

TERMS AND CONDITIONS OF THE NOTES APPLICABLE TO ISSUES OF PERPETUAL NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, will be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and, subject to simplification by deletion of non-applicable provisions) will be endorsed on Bearer Notes or on the Certificates relating to Registered Notes. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes which may be issued under the Programme.

The Perpetual Notes (the “Notes”) are constituted by a trust deed (as amended, supplemented and/or restated as at the date of issue of the Notes (the “Issue Date”), the “Trust Deed”) originally dated 18th September, 1995 between the Issuer, [Sumitomo Mitsui Banking Corporation (the “Bank”),]⁽¹⁾ [the other issuer named therein]⁽²⁾ and Deutsche Trustee Company Limited as trustee for the holders of the Notes (the “Noteholders”) (the “Trustee”, which expression includes any successor Trustee). Certain provisions of these terms and conditions are summaries of, and are subject to, the detailed provisions of the Trust Deed. Payments under the Notes will be made in accordance with the agency agreement (as amended, supplemented and/or restated from time to time, the “Agency Agreement”) originally dated 18th September, 1995 and made between the Issuer, [the Bank,]⁽¹⁾ J. P. Morgan Bank Luxembourg S.A., as registrar, JPMorgan Chase Bank, N.A., as issuing and paying agent (the “Issuing and Paying Agent”, which expression includes any successor Issuing and Paying Agent) and as calculation agent (the “Calculation Agent”, which expression includes any successor Calculation Agent) and the other [issuer and]⁽²⁾ paying agents named therein and from time to time appointed as such (together with the Issuing and Paying Agent, the “Paying Agents”, which expression includes any successor and additional Paying Agents).

Copies of the Trust Deed, incorporating [the guarantee referred to below (the “Guarantee”) and]⁽¹⁾ the forms of the Notes and related coupons (the “Coupons”) and talons (the “Talons”), and copies of the Agency Agreement are available for inspection at the specified offices of each of the Trustee and the Paying Agents. The Noteholders (as defined below) and the holders of the Coupons and Talons (together, the “Couponholders”) are bound by, are entitled to the benefit of, and are deemed to have notice of, all the provisions of the Trust Deed and any provisions of the Agency Agreement applicable to them.

The registrar and the transfer agents for the time being (if any) are referred to below respectively as the “Registrar” and the “Transfer Agents”.

1. Form, Denomination, Title and Interpretation

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”), in each case in the Specified Denomination(s) shown hereon. Notes will be specified by the relevant Final Terms to be Notes without a specified maturity date.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

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

Bearer Notes are serially numbered and issued with Coupons and a Talon attached.

Registered Notes are represented by registered certificates (“Certificates”), each Certificate representing a holding of one or more Registered Notes by the same holder.

Title to the Bearer Notes, the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may

be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and regardless of any notice of ownership, trust or any interest therein, theft or loss thereof or any writing thereon (or on the Certificate representing any Note(s)) made by anyone and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payments of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate will be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Issuer’s option and partial redemption in respect of Registered Notes

In the case of an exercise of the Issuer’s option and the resultant partial redemption of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed.

(d) Delivery of new Certificates

Each new Certificate to be issued pursuant to Condition 2(a) or (b) will be available for delivery within three business days of receipt of the request for exchange or form of transfer or surrender of the Certificate for exchange. The new Certificate shall be delivered at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such method of delivery and/or such insurance as it may specify. In this Condition 2(d) “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) Exchange free of charge

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but

upon payment (or in the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for the redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(a), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status[, Guarantee and Subordination of the Guarantee]⁽¹⁾

(a) Status

[The Notes and the Coupons constitute subordinated (as described below) and unsecured obligations of the Issuer which are conditional. Claims in respect of Notes shall rank *pari passu* without any preference among themselves and at least equally and rateably with all other present and future unsecured, conditional and subordinated undated obligations of the Issuer. The Notes have no final maturity date and, accordingly, can only become redeemable or repayable in accordance with Condition 5 or Condition 9.

In the event of an Issuer Subordination Event (as defined below) occurring and continuing, claims in respect of principal of, and interest on, the Notes (except for amounts which shall have become due and payable prior to the occurrence of such Issuer Subordination Event) shall be subordinated in right of payment to all Senior Indebtedness of the Issuer with the intent that such claims rank immediately ahead of the claims as to return of capital of highest ranking shareholders of the Issuer and after all claims in respect of Senior Indebtedness of the Issuer.

In this Condition 3(a):

“Issuer Subordination Event” means that a petition has been filed with the court of competent jurisdiction in the Netherlands Antilles to have the Issuer adjudicated bankrupt or grant a suspension of payments pursuant to the provisions of the Curaçao Bankruptcy Act of 1931; and

“Senior Indebtedness of the Issuer” means all liabilities of the Issuer (including those in respect of bonds, notes and debentures) other than indebtedness in respect of preference or other shares of the Issuer or any other indebtedness which ranks, or is expressed to rank, *pari passu* with, or junior to, the indebtedness of the Issuer in respect of the Notes.⁽¹⁾

[The Notes and the Receipts and Coupons relating to them constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and at least equally and rateably with all indebtedness of the Issuer which is subordinated to the Senior Indebtedness of the Issuer, all as described below.]⁽²⁾

[(b) Guarantee

The Bank has in the Trust Deed guaranteed on a subordinated basis as described below the due and punctual payment of the principal of and interest (including additional amounts) on the Notes as and when the same shall be due and payable (the “Guarantee”).⁽¹⁾

[(b)/(c)]⁽³⁾ Subordination Event

Upon the occurrence of a [Issuer/Bank]⁽³⁾ Subordination Event and so long as such [Issuer/Bank]⁽³⁾ Subordination Event is continuing (and in the case of civil rehabilitation proceedings, so long as neither a Summary Rehabilitation Order nor Consent Rehabilitation Order shall have been issued), no payment in respect of principal of, or interest on, the Notes (except for amounts which shall have become due and payable prior to the date in Tokyo on which the [Issuer/Bank]⁽³⁾ Subordination Event shall have occurred) shall be made by the [Issuer/Bank]⁽³⁾ unless and until a Condition for Liquidation Payment shall have occurred, in which case the payments in respect of the principal of and interest on the Notes shall not exceed the amount of the liquidation distributions which would have been paid from the assets of the [Issuer/Bank]⁽³⁾ in respect of the amount of the principal of and interest on the Notes (except for amounts which shall have become due and payable prior to the occurrence of such Condition for Liquidation Payment) had such principal and interest and all Liquidation Parity

Securities been preference shares of the [Issuer/Bank]⁽³⁾ ranking most senior in priority of payment as to liquidation distributions.

The Trust Deed provides that an amendment or modification may be made to the subordination provisions contained in this Condition 3 subject to such an amendment or modification being in no way prejudicial to any present or future creditor in respect [of any Senior Indebtedness of the Issuer/of any Senior Indebtedness of the Bank]⁽³⁾ as specified in Condition 10 and subject to the approval of the Trustee or an Extraordinary Resolution of the Noteholders also as specified in Condition 10. No such amendment or modification shall in any event be effective against any third party.

The following definitions apply to these Terms and Conditions:

“[Issuer/Bank]⁽³⁾ Subordination Event” means either of the following events:

- (i) a court of competent jurisdiction shall have adjudicated the [Issuer/Bank]⁽³⁾ bankrupt pursuant to the Bankruptcy Law; or
- (ii) a court of competent jurisdiction shall have commenced corporate reorganisation proceedings with respect to the [Issuer/Bank]⁽³⁾ pursuant to the Reorganisation Law; or
- (iii) a court of competent jurisdiction shall have commenced civil rehabilitation proceedings with respect to the [Issuer/Bank]⁽³⁾ pursuant to the Civil Rehabilitation Law; or
- (iv) the [Issuer/Bank]⁽³⁾ shall become subject to bankruptcy, corporate reorganisation, civil rehabilitation or other equivalent proceedings pursuant to any applicable law of any jurisdiction other than Japan, civil rehabilitation, which proceedings have an equivalent effect to those set out in (i), (ii) or (iii) above.

“Bankruptcy Law” means the Japanese Bankruptcy Law (Law No. 75 of 2004, as amended) as amended or replaced from time to time;

“Civil Rehabilitation Law” means the Japanese Civil Rehabilitation Law (Law No. 225 of 1999, as amended) as amended or replaced from time to time;

“Commercial Code” means the Japanese Commercial Code (Law No. 48 of 1899, as amended) as amended or replaced from time to time;

“Consent Rehabilitation Order” means a decision of a court of competent jurisdiction under Article 217, paragraph 1 of the Civil Rehabilitation Law to the effect that the procedures for the investigation and confirmation of civil rehabilitation claims as defined in Article 84 of the Civil Rehabilitation Law, and the resolution of a civil rehabilitation plan shall be omitted;

“Condition for Liquidation Payment” means either of the following conditions:

- (i) in the case of liquidation of the [Issuer/Bank]⁽³⁾, all Senior Indebtedness of the [Issuer/Bank]⁽³⁾ held by creditors of the [Issuer/Bank]⁽³⁾ entitled to payment or satisfaction prior to commencement of distribution of residual assets to shareholders is paid or otherwise satisfied in full pursuant to the provisions of the Commercial Code;
- (ii) in the case of reorganisation of the [Issuer/Bank]⁽³⁾ where a decree of approbation of a corporate reorganisation plan for liquidation of the [Issuer/Bank]⁽³⁾ becomes final and conclusive, all Senior Indebtedness of the [Issuer/Bank]⁽³⁾ appearing in such plan at the date such decree has become final and conclusive is paid or otherwise satisfied in full without giving effect to any modification or reduction stipulated in such plan; or
- (iii) in the case of civil rehabilitation of the [Issuer/Bank]⁽³⁾ where a decree of approbation of a civil rehabilitation plan for liquidation of the [Issuer/Bank]⁽³⁾ becomes final and conclusive, all Senior Indebtedness of the [Issuer/Bank]⁽³⁾ appearing in such plan at the date such decree has become final and conclusive, is paid or otherwise satisfied in full without giving effect to any modification or reduction stipulated in such plan.

“Liquidation Parity Securities” means (i) any preference shares of the [Issuer/Bank]⁽³⁾ ranking most senior in priority of payment as to liquidation distributions, (ii) any other preferred or preference shares of any affiliate of the [Issuer/Bank]⁽³⁾ which shall be entitled to the benefits of a guarantee of the [Issuer/Bank]⁽³⁾ ranking *pari passu* in priority of payment as to liquidation distributions with the [Notes/Guarantee]⁽³⁾, and

(iii) any other liabilities of the [Issuer/Bank]⁽³⁾ with terms and conditions substantially equivalent or subordinate in priority of payment as to liquidation distributions to the liabilities of the [Issuer/Bank]⁽³⁾ stipulated above in this Condition 3 (which liabilities shall, for these purposes, include any liabilities under any notes or guarantee in respect thereof issued pursuant to the Trust Deed prior to 23rd August, 2002 and other liabilities with terms and conditions substantially equivalent or subordinate in priority of payment as to liquidation distributions to such liabilities);

“Reorganisation Law” means the Japanese Corporate Reorganisation Law (Law No. 154 of 2002, as amended) as amended or replaced from time to time; and

“Senior Indebtedness of the [Issuer/Bank]⁽³⁾” means all deposits and other liabilities, including dated subordinated obligations, (including those in respect of bonds, notes and debentures) of the [Issuer/Bank]⁽³⁾ other than (i) liabilities of the [Issuer/Bank]⁽³⁾ under the [Notes/Guarantee]⁽³⁾, the payment of which is restricted by this Condition 3, and (ii) other liabilities of the [Issuer/Bank]⁽³⁾ with terms and conditions substantially equivalent or subordinate in priority of payment as to liquidation distributions to the liabilities of the [Issuer/Bank]⁽³⁾ stipulated above in this Condition 3 (which liabilities shall, for these purposes, include any liabilities under any notes or guarantee in respect thereof issued pursuant to the Trust Deed and other liabilities with terms and conditions substantially equivalent or subordinate in priority of payment as to liquidation distributions to such liabilities).

“Summary Rehabilitation Order” means a decision of a court of competent jurisdiction under Article 211, paragraph 1 of the Civil Rehabilitation Law to the effect that the procedures for the investigation and confirmation of civil rehabilitation claims as defined in Article 84 of the Civil Rehabilitation Law shall be omitted.

A Noteholder by his acceptance of such Note shall thereby agree that (i) if any payment on such Note is made to the Noteholder after the occurrence of an [Issuer/Bank]⁽³⁾ Subordination Event and the amount of such payment shall exceed the amount, if any, that should have been paid to such holder, the payment of such excess amount shall be deemed null and void and such holder shall be obliged to return the amount of the excess payment within ten days after receiving notice of the excess payment and (ii) so long as an [Issuer/Bank]⁽³⁾ Subordination Event shall have occurred and be continuing (and in the case of civil rehabilitation proceedings, so long as neither a Summary Rehabilitation Order nor Consent Rehabilitation Order shall have been issued), such holder shall not be entitled to exercise any right to set off any liabilities of the Bank (except for amounts which have become due and payable prior to the date on which the [Issuer/Bank]⁽³⁾ Subordination Event shall have occurred) against any liabilities of such holder owed to the [Issuer/Bank]⁽³⁾.

N.B. For information only, and not so as to affect the terms and conditions relating to the Notes, any amount of principal or interest which, but for these provisions, would otherwise be payable is available to participate in losses of the Issuer or the Bank, as the case may be.

[(c)/(d)]⁽³⁾ Conditional Payment of Interest

Each 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 arrears on each Interest Payment Date; provided, however, that, in the case that any of the following conditions are not met on any Interest Payment Date:

- (x) the amount of the Distributable Profits of the [Issuer/Bank]⁽³⁾, based on the [Issuer’s/Bank’s]⁽³⁾ financial statements approved at a general meeting of the shareholders of the [Issuer/Bank]⁽³⁾ held immediately prior to such Interest Payment Date, exceeds zero;
- (y) the Regulatory Event has not occurred as of the Interest Payment Date; or
- (z) the Interest Payment Insolvency Event has not occurred as of the Interest Payment Date;

the interest payment to be made on such Interest Payment Date may at the option of the [Issuer/Bank]⁽³⁾ be deferred to the earlier of (a) the first Interest Payment Date after all of such conditions are met or (b) the date set for any redemption pursuant to Condition 9 or to paragraph (a) or (b) of Condition 5 below. Such deferral shall be made by giving written notice of such deferral to the Noteholders in accordance with Condition 15 below. If such notice is not given to the Noteholders on or prior to such Interest Payment Date, such interest payment to be made on such Interest Payment Date shall be deemed not so deferred and shall become due on such Interest Payment Date. If such notice is given to the Noteholders on or prior to such Interest Payment Date, the [Issuer/Bank]⁽³⁾ shall not have any obligation to make such payment on such Interest Payment Date and any

failure to pay on such Interest Payment Date shall not constitute a default by [Issuer/Bank]]⁽³⁾ for any purpose. Any interest on the Notes accrued but not becoming due on an Interest Payment Date by operation of this paragraph shall, so long as the same remains unpaid, constitute “Arrears of Interest.”

Arrears of Interest shall bear no interest. However, where default is made in the payment of any interest due and payable on an Interest Payment Date or other date upon which the same becomes due and payable and such default continues for a period of 30 days or more, interest shall accrue on any such amount in respect of which default has been made (before as well as after any judgment) from and including the due date for payment thereof at the Interest Rate applicable from time to time to the nominal amount of the Notes then outstanding until either (i) such amount together with accrued interest payable pursuant to this paragraph is paid to the holders of the Notes or (ii) the date on which notice has been given to the holders of the Notes to the effect that the funds for the payment thereof have been received by the Issuing and Paying Agent, whichever is the earlier.

“Distributable Profits” of the [Issuer/Bank]⁽³⁾ means, with respect to any fiscal year of the [Issuer/Bank]⁽³⁾, the [Issuer’s/Bank’s]⁽³⁾ profits (including earned surplus from prior years) permitted to be distributed shareholders pursuant to Article 290 of the Commercial Code and Japanese banking regulations as derived from the [Issuer’s/Bank’s]⁽³⁾ audited non-consolidated financial statements prepared in accordance with Japanese law, including the requirements and guidelines of the Japanese Ministry of Finance (“MOF”) or the Financial Services Agency of Japan;

“Interest Payment Insolvency Event” means either of the following events:

- (i) the [Issuer/Bank]⁽³⁾ is insolvent at the time of payment of the interest on the Notes; or
- (ii) payment of the interest on the Notes would cause the [Issuer/Bank]⁽³⁾ to become insolvent if the [Issuer/Bank]⁽³⁾ made such payment of interest.

For the purpose of this definition, the [Issuer/Bank]⁽³⁾ shall be insolvent if the [Issuer’s/Bank’s]⁽³⁾ Liabilities exceed its Assets. For the purpose of this paragraph, “Assets” means the total assets of the [Issuer/Bank]⁽³⁾ and “Liabilities” means the total liabilities of the [Issuer/Bank]⁽³⁾ (calculated on a non-consolidated basis), each as shown by the latest audited non-consolidated balance sheet of the [Issuer/Bank]⁽³⁾ but adjusted for subsequent events, all valued in such manner as a Representative Director, the auditors for the time being or the liquidator (as the case may be) of the [Issuer/Bank]⁽³⁾ may determine.

“Latest Operation Report” means, in relation to a day, an operation report submitted to the Commissioner of Financial Services Agency of Japan pursuant to the Banking Law (Law No. 59, 1 June, 1981, as amended) immediately prior to such day. Currently, under the Enforcement Rule of the Banking Law, the operation report in respect of the conditions of the bank’s assets and business for the period from the commencement of the bank’s fiscal year (1st April in the case of the [Issuer/Bank]⁽³⁾) to 30th September is required to be submitted to the Commissioner of the Financial Services Agency of Japan within three months from the end of such period and the operation report in respect of the bank’s fiscal year is required to be submitted within three months from the end of such fiscal year (31st March in the case of the [Issuer/Bank]⁽³⁾).

“Regulatory Event” means the [Issuer’s/Bank’s]⁽³⁾ total risk-based capital ratio calculated either on a consolidated or non-consolidated basis entered in the Latest Operation Report falls below a half of the Required Capital Ratio.

“Required Capital Ratio” means the minimum total risk-based capital ratio calculated either on a consolidated or non-consolidated basis which the [Issuer/Bank]⁽³⁾ is required under the Banking Law to have as of the last day of the business period in relation to the Latest Operation Report. Currently, the [Issuer/Bank]⁽³⁾ is required to have total risk-based capital ratio calculated either on a consolidated basis or non-consolidated basis of 8 per cent. or more under the Financial Services Agency of Japan Notice Concerning Determination of the Criteria of Capital Ratio under the Banking Law.

For the purposes of these Conditions, the term “interest” includes, unless the context requires otherwise, Arrears of Interest.

Any overdue principal of the Notes will continue to bear interest at rates determined from time to time in accordance with the Trust Deed as well after as before any judgment either until paid or until the date on which notice has been given to the holders of the Notes to the effect that the funds for the payment of principal due on the redemption of the Notes and accrued interest have been received by the Issuing and Paying Agent, whichever is the earlier.

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.

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

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount 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 Interest 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 the margin. 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) above 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 the Euro-zone (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) 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.

(d) Partly Paid Notes

In the case of Partly Paid Notes interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(e) 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 judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(f) Margin, Maximum Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding

(i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall 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 that is available as legal tender in the country[ies] of such currency.

(g) 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 (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) 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 each Interest Determination Date or such other 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 shall 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 Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority 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 notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee 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 payable and the Rate of Interest applicable 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 unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption

Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(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 Business Centres, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the 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) (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;
- (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-ICMA” 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 (1) the number of days in such Determination Period and (2) 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 (1) the number of days in such Determination Period and (2) 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 and

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Payment 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.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) 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 hereon.

“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 so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) 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 (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) 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 2000 ISDA Definitions as 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 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 in accordance with the provisions hereon.

“Reference Banks” means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index

options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

“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 the Euro-zone) 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 or appropriate to the Benchmark) 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 no time 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 or, if no such customary local time exists, 11.00 hours in the Relevant Financial Centre and, for the purpose of this definition, “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Brussels 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, ignoring any adjustment pursuant to Condition 4(b)(ii).

“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 shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall (with the prior approval of the Trustee) appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. 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 an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

The Notes are undated and accordingly will have no final maturity date and will only be redeemable or repayable in accordance with the following provisions of this Condition 5 and Condition 9.

(a) Optional Redemption

If so provided hereon, the Issuer may, having obtained the prior consent of the Financial Services Agency of Japan, on giving irrevocable notice to the Noteholders and the Trustee falling within the Issuer’s Option Period redeem, or exercise any Issuer’s option in relation to, all or, if so provided, some of the Notes in the nominal

amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their nominal amount together with interest accrued to the date fixed for redemption.

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 or the certificate numbers of the Notes, as the case may be, to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as the Trustee may approve, subject to compliance with any applicable laws and stock exchange requirements.

(b) Redemption for Taxation Reasons

If on the occasion of the next payment in respect of the Notes the Trustee is satisfied that [either (i)]⁽¹⁾ the [Issuer/Bank]⁽³⁾ would be unable to make such payment without having to pay additional amounts as described in Condition 7[, or (ii) the Bank would (A) be required to deduct or withhold amounts for or on account of Japanese tax in making any payment of any sum to the Issuer necessary to enable the Issuer duly to make a payment of principal or interest in respect of the Notes, or (B) being unable to procure the Issuer duly to make any payment of principal or interest in respect of the Notes, be required to make payment under the Guarantee and be unable to make such payment without being required to pay additional amounts as provided in Condition 7, and in any such case such requirement arises by reason of a change in the laws of the Netherlands Antilles or of Japan or any political sub-division thereof or in either case of any taxing authority therein or a change in the interpretation or application thereof or a change in any applicable double taxation treaty or convention, which change becomes effective on or after the Issue Date, or (iii) payment by the Bank of interest on the loan of the proceeds of the issue of the Notes from the Issuer to the Bank ceases to be treated as being a deductible expense for the purpose of computing the Bank's corporate tax liability by the Japanese tax authorities and the Trustee is satisfied that such requirement cannot be avoided by the Issuer or the Bank (as the case may be) taking reasonable measures (such measures not involving any material additional payments by, or expense for, the Issuer or the Bank)]⁽¹⁾ the [Issuer/Bank]⁽³⁾ may, having obtained the prior consent of the Financial Services Agency of Japan, and having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13, redeem all, but not some only, of the Notes on any Interest Payment Date at their nominal amount together with accrued interest.

(c) Purchase

The Issuer [and the Bank]⁽¹⁾ (subject to the prior consent of the Financial Services Agency of Japan) and any Subsidiary (as defined in the Trust Deed) may at any time purchase Notes (provided that, if the Notes are to be surrendered for cancellation, all unmatured Coupons and unexercised Talons relating thereto are attached thereto or surrendered therewith, as the case may be) in the open market or otherwise at any price. Any such Notes purchased by the Issuer[, the Bank]⁽¹⁾ or any Subsidiary may at the option of the Issuer[, the Bank]⁽¹⁾ or any Subsidiary be held, resold or surrendered by the Issuer[, the Bank]⁽¹⁾ or such Subsidiary, as the case may be, to the Issuing and Paying Agent or any other Paying Agent for cancellation (provided they are surrendered together with all unmatured Coupons and unexercised Talons relating thereto). The Notes so purchased while held by or on behalf of the Issuer[, the Bank]⁽¹⁾ or any such Subsidiary 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 the quorums at meetings of the Noteholders or for the purposes of Condition 10.

(d) Cancellations

All Notes redeemed by the Issuer pursuant to paragraph (a) or (b) of this Condition or surrendered by the Issuer[, the Bank]⁽¹⁾ or any Subsidiary pursuant to paragraph (c) of this Condition will (together with their unmatured Coupons and unexercised Talons attached thereto or surrendered therewith, as the case may be) be cancelled forthwith and may not be resold or reissued.

6. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of nominal and, in the case of interest, as specified in Condition 6(f)(iv)) or Coupons (in the case of interest, save as specified in Condition 6(f)(iv), 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 holder, by transfer to an account

denominated such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System; Provided that (i) in the case of euro, the transfer may be to a euro account with a bank in Europe and (ii) in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account (in the case of payment to a non-resident of Japan).

(b) Registered Notes

(i) Payments of principal in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Registered Notes will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note will be made at the specified office of any of the Transfer Agents or the Registrar in the relevant currency in which such payments are due by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address outside Japan appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer 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 opinion of the Issuer [and the Bank]⁽¹⁾, any adverse tax consequence to the Issuer [and the Bank]⁽¹⁾.

(d) Payments subject to Fiscal Laws

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 Noteholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Issuing and Paying Agent, the Paying Agent, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer [and the Bank]⁽¹⁾ and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agent, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer [and the Bank]⁽¹⁾ and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer [and the Bank]⁽¹⁾ reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Calculation Agents and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer [and the Bank]⁽¹⁾ will at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least one major city in continental Europe and, so long as the Notes are listed on the Luxembourg Stock Exchange, in Luxembourg, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

(f) Unmatured Coupons and unexchanged Talons

(i) Upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(ii) Upon the due date for redemption of any Bearer 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.

(iii) Where any Bearer Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer 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.

(iv) 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 Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Talons

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

(h) Non-Business Days

If any date for payment determined in accordance with Condition 4 in respect of any Note 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 jurisdictions as shall be specified as “Financial Centres” hereon 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 by the Issuer or the Bank in respect of the Notes or Coupons will be made without withholding of 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 Netherlands Antilles or Japan, 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. If such withholding or deduction is so required, the Issuer or, as the case may be, the Bank will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes and 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 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 or Coupon presented for payment:

- (i) Other connection: by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his being connected with the Netherlands Antilles or Japan otherwise than by reason only of the holder of any Notes or Coupons or the receipt of principal or interest in respect of any Notes; or
- (ii) Lawful avoidance of withholding: by or on behalf of a person who is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities (which declaration or claim does not require disclosure of the identity of the relevant holder); or

- (iii) Presentation more than 30 days after the Relevant Date: 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 30-day period; or
- (iv) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive; or
- (v) Payment by another Paying Agent: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.⁽¹⁾

[All payments of principal and interest in respect of the Notes, Receipts and Coupons will 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 Japan, or any authority thereof or therein having power to tax (the “Taxes”), unless such withholding or deduction of such Taxes is required by law. In such event, the Issuer shall pay such additional amounts (“Additional Amounts”) as will result in the receipt by the holders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (1) Other connection: by or on behalf of a holder(s) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (other than a designated financial institution which does not fall under item (ii) below) or (ii) who fails to comply with the Japanese tax law requirements in respect of the exemption from such withholding or deduction or (iii) who is otherwise subject to such Taxes by reason of its having some connection with Japan other than the mere holding of such Note, Receipt or Coupon; or
- (2) Presentation more than 30 days after the Relevant Date: 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 on such thirtieth day; or
- (3) Payment to individuals: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other law implementing or complying with, or introduced in order to conform to, such directive; or
- (4) Payment by another Paying Agent: presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, a “designated financial institution” means a Japanese financial institution or a Japanese securities company designated by the Special Taxation Measures Law Enforcement Order pursuant to Article 6, paragraph 8 of the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended).⁽²⁾

As used herein, the “Relevant Date” means the date on which such payment first becomes due, except that if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent or the Trustee on or prior to such due date, it means the date on which the full amount of such moneys having been so received, notice to that effect shall have been duly published in accordance with Condition 15.

Any reference in this Note to principal or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertakings or covenants given in addition thereto or in substitution therefor pursuant to the Trust Deed.

8. Prescription

Claims against the Issuer [and the Bank]⁽¹⁾ for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

9. Limited Rights of Acceleration

- (a) The Notes shall become immediately due and payable if a Condition for Liquidation Payment shall occur, in which case the payments in respect of the principal of and interest on the Notes shall not exceed the amount of the liquidation distributions which would have been paid from the assets of the

[Issuer Bank]⁽³⁾ in respect of the amount of the principal of and interest on the Notes (except for amounts which shall have become due and payable prior to the occurrence of such Condition for Liquidation Payment) had such principal and interest and all Liquidation Parity Securities been preference shares of the [Issuer/Bank]⁽³⁾ ranking most senior in priority of payment as to liquidation distributions. Redemption shall be at the nominal amount thereof together with interest accrued to the date of redemption.

- (b) Non-payment of principal or interest or breach of covenants in the Trust Deed will not constitute a default hereunder or cause any Note to become due and payable hereunder.

10. Meetings of Noteholders[,/and] Modification [and Substitution]⁽¹⁾

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modifications by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders of the Notes (including these Conditions or any provision of the Trust Deed except that no amendment or modification shall be made to Condition 2, the provisions as to subordination in Clause 2(C) of the Trust Deed or the whole of Clause 5 of the Trust Deed which would be, in the opinion of the [Issuer/Bank]⁽³⁾, in any way prejudicial to any present or future creditor in respect [of any Senior Indebtedness of the Issuer) or]⁽¹⁾ of any Senior Indebtedness of the Bank.

Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend any date for payment of interest on the Notes, (ii) to reduce or cancel the nominal amount 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 or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to take any steps which as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution (as provided in the Trust Deed) or (viii) to modify or cancel the Guarantee, will only be binding if passed at a meeting of Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) Modification of Trust Deed

The Trustee may, without the consent of the Noteholders or Couponholders, at any time and from time to time concur with the Issuer [and the Bank]⁽¹⁾ in making any modification to these terms and conditions[, the Guarantee]⁽¹⁾ or the Trust Deed if, in the opinion of the Trustee, any of the provisions of these terms and conditions[, the Guarantee]⁽¹⁾ or the Trust Deed authorise the Trustee so to concur. Furthermore, the Trustee may, without the consent of the Noteholders or Couponholders, agree to any modification of the terms and conditions[, the Guarantee]⁽¹⁾ or the Trust Deed (except that no amendment or modification may be made to Condition 2, the provisions as to subordination in Clause 2(C) of the Trust Deed [or the whole of Clause 5 of the Trust Deed]⁽¹⁾ which would be, in the opinion of the [Issuer/Bank]⁽³⁾, in any way prejudicial to any present or future creditor in respect of [any Senior Indebtedness of the Issuer or of]⁽¹⁾ any Senior Indebtedness of the Bank) or to any waiver or authorisation or any breach or proposed breach by the Issuer [or the Bank]⁽¹⁾ of the provisions of the Notes or Coupons[, the Guarantee]⁽¹⁾ or the Trust Deed which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders, or to any modification of these terms and conditions[, the Guarantee]⁽¹⁾ or the Trust Deed (except as aforesaid) which, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error.

[(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the Noteholders or Couponholders, to the substitution of the Issuer's successor in business or any subsidiary of the Issuer or its successor in business in place of the Issuer, or of a previously substituted company, as principal debtor under the Trust Deed and the Notes. In the case of such a substitution the Trustee may agree, without the consent of the

Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would, in the opinion of the Trustee, not be materially prejudicial to the interests of the Noteholders.]⁽¹⁾

11. Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer [and/or the Guarantor] as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested by Noteholders holding at least one-fifth in nominal amount of the Notes outstanding, and (b) it shall have been indemnified to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer [or the Guarantor] unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

12. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer[, the Guarantor] and any entity related to the Issuer [or the Guarantor] without accounting for any profit.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of the Bearer Notes, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs 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, Certificate, 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 on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

15. Notices

Notices to the holders of Registered Notes will be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Luxembourg Stock Exchange, in a daily newspaper with general circulation in Luxembourg (which is expected to be *d'Wort*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons and Talons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

16. The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from any obligation to take proceedings to enforce repayment of the Notes or payment under the Guarantee unless indemnified to its satisfaction. The Trustee may, if it so decides, refrain from taking such action in the absence of instructions from Noteholders. The Trustee will be entitled to enter into business transactions with the Issuer[, the Bank]⁽¹⁾ or any Subsidiary without accounting to the Noteholders or Couponholders for any profit resulting therefrom.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation, determination or substitution as aforesaid), the Trustee shall have regard to the interests of the Noteholders as a class and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequence of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory.

17. 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.

18. Governing Law and Jurisdiction

(a) Governing Law

The Notes, the Coupons, the Talons [the Guarantee]⁽¹⁾ and the Trust Deed 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 any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“Proceedings”) may be brought in such courts. [Each of]⁽¹⁾ the Issuer [and the Bank]⁽¹⁾ irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. [This submission is/These submissions are]⁽³⁾ made for the benefit of each of the holders of the Notes, Coupons and Talons 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 one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

The Issuer irrevocably appoints the General Manager for the time being of Sumitomo Mitsui Banking Corporation Europe Limited, currently at Temple Court, 11 Queen Victoria Street, London EC4N 4TA, to receive, for it and on its behalf service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

Notes:—

- (1) Square bracketed language will only appear on Notes issued by SMBCIF.
- (2) Square bracketed language will only appear on Notes issued by the Bank.
- (3) In the case of Perpetual Notes issued by SMBCIF, the word(s) appearing in square brackets in front of the oblique shall be deemed to be deleted. In the case of Perpetual Notes issued by the Bank, the word(s) appearing in the square brackets after the oblique shall be deemed to be deleted.