued is placed by syndicate members which are established in one or more states other than The Netherlands; and
 - (c) investors may only acquire the Notes being offered through the intermediary of a credit institution registered with the Dutch Central Bank or another financial institution which in the conduct of a profession or business carries out one or more of the activities described in paragraphs 7 and 8 of the Annex to the Second Banking Coordination Directive (89/646/EEC);
- provided that SCCE and each relevant Dealer further represents and agrees that it has not publicly promoted and shall not publicly promote (whether electronically or otherwise) the offer or sale of such Notes by conducting a generalised advertising or cold calling campaign anywhere in the world; or
- (vi) if any other exemption from the prohibition contained in article 3 paragraph 1 of the Netherlands Securities Act applies or if the STE has granted (individual) dispensation from the above prohibition and the conditions attached to such exemption or dispensation are fully complied with.

Provided that in case of (ii) above:

- (a) SCCE and the relevant Dealer or Dealers procure that any advertisement or document in which a forthcoming offering of Notes is publicly announced (whether electronically or otherwise) will be submitted to the STE prior to publication thereof and will mention the respective dates on which the Offering Circular and the relevant Pricing Supplement were published and were made available or (as the case may be) will be published and will be made available for inspection at the registered office of SCCE and at the office of the Fiscal Agent; and
- (b) each relevant Dealer severally represents and agrees that prior to the submission of the Offering Circular (with the approval of the competent authorities) and the applicable Pricing Supplement to the STE and the publication thereof in accordance with (a) above:

- (A) it has not offered, transferred or sold any Notes and will not directly or indirectly, offer, transfer or sell any Notes except to individuals or legal entities as referred to in (iv) above; and
- (B) either it has not distributed and will not distribute any offering or promotional materials in respect of the Notes or it has complied and will comply with the conditions under (iv)(a) and (b) above;

and each invitation telex and Pricing Supplement in respect of such Notes will set forth the restrictions under (A) and (B) above.

All Notes:

In addition to the above, Zero Coupon Notes in definitive form issued by SCCN or SCCE may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or an admitted institution of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held by Euronext Amsterdam N.V. (*toegelaten instelling*) in accordance with The Netherlands Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21st May, 1985 (as amended), and, in addition thereto, if such Zero Coupon Notes in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2nd February, 1987 attached to the Royal Decree of 11th March, 1987 (*State Gazette 129*), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction, the nature of the transaction and the details and serial numbers of such Notes. No such mediation is required (i) in respect of the transfer and acceptance of Zero Coupon Notes whilst in the form of rights representing an interest in a Zero Coupon Note in global form; or (ii) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form by individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in the Zero Coupon Notes in global form) are issued outside the Netherlands and are not distributed within The Netherlands as part of their initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue, transfer of or payment on Zero Coupon Notes have to be complied with. For the purposes of this paragraph, "Zero Coupon Notes" are Notes in bearer form which constitute a claim for a fixed sum against the relevant Issuer and on which no interest becomes due during their tenor or on which no interest is due whatsoever.

France

Each Dealer and the Issuer has represented and agreed that the Notes are being issued outside the Republic of France and that, in connection with their initial distribution, (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France, (ii) such offers or sales have been and will only be made in the Republic of France to qualified investors (*investisseurs qualifiés*) and/or a restricted group of investors (*cercle restreint d'investisseurs*), in accordance with Article 6 of *ordonnance* no.67-833 of 28th September, 1967 (as amended) and *décret* no.98-830 dated 1st October, 1998, and (iii) it has not distributed and will not distribute or cause to be distributed to the public in the Republic of France this Offering Circular or any other offering material relating to the Notes except to the investors to whom offers and sales of Notes in the Republic of France may be made as described above.

General

Selling restrictions may be modified by the agreement of the Issuers and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Each of the Dealers and the Issuers has agreed, save for the submission of the Listing Particulars (approved by the UK Listing Authority) to the STE, not to take any action in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any amendment or supplement thereto issued in connection with the offering of any of the Notes or any other offering material, in any country or jurisdiction where action for that purpose is required. Each of the Dealers has agreed to comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular or any amendment or supplement thereto or any other offering material.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [•]

**SUMITOMO CORPORATION CAPITAL EUROPE PLC
SUMITOMO CORPORATION CAPITAL NETHERLANDS B.V.
U.S.\$2,000,000,000 Euro Medium Term Note Programme
Due from one month to 10 years from the date of issue**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 2nd October, 2000 [and the supplemental Offering Circular dated [•]]. This Pricing Supplement must be read in conjunction with such Offering Circular as so supplemented.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. Issuer: [SUMITOMO CORPORATION CAPITAL EUROPE PLC/SUMITOMO CORPORATION CAPITAL NETHERLANDS B.V.]
2. (i) Series Number: [•]
(ii) [Tranche Number: [•]]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount:
(i) Series: [•]
(ii) [Tranche: [•]]
5. (i) Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
(ii) [Net proceeds: [•] (Required only for listed issues)]

6. Specified Denominations: [•]
[•]
7. (i) Issue Date: [•]
(ii) [Interest Commencement Date (if different from the Issue Date): [•]]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year*]
9. Interest Basis: [[•] per cent. Fixed Rate]
[[*specify reference rate*] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (*specify*)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options: [Put]
[Call]
[(further particulars specified below)]
13. Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
14. Listing: Official List of the UK Listing Authority and trading on the London Stock Exchange/Paris/Other (*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

*Please add appropriate provisions to terms and conditions if included.

- | | | |
|-------------------------------------|---|---|
| (i) | Rate{(s)} of Interest: | [•] per cent. per annum [payable
[annually/semi-annually/quarterly/monthly]
in arrear] |
| (ii) | Interest Payment Date(s): | [•] in each year |
| (iii) | Fixed Coupon Amount{(s)}: | [•] per [•] in nominal amount |
| (iv) | Broken Amount: | <i>[Insert particulars of any initial or final
broken interest amounts which do not
correspond with the Fixed Coupon
Amount{(s)} and the Interest Payment
Date(s) to which they relate]</i> |
| (v) | Day Count Fraction (Condition 4(j)): | [•]

<i>(Consider if day count fraction for euro
denominated issues should be on an
Actual/Actual-ISDA or Actual/Actual-ISMA
basis)</i> |
| (vi) | Determination Date(s) (Condition 4(j)): | <i>[Insert day(s) and month(s) on which
interest is normally paid (if more than one,
then insert such dates in the alternative)]</i> in
each year ¹ |
| (vii) | Other terms relating to the method of
calculating interest for Fixed Rate Notes: | [Not Applicable/give details] |
| 17. Floating Rate Provisions | | [Applicable/Not Applicable] <i>(If not
applicable, delete the remaining sub-
paragraphs of this paragraph. Also
consider whether EURO BBA LIBOR or
EURIBOR is the appropriate reference rate
for Notes denominated in euro)</i> |
| (i) | Specified Period(s)/Specified Interest
Payment Dates: | [•] |
| (ii) | Business Day Convention: | [Floating Rate Business Day
Convention/Following Business Day
Convention/Modified Following Business
Day Convention/Preceding Business Day
Convention/other (give details)] |
| (iii) | Additional Business Centre(s) (Condition
4(j)): | [•] |
| (iv) | Manner in which the Rate(s) of Interest
is/are to be determined: | [Screen Rate Determination/ISDA
Determination/other (give details)] |
| (v) | Interest Period Date(s): | [Not Applicable/specify dates] |

¹ Only to be completed for an issue denominated in euro where Day Count Fraction is Actual/Actual-ISMA

- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [•]
- (vii) Screen Rate Determination (Condition 4(b)(iii)(B)):
- Relevant Time: [•]
 - Interest Determination Date: [*•*] [*TARGET*] Business Days in [*specify city*] for [*specify currency*] prior to [*the first day in each Interest Accrual Period/each Interest Payment Date*]
 - Primary Source for Floating Rate: [*Specify relevant screen page or "Reference Banks"*]
 - Reference Banks (if Primary Source is "Reference Banks"):
[Specify four]
 - Relevant Financial Centre: [*The financial centre most closely connected to the Benchmark - specify if not London*]
 - Benchmark: [*LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark*]
 - Representative Amount: [*Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount*]
 - Effective Date: [*Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period*]
 - Specified Duration: [*Specify period for quotation if not duration of Interest Accrual Period*]
- (viii) ISDA Determination (Condition 4(b)(iii)(A)):
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Definitions: (if different from those set out in the Conditions) [•]
- (ix) Margin(s): [•] per cent. per annum
- (x) Minimum Rate of Interest: [•] per cent. per annum
- (xi) Maximum Rate of Interest: [•] per cent. per annum
- (xii) Day Count Fraction (Condition 4(j)): [•]
- (xiii) Rate Multiplier: [•]

- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]
- 18. Zero Coupon Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Amortisation Yield (Condition 5(d)): [•] per cent. per annum
- (ii) Day Count Fraction (Condition 4(j)): [•]
- (iii) Any other formula/basis of determining amount payable: [•]
- 19. Index Linked Interest Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: [Give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: [•]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [•]
- (iv) Specified Period(s)/Specified Interest Payment Dates: [•]
- (v) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vi) Additional Business Centre(s) (Condition 4(j)): [•]
- (vii) Minimum Rate of Interest: [•] per cent. per annum
- (viii) Maximum Rate of Interest: [•] per cent. per annum
- (ix) Day Count Fraction (Condition 4(j)): [•]
- 20. Dual Currency Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Day Count Fraction (Condition 4(j)): [•]

PROVISIONS RELATING TO REDEMPTION

21. Call Option

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
- (iii) If redeemable in part: [•]
 - (c) Minimum nominal amount to be redeemed: [•]
 - (d) Maximum nominal amount to be redeemed:
- (iv) Option Exercise Date(s): [•]
- (v) Description of any other Issuer's option: [•]
- (vi) Notice period (if other than as set out in the Conditions): [•]

22. Put Option

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]
- (iii) Option Exercise Date(s): [•]
- (iv) Description of any other Noteholders' option: [•]
- (v) Notice period (if other than as set out in the Conditions): [•]

23. Final Redemption Amount

[Nominal amount/Other/See Appendix]

24. Early Redemption Amount

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 5(b)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5(b)): [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Condition 6(e)): [Yes/No/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

Bearer Notes/Exchangeable Bearer Notes/Registered Notes]

[Delete as appropriate]

- (i) Temporary or permanent global Note/Certificate: [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice]
[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
- (ii) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]

26. Additional Financial Centre(s) (Condition 6(g)) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates]]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: [Not Applicable/*give details*]
- (i) Instalment Amount(s): [•]
- (ii) Instalment Date(s): [•]
- (iii) Minimum Instalment Amount: [•]
- (iv) Maximum Instalment Amount: [•]
30. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply]
31. Consolidation provisions: [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply]
32. Other terms or special conditions:¹ [Not Applicable/*give details*]

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- (iii) Dealer's Commission: [•]
34. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
35. Additional selling restrictions: [Not Applicable/*give details*]
36. Dutch selling restriction for SCCE Note: [Select applicable selling restriction (i) - (vi)]

OPERATIONAL INFORMATION

37. ISIN Code: [•]
38. Common Code: [•]
39. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
40. Delivery: Delivery [against/free of] payment
41. The Agents appointed in respect of the Notes are: [•]

GENERAL

42. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10: [Not Applicable/*give details*]

43. The aggregate principal amount of Notes issued has [Not Applicable/U.S.\$[•]] been translated into U.S. dollars at the rate of [•], producing a sum of (for Notes not denominated in U.S. dollars):

PARIS LISTED NOTES

44. Sicovam number, or, in the case of Partly Paid Notes, [•]
Sicovam numbers:
45. Paying Agent in France: [•]
46. Paris Stock Exchange Listing Agent: [•]
47. Address in Paris where any relevant documents will [•]
be available for inspection:
48. List of such documents: [list]
49. Specialist broker: [name]
50. A summary in French of the principal terms of the relevant Notes (*Caractéristiques principales*)

[LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the U.S.\$2,000,000,000 Euro Medium Term Note Programme of [SUMITOMO CORPORATION CAPITAL EUROPE PLC/SUMITOMO CORPORATION CAPITAL NETHERLANDS B.V.].]

[STABILISING

In connection with this issue, [insert name of Stabilising Manager] may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.]

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this document, there/There]² has been no significant change in the financial or trading position of the Issuer since [insert date of last audited accounts or interim accounts (if later)] and no material adverse change in the financial position or prospects of the Issuer since [insert date of last published annual accounts].

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular [and the supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms..

Signed on behalf of the Issuer:

By: _____
Duly authorised

1. If full terms and conditions are to be used, please add the following here:

"The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

2. If any change is disclosed in the Pricing Supplement, it will require submission to the UK Listing Authority and the London Stock Exchange in its capacity as competent authority under the Financial Services Act of 1986 or the Stock Exchange(s) as the case may be. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular [comprising supplementary listing particulars] rather than in a Pricing Supplement.

[THE BANKING ACT 1987 (EXEMPT TRANSACTIONS) REGULATIONS 1997]

[The Notes constitute [commercial paper] [shorter/longer term debt securities]¹ issued in accordance with regulations made under section 4 of the Banking Act 1987. The Issuer of the Notes is [SUMITOMO CORPORATION CAPITAL EUROPE PLC/SUMITOMO CORPORATION CAPITAL NETHERLANDS B.V.], which is neither an authorised institution nor a European authorised institution (as such terms are defined in the Banking Act 1987 (Exempt Transactions) Regulation 1997). Repayment of the principal and payment of any interest or premium in connection with the Notes has not been guaranteed.]

[The Issuer (a) has complied with its obligations under the listing rules of the [[●] Stock Exchange] [Financial Services Authority in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority")]] in relation to the admission to and continuing listing of any Notes issued under the Programme and of any previous issues made by it under the Programme and listed on the same exchange [official list (the "Official List") of the UK Listing Authority and traded on the London Stock Exchange plc's market for listed securities (the "London Stock Exchange")]; (b) confirms that it will have complied with its obligations under the listing rules of the [[●] Stock Exchange] [UK Listing Authority] in relation to the admission to listing of the Notes by the time when the Notes are so admitted; [and] (c) has not, since the last publication of information in compliance with the listing rules of the [[●] Stock Exchange] [UK Listing Authority] about the Programme, any previous issues made by it under the Programme and listed on the [[●] Stock Exchange] [Official List], or the Notes, 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 the Notes as they fall due; and (d) has complied and will continue to comply with its obligations under the Banking Act 1987 (Exempt Transactions) Regulations 1997 to lodge all relevant information in relation to the Notes with the UK Listing Authority]^{2,3}

¹ Include "commercial paper" if Notes must be redeemed before their first anniversary. Include "shorter" if Notes may not be redeemed before their first anniversary but must be redeemed before their third anniversary. Include "longer" if Notes may not be redeemed before their third anniversary.

² Wording only applies where the Issuer is relying on Regulation 13(4)(b).

³ Unless otherwise permitted, text to be included for all Notes which are to be listed on the London or another EEA Stock Exchange. The text would not be required if the Issuer is relying on Regulation 13(4)(c) to (g) of the Regulations.

GENERAL INFORMATION

1. The listing of the Note on the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that the listing of the Programme on the Official List and admission of the Notes to trading on the London Stock Exchange's market for listed securities will be granted on 4th October, 2000, subject only to the issue of a temporary Global Note in respect of each identifiable tranche of Notes. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, Notes may be issued pursuant to the Programme which will not be listed on any stock exchange.
2. Neither of the Issuers nor the Parent is or has been involved in any legal or arbitration actions, suits or proceedings (including any such actions, suits or proceedings which are pending or threatened of which either of the Issuers or the Parent is aware) which may have or have had during the 12 months prior to the date hereof, individually or in the aggregate, a significant effect on the financial position of each Issuer or the Parent and their consolidated subsidiaries taken as a whole.
3. The Parent is party to certain proceedings resulting from unauthorized trading in copper derivatives by a former employee as described on pages 41 to 43.
4. Each of the Issuers has obtained all necessary consents, approvals and authorisations in connection with the establishment, amending and updating of the Programme and the issue and performance of the Notes by resolutions of the Board of Directors of Sumitomo Corporation Capital Europe plc passed on 26th August, 1994 and resolutions of the Board of Directors of Sumitomo Corporation Capital Netherlands B.V. passed on 29th August, 1994 and 27th September, 2000.
5. Except as disclosed herein, there has been no significant change in the financial or trading position, and no material adverse change in the financial position or prospects, of either of the Issuers or of the Parent and its consolidated subsidiaries taken as a whole, since 31st March, 2000.
6. Listing of Notes on the Paris Stock Exchange:

The following procedures will apply, *inter alia*, to Paris Listed Notes.

(i) *Commission des Opérations de Bourse (COB)*

Prior to the listing of any Notes on the Paris Stock Exchange, the Pricing Supplement applicable to such issue of Notes is currently required to be approved at the time of the relevant issue. The relevant approval will be evidenced by the issue of a *visa* number by the COB. The *visa* number will be disclosed in the Pricing Supplement applicable to the relevant issue of Notes.

(ii) *Bulletin des Annonces légales obligatoires (BALO)*

In connection with any application to list Notes on the Paris Stock Exchange, a legal notice relating to the issue of the Notes will be published in the *Bulletin des Annonces légales obligatoires*.

(iii) *PARISBOURSE^{SBF} S.A.*

The listing of Notes on the Paris Stock Exchange is subject to approval by the *PARISBOURSE^{SBF} S.A.* Such approval will be evidenced by publication in the *Bulletin Officiel de la PARISBOURSE^{SBF} S.A.*

(iv) *Filing of Constitutive Documents*

Prior to the listing on the Paris *Bourse* of any Notes, a french translation of the Issuers' constitutive documents must be filed with the *Greffe du Tribunal de Commerce* of Paris.

(v) Documents available for inspection

In the case of Paris Listed Notes, the relevant Pricing Supplement will specify any additional places in Paris at which documents incorporated herein by reference (or otherwise required to be made available for inspection) may be inspected during normal business hours. The Issuer has undertaken to make such documents available as so required.

7. Deloitte & Touche, chartered accountants, have audited and rendered unqualified reports on, the accounts of SCCE for the three years ended 31st March, 2000 and Deloitte & Touche, registered accountants, have audited and rendered unqualified reports on, the accounts of SCCN for the three years ended 31st March, 2000.
8. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the Sicovam S.A. number and the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
9. Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by either 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 debt 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. Neither Issuer 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) or (b) of the Regulations:

- (i) either Issuer confirms that, 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 under it and listed on the same exchange as the Programme;
- (ii) either Issuer confirms that, 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
- (iii) either Issuer confirms that, 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 under it and listed on the same exchange as the Programme, or any Notes falling within regulation 13(4)(a) or (b) 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.

In relation to Notes which are to be exempt transactions under regulation 13(3) of the Regulations and fall within regulation 13(4)(b) of the Regulations, either Issuer confirms that, as at the date hereof, it has complied and will continue to comply with its obligations under the Regulations to lodge all

relevant information (as defined in the Regulations) in relation to any such Notes with the UK Listing Authority.

10. From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the specified offices of the Paying Agents and at the registered office of each of the Issuers, and the last four documents listed below (documents (vi) to (ix)) shall be available for delivery:
- (i) Agency Agreement and any supplemental agency agreement;
 - (ii) Distribution Agreement and any supplemental distribution agreement;
 - (iii) Deed of Covenant;
 - (iv) Keep Well Agreements and the Deed Polls;
 - (v) Memorandum and Articles of Association of SCCE and English translations of the Articles of Association of SCCN and the Articles of Incorporation of the Parent;
 - (vi) the annual report and audited accounts in English (consolidated where appropriate) for each of the Issuers and the Parent for the years ended 31st March 1999 and 2000 for which they have been published and the most recent published interim accounts in English (if any) of each of them;
 - (vii) each Pricing Supplement for Notes which are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities, the Paris Stock Exchange or any other stock exchange;
 - (viii) a copy of this Offering Circular together with any supplement to this Offering Circular or further offering circular; and
 - (ix) a copy of the subscription agreement for syndicated issues which are listed on the Official List and admitted to trading on the London Stock Exchange's market for listed securities.

PARIS LISTING INFORMATION

**Personnes qui assument
la responsabilité du document dénommé "Offering Circular" en ce qui concerne les
instruments qui sont admis à la négociation au Premier Marché de
PARISBOURSE^{SBF} S.A.**

Au nom de l'émetteur

A la connaissance de l'émetteur, les données du présent document dénommé "Offering Circular" sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Sumitomo Corporation Capital Europe plc
Koji Kobayashi
Directeur Général

Sumitomo Corporation Capital Netherlands B.V.
Koji Kobayashi
Dûment habilité

Au nom de la banque présentatrice

A la connaissance de la banque présentatrice, les données du présent document dénommé "Offering Circular" sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

Jean-Paul Oudet
Directeur des Marchés de Taux, Change, Matières Premières et Dérivés
Société Générale

Commission des Opérations de Bourse

En vue de la cotation à Paris de titres éventuellement émis dans le cadre de ce Programme et par application des articles 6 et 7 de l'ordonnance No. 67-833 du 28 Septembre 1967 telle que modifiée, la Commission des Opérations de Bourse a enregistré le présent document dénommé "Offering Circular" sous le numéro d'enregistrement n° P00-509 en date du 29 Septembre 2000.

ISSUERS

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PAYING AGENT

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