

**TERMS AND CONDITIONS OF THE NOTES**  
**APPLICABLE TO ISSUES OF SENIOR NOTES AND DATED SUBORDINATED 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 (the "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 Bearer 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 Notes are issued pursuant to an Agency Agreement (as amended, supplemented and/or restated as at the issue date of the Notes (the "Issue Date"), the "Agency Agreement") originally dated 18th September, 1995, between the Issuer, [Sumitomo Mitsui Banking Corporation (the "Bank")]<sup>(1)</sup>, The Bank of New York as fiscal agent and the other issuers and agents named in it. The fiscal agent, the paying agents, the transfer agents, the calculation agent(s) and the registrar for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Transfer Agents", the "Calculation Agent(s)" and the "Registrar". The Noteholders (as defined below), the holders of the coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement are available for inspection at the specified offices of the Fiscal Agent.

**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.

*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, a Zero Coupon 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, 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.

Any Instalment Notes are issued with one or more Receipts 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 and the Receipts, 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, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, 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, Receipt, 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 and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, 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 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 Receipts, 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 payment 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 Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

### *(c) Partial redemption or exercise of options in respect of Registered Notes*

In the case of a partial redemption of a holding of Registered Notes represented by a single Certificate or a partial exercise of an Issuer’s or Noteholders’ option in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate will be issued to the holder in respect of the balance of the holding not redeemed or in respect of which the relevant option has not been exercised. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

### *(d) Delivery of new Certificates*

Each new Certificate to be issued pursuant to Condition 2(a), (b) or (c) will be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) and/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 Agent (as defined in the Agency Agreement) 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 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 redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been drawn for redemption in whole or in part 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, [Guarantees]<sup>(2)</sup> [and Subordination]<sup>(3)</sup>**

*[(a) Status of Senior Notes*

The Senior Notes (being those Notes for which the “Status” is specified as such) 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. The payment obligations of the Issuer under the Senior Notes and the Receipts and Coupons relating to them [and of the Bank under the Guarantee relating to the Senior Notes]<sup>(2)</sup> shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer [and the Bank respectively]<sup>(2)</sup>, present and future.

*[(b) Guarantee in respect of Senior Notes*

The Bank has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Senior Notes, Receipts and Coupons. Its obligations in that respect (the “Guarantee”) are endorsed on the Bearer Notes or on the Certificates.<sup>(2)(12)</sup>

*[(c) Status of Dated Subordinated Notes*

The Dated Subordinated Notes (being those Notes for which the “Status” is specified as such) 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. The payment obligations of the Issuer under the Dated Subordinated Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.<sup>(4)</sup>

*[(c) Status of Dated Subordinated Notes*

The Dated Subordinated Notes and the Receipts and Coupons relating to them constitute direct 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 Senior Indebtedness of the Issuer, as defined below and is in priority to indebtedness other than such Senior Indebtedness of the Issuer as defined in Condition 3 of the Terms and Conditions of the Notes applicable to issues of perpetual Notes.<sup>(5)</sup>

*[(d) Guarantee in respect of Dated Subordinated Notes*

The Bank has irrevocably and (subject as provided in the Guarantee) unconditionally guaranteed the due payment of all sums expressed to be payable under the Dated Subordinated Notes and the Receipts and Coupons relating to them on a subordinated basis. Its obligations in that respect (the “Guarantee”) are endorsed on the Bearer Notes or on the Certificates.<sup>(4)</sup>

*[(e) Subordination Event*

Upon the occurrence of a Subordination Event, the obligations of the [Issuer/Bank]<sup>(6)</sup> pursuant to the [Dated Subordinated Notes/Guarantee]<sup>(6)</sup> shall be subordinated in right of payment to all Senior Indebtedness and, so long as such Subordination Event continues (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 will be made under the [Dated Subordinated Notes/Guarantee]<sup>(6)</sup> (except for such amounts which shall have become due and payable, other than solely by way of acceleration, prior to the date on which a Subordination Event shall have

occurred) unless and until (i) in the case of Subordination Event (a), all Senior Indebtedness of the [Issuer/Bank]<sup>(6)</sup> appearing on the final distribution list prepared by the Administrator for the final distribution of bankruptcy assets pursuant to the Japanese Bankruptcy Law (Law No. 75 of 2004 as amended) (the “Japanese Bankruptcy Law”) is paid in full or provision has been made for the payment in full thereof pursuant to the Japanese Bankruptcy Law, (ii) in the case of Subordination Event (b), all Senior Indebtedness of the [Issuer/Bank]<sup>(6)</sup> appearing in the plan of reorganisation, at the date such plan has become final and conclusive after approval by a court of competent jurisdiction in Japan, as indebtedness of the [Issuer/Bank]<sup>(6)</sup>, subject to modification of such plan, is paid in full to the extent of the original amount of such indebtedness without regard to such modification, (iii) in the case of Subordination Event (c), all Senior Indebtedness of the [Issuer/Bank]<sup>(6)</sup> appearing in the plan of rehabilitation, at the date such a plan has become final and conclusive after approval by a court of competent jurisdiction in Japan, as indebtedness of the [Issuer/Bank]<sup>(6)</sup> subject to modification in such plan, is paid in full to the extent of the original amount of such indebtedness without regard to such modification or (iv) in the case of Subordination Event (d), conditions equivalent to those set out in (i), (ii) or (iii) above have been fulfilled; provided that notwithstanding any provision herein to the contrary if the imposition of any such condition is not allowed under such proceedings, any amount which becomes due under the Notes shall become payable in accordance with these Conditions and not subject to such condition.

For the avoidance of doubt, in the course of the bankruptcy proceedings of the Bank pursuant to the Japanese Bankruptcy Law, claims of the holders of the [Dated Subordinated Notes and the Receipts and Coupons relating thereto/Guarantee]<sup>(6)</sup> (other than the claims that shall have become due and payable prior to the date on which a Subordination Event shall have occurred) will rank junior in priority to Statutory Subordinated Bankruptcy Claims (*Retsugoteki Hasan Saiken*), as defined in the Japanese Bankruptcy Law, in any distributions in such bankruptcy proceedings of the Bank. Statutory Subordinated Bankruptcy Claims will constitute Senior Indebtedness of the Bank.

No amendment or modification to the subordination provisions contained in this Condition 3 which are prejudicial to any present or future creditor in respect of any Senior Indebtedness of the [Issuer/Bank]<sup>(6)</sup> shall be made. No such amendment or modification shall in any event be effective against any third party.

A Noteholder by his acceptance of such Note shall thereby agree that if any payment on such Note is made to the Noteholder after the occurrence of a 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.

So long as a Subordination Event shall have occurred and shall 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), no right of the Noteholder to the payments under the [Notes/Guarantee]<sup>(6)</sup> shall be subject to the right to set-off against any liabilities of the Noteholders owed to the [Issuer/Bank]<sup>(6)</sup> unless and until the conditions for payment set out in (i), (ii), (iii) and (iv), corresponding to the Subordination Event, in the first paragraph of Condition 3(e) shall have been fulfilled.

“Subordination Event” means any of the events listed in (a), (b), (c) and (d) of the first paragraph of Condition 9.

“Senior Indebtedness” means all deposits and other liabilities of the [Issuer/Bank]<sup>(6)</sup> (other than (i) liabilities under the [Dated Subordinated Notes/Guarantee]<sup>(6)</sup> which shall not have become due and payable prior to the date on which a Subordination Event shall have occurred, (ii) liabilities under the [Dated Subordinated Notes/Guarantee]<sup>(6)</sup> which shall have become due and payable solely by way of acceleration prior to such date and (iii) other liabilities ranking *pari passu* with, or junior to, the [Dated Subordinated Notes/Guarantee]<sup>(6)</sup> (which liabilities shall, for these purposes, include any liabilities under [dated subordinated notes/any guarantee in respect of dated subordinated notes]<sup>(6)</sup> issued pursuant to the Agency Agreement and other liabilities ranking *pari passu* with or junior to such liabilities).

“Administrator” means bankruptcy administrator in the case of a bankruptcy pursuant to the Japanese Bankruptcy Law and corporate reorganisation administrator in the case of a reorganisation pursuant to the Japanese Corporate Reorganisation Law (Law No. 154 of 2002 as amended) (the “Japanese Reorganisation Law”).

“Consent Rehabilitation Order” means a decision of a court of competent jurisdiction under Article 217, paragraph 1 of the Japanese Civil Rehabilitation Law (Law No. 225 of 1999 as amended) (the “Japanese 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 Japanese Civil Rehabilitation Law, and the resolution of a civil rehabilitation plan shall be omitted.

“Summary Rehabilitation Order” means a decision of a court of competent jurisdiction under Article 211, paragraph 1 of the Japanese 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 Japanese Civil Rehabilitation Law shall be omitted.]<sup>(3)</sup>

#### 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 (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 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) *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(b)(i)).

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

*(g) 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 (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.

*(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 (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.

*(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 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 Fiscal Agent, 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 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. 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.

(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/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 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;



- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30; and

- (vii) 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 each period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date following after, such 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 2006 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 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 times 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 Agency Agreement). 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 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 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, Purchase and Options**

*(a) Redemption by Instalments and Final Redemption*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 5(d) or (e), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon.

The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, 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(d) or (e), each Note will be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless

otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

*(b) Early Redemption*

*(i) Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note which does not bear interest prior to the Maturity Date, 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(c) 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, where such calculation is to be made for a period less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 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 judgment) 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 scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(d).

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(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

*(c) Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, [subject to the prior consent of the Financial Services Agency of Japan having been obtained in the case of Dated Subordinated Notes,]<sup>(3)</sup> on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice of redemption to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption) if (i) the Issuer [(or, if the Guarantee were called, the Bank)]<sup>(1)</sup> has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of [Japan/the Netherlands Antilles/the United Kingdom/the United States]<sup>(7)</sup> [or Japan]<sup>(1)</sup> or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date which shall be specified in the relevant Final Terms and shall be the date on which the Issuer enters into a contract with one or more of the Dealers pursuant to which it becomes bound to issue the relevant Notes, and (ii) such obligation cannot be avoided by the Issuer [(or, where applicable, the Bank, as the case may be)]<sup>(1)</sup> taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer [(or, where applicable, the Bank, as the case may be)]<sup>(1)</sup> would be obliged to pay such additional amounts were a payment in respect of the Notes [(or, where applicable, the Guarantee, as the case may be)]<sup>(1)</sup> then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by one Director of the Issuer [(or, where applicable, the Bank, as the case may be)]<sup>(1)</sup> stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer [(or, where applicable, the Bank, as

the case may be)]<sup>(1)</sup> has or will become obliged to pay such additional amounts as a result of such change or amendment.

[If the Issuer shall determine in good faith (the “Determination”) that any payment made outside the United States by the Issuer or any of the Paying Agents of the full amount of the next scheduled payment of principal or interest due in respect of any Bearer Note, Receipt or Coupon would, under any present or future laws or regulations of the United States affecting taxation or otherwise, be subject to any certification, information, documentation or other reporting requirement of any kind, the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Bearer Note, Receipt or Coupon who is a United States of America Alien (as defined below) (other than such a requirement that (i) would not be applicable to a payment made (a) directly to the beneficial owner or (b) to a custodian, nominee or other agent of the beneficial owner or (ii) can be satisfied by such custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States of America Alien: provided, however, in each case referred to in clauses (i)(b) and (ii) above that payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirement referred to in this sentence, (iii) is applicable only to a payment by a custodian, nominee or other agent of the beneficial owner to such beneficial owner or (iv) would not be applicable to a payment made by at least one other Paying Agent of the Issuer), the Issuer shall either (x) redeem the Bearer Notes, as a whole, but not in part, at their Redemption Amount, together with accrued interest to the date designated for redemption, such redemption to take place on the Interest Payment Date, not later than one year after the publication of notice of the Determination, as the Issuer shall elect by notice to the Noteholders not less than 60 days before the redemption date, unless shorter notice is acceptable to the Fiscal Agent, or (y) if the conditions of the next succeeding paragraph are satisfied, pay the additional amounts specified in such paragraph. The Issuer shall make the Determination as soon as practicable and give prompt notice thereof to holders of Notes in the manner described in Condition 13, stating in the notice the effective date of such certification, information, documentation or other reporting requirement and the date upon which any redemption shall take place. Notwithstanding the foregoing, the Issuer shall not so redeem the Bearer Notes if the Issuer shall subsequently determine, not less than 30 days before the date designated for redemption, that subsequent payments would not be subject to any such requirement, in which case the Issuer shall give notice to the Noteholders of such determination and any earlier redemption notice shall be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, information, documentation or other reporting requirement referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, prior to publication of the notice of the Determination, to have the provisions of this paragraph apply in lieu of the provisions of such preceding paragraph. In such event, the Issuer will pay as additional interest such additional amounts as may be necessary so that every net payment made following the effective date of such requirement outside the United States by the Issuer or any of its Paying Agents of principal or interest due in respect of any Bearer Note, Receipt or any Coupon to a beneficial owner who is a United States of America Alien (but without any requirement that the nationality, residence or identity of the beneficial owner of such Note, Receipt or Coupon be disclosed to the Issuer, any Paying Agent or an governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge that (i) would not be applicable in the circumstances referred to in the third parenthesis of the first sentence of the preceding paragraph, or (ii) is imposed as a result of presentation of such Note, Receipt or Coupon for payment more than 10 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Note, Receipt or such Coupon to be then due and payable. In the event that the Issuer elects to pay additional amounts pursuant to this paragraph, the Issuer, at its option, may on an Interest Payment Date redeem the Bearer Notes as a whole, but not in part, upon publication of a notice of redemption to holders of Bearer Notes in the manner provided in Condition 13, at least once not more than 60 days and not less than 45 days before the date designated for redemption, at a redemption price equal to 100 per cent. of the nominal amount, together with accrued interest to the date designated for redemption.

The term “United States of America Alien” means any corporation, individual, fiduciary or partnership that is, as to the United States a foreign corporation, non-resident alien individual, non-resident alien fiduciary of a foreign estate or trust, or foreign partnership to the extent that one or more of its members are, as to the United States, foreign corporations, non-resident alien individuals or non-resident alien fiduciaries of foreign estates or trusts.]<sup>(13)</sup>

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

If Call Option is specified hereon, the Issuer may, [subject to the prior consent of the Financial Services Agency of Japan having been obtained in the case of Dated Subordinated Notes,]<sup>(3)</sup> on giving irrevocable notice to the Noteholders as may be 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 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 or the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered 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 may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

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

If Put Option is specified hereon, the Issuer shall, at the option of the 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 with interest accrued to the date fixed for redemption.

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

*(f) 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.

*(g) Purchases*

The Issuer[, the Bank]<sup>(1)</sup> and any of [its/their]<sup>(9)</sup> subsidiaries[, subject to the prior consent of the Financial Services Agency of Japan having been obtained in the case of Dated Subordinated Notes,]<sup>(3)</sup> may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

*(h) Cancellation*

All Notes purchased by or on behalf of the Issuer[, the Bank]<sup>(1)</sup> or any of [its/their]<sup>(9)</sup> subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchangeable Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer [and the Bank]<sup>(1)</sup> in respect of any such Notes shall be discharged.

## **6. Payment 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 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 at the specified office of any of the Fiscal Agent or the Paying Agents), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(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 holder, 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, (i) in the case of euro, the transfer may be to a euro account in a city in which banks have access to the TARGET System, 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 (which for the purpose of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) 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 (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid to the person shown on the Registrar 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 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 of 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]<sup>(1)</sup>, any adverse tax consequence to the Issuer [and the Bank]<sup>(1)</sup>.

*(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 Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer [and the Bank]<sup>(1)</sup> and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer [and the Bank]<sup>(1)</sup> and do not assume any obligation or relationship of agency or trust for or with any holder. [Each of the]<sup>(1)</sup> Issuer [and the Bank]<sup>(1)</sup> reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar or any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Fiscal 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 two major European cities at least one of which is Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange, (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, 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, Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing 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 Account, 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 the due date for redemption of any Bearer Note, unmaturing 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 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.

(iv) Upon the due date for redemption of any Bearer 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 Bearer Note which provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing 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.

(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 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 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).

*(h) Non-Business Days*

If any date for payment, determined in accordance with Condition 4, 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 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 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 and the Guarantee by the Issuer or, where applicable, the Bank (as the case may be) 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 [the Netherlands Antilles/the United States]<sup>(40)</sup> 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. In that event, 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 Noteholders and the Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts, or Coupons or (as the case may be) Guarantee, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (1) Other connection: to, or to a third party 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 having some connection with [the Netherlands Antilles/the United States]<sup>(40)</sup> or Japan otherwise than merely by holding the Note, Receipt or Coupon; or
- (2) Lawful evidence of withholdings: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any person (including a tax authority) in the place where there is payment under the relevant Note, Receipt or Coupon presented for payment; or
- (3) 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 the thirtieth such day; or
- (4) 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
- (5) Payment by another Paying Agent: 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<sup>(41)</sup>

[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 (i) 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;
- (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: 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).<sup>(5)</sup>

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or respective Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. 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 5 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 [and the Bank, where applicable,]<sup>(4)</sup> for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 9. Events of Default

[In the case of Dated Subordinated Notes, if one of the following events shall occur and be continuing, the holders of not less than 25 per cent. in aggregate nominal amount of the Notes then outstanding or an Extraordinary Resolution of Noteholders may, by written notice to the Issuer, declare the principal of and all interest then accrued on the Notes to be forthwith due and payable upon receipt of such notice by the Issuer. Immediately upon delivery of such notice, the Notes shall become due and repayable at their nominal amount plus accrued interest:

- (a) a court of competent jurisdiction shall have adjudicated the [Issuer/Bank]<sup>(6)</sup> to be bankrupt pursuant to the provisions of the Japanese Bankruptcy Law or any successor legislation thereto;
- (b) a court of competent jurisdiction shall have commenced reorganisation proceedings with regard to the [Issuer/Bank]<sup>(6)</sup> pursuant to the provisions of the Japanese Reorganisation Law or any successor legislation thereto;
- (c) a court of competent jurisdiction shall have commenced civil rehabilitation proceedings with regard to the [Issuer/Bank]<sup>(6)</sup> pursuant to the provisions of the Japanese Civil Rehabilitation Law or any successor legislation thereto;
- (d) The [Issuer/Bank]<sup>(6)</sup> shall become subject to bankruptcy, corporate reorganisation or other equivalent proceedings pursuant to any applicable law of any jurisdiction other than Japan, which proceedings have an equivalent effect to those set out in (a), (b) and (c) above.<sup>(3)</sup>

[In the case of Senior Notes, if any of the following events occurs, any Noteholder may by written notice to the Fiscal Agent, effective upon receipt thereof by the Fiscal Agent, declare that such Note is immediately repayable, whereupon the Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable without presentment, demand, protest or other notice of any kind, all of which the Issuer hereby expressly waives, anything contained in these conditions to the contrary notwithstanding, unless prior to the time when the Fiscal Agent receives such notice all events of default provided for herein in respect of the Notes shall have been cured:

- (a) *Non-Payment*: default is made for a period of more than 14 days in any payment of principal or interest in respect of any of the Notes as and when the same ought to be paid; or

- (b) *Breach of other obligations:* default is made by the Issuer [or, as the case may be, the Bank]<sup>(2)</sup> in the performance or observance of any other covenant, term or agreement of the Issuer under the Notes [or, as the case may be, the Bank under the Guarantee]<sup>(2)</sup> and such default is continuing for the period of 90 days after the date on which written notice of such default, requiring the Issuer [or, as the case may be, the Bank]<sup>(2)</sup> to remedy the same, shall first have been given to the Issuer [or the Bank, as the case may be,]<sup>(2)</sup> by any Noteholder; or
- (c) *Cross-Default:* the Issuer [or the Bank]<sup>(2)</sup> becomes bound as a consequence of default by it in its obligations in respect of the same to repay prematurely any indebtedness for borrowed moneys contracted or incurred by it and in the case of the Issuer such indebtedness exceeds [U.S.\$5,000,000]<sup>(2)</sup> [¥1,000,000,000]<sup>(5)</sup> or its equivalent in another currency or currencies [and in the case of the Bank such indebtedness exceeds ¥1,000,000,000 or its equivalent in another currency or currencies]<sup>(2)</sup> and such acceleration of maturity shall not have been stayed, rescinded or annulled within 10 days of the date on which written notice of such default is first given to the Fiscal Agent by the holder of any Note or the Issuer [or the Bank]<sup>(2)</sup> defaults in the repayment of such indebtedness (exceeding, in the case of the Issuer, [U.S.\$5,000,000]<sup>(2)</sup> [¥1,000,000,000]<sup>(5)</sup> or its equivalent in another currency or currencies [and, in the case of the Bank, ¥1,000,000,000 or its equivalent in another currency or currencies]<sup>(2)</sup>) at the later of the maturity thereof or the expiration of any applicable grace period therefor or if the Issuer [or the Bank]<sup>(2)</sup> shall fail to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys (exceeding, in the case of the Issuer, [U.S.\$5,000,000]<sup>(2)</sup> [¥1,000,000,000]<sup>(5)</sup> or its equivalent in another currency or currencies [and, in the case of the Bank, ¥1,000,000,000 or its equivalent in another currency or currencies]<sup>(2)</sup>) given by it and such failure shall continue for a period of seven days; or
- (d) *Winding-up:* the Issuer [or the Bank]<sup>(2)</sup> disposes (otherwise than in the ordinary course of business) of the whole or a substantial part of its assets or a resolution is passed or an order is made by a court of competent jurisdiction that the Issuer [or the Bank]<sup>(2)</sup> be wound up or dissolved (in each case, otherwise than for the purposes of or pursuant to an amalgamation, merger or reconstruction under which the rights of the holders of the Notes are not impaired and the continuing entity effectively assumes the entire obligation of the Issuer under the Notes [or of the Bank under the Guarantee]<sup>(2)</sup>); or
- (e) *Appointment of Receiver:* an encumbrancer takes possession or a trustee or a receiver is appointed of the whole or any material part of the assets or undertaking of the Issuer [or the Bank]<sup>(2)</sup>; or
- (f) *Enforcement Proceedings:* a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Issuer [or the Bank]<sup>(2)</sup> which is material in its effect upon the operations of the Issuer or the Bank and is not discharged within 60 days thereof; or
- (g) *Insolvency:*
- (i) the Issuer [or the Bank]<sup>(2)</sup> stops payment or (otherwise than for the purposes of such an amalgamation, merger or reconstruction as is referred to in paragraph (d) above) ceases or threatens to cease to carry on business or is unable to pay its debts as and when they fall due; or
  - (ii) proceedings shall have been initiated against the Issuer [or the Bank]<sup>(2)</sup> under any applicable bankruptcy or insolvency law and such proceedings shall not have been discharged or stayed within a period of 30 days; or
  - (iii) the Issuer [or the Bank]<sup>(2)</sup> shall initiate or consent to proceedings relating to themselves or either of them under any applicable bankruptcy or insolvency law (including proceedings seeking, [with respect to the Bank, a decree of commencement of rehabilitation or reorganisation and,]<sup>(2)</sup> with respect to the Issuer, [a decree of commencement of rehabilitation or reorganization]<sup>(5)</sup> [the appointment of an administrator or other receiver or other similar official in relation to the whole or any substantial part of the undertakings or assets of the Issuer]<sup>(2)</sup>) or the Issuer or the Bank shall make a conveyance or assignment for the benefit of or enter into any composition with its creditors; or
- [h) *Guarantee:* the Guarantee is not (or is claimed by the Bank not to be) in full force and effect.]<sup>(2)(12)</sup>

## 10. Meetings of Noteholders[,and]<sup>(11)</sup> Modification [and Substitution]<sup>(2)</sup>

### (a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders of the Notes (including these Conditions or any provision of the Trust Deed

insofar as the same may apply to such Notes). An 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 the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount or 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 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 Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) 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]<sup>(11)</sup>(viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution [or (ix) to amend, vary, terminate or suspend the Guarantee or the obligations thereunder,]<sup>(2)</sup> will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Agency Agreement) 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 Agency Agreement*

The Issuer [and, where applicable, the Bank]<sup>(2)</sup> shall only permit, without the consent of the Noteholders, any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

*[(c) Substitution*

(i) The Bank or any company controlling, controlled by or under common control with the Bank (the “Substituted Issuer”) may, without the consent of the Noteholders or Couponholders, assume liability as the principal debtor in respect of the Notes, the Receipts, the Coupons and the Talons, provided that:

(aa) a deed poll and such other documents (if any) (together, the “Documents”) shall be executed by the Substituted Issuer and (if the Substituted Issuer is not the Bank) the Bank as may be necessary to give full effect to the substitution and (without limiting the generality of the foregoing) pursuant to which the Substituted Issuer shall undertake in favour of the holder of each Note, receipt, Coupon or Talon to be bound by these Conditions and the terms of the Agency Agreement as fully as if the Substituted Issuer had been named herein and therein as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute) and (if the Substituted Issuer is not the Bank) pursuant to which the Bank shall guarantee in favour of the holder of each Note and Coupon the payment of all sums payable by the Substituted Issuer as such principal debtor;

(bb) (without prejudice to the generality of this sub-paragraph (i)) where the Substituted Issuer is incorporated, domiciled or resident in a territory other than [the Netherlands Antilles/the United States]<sup>(10)</sup>, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that the holder of each Note and Coupon has the benefit of a covenant in terms corresponding to the provisions of Condition 7 with the substitution of the references to [the Netherlands Antilles/the United States]<sup>(10)</sup> or any authority thereof or therein having power to tax with references to the territories or any authority thereof or therein having power to tax in which the Substituted Issuer is incorporated, domiciled or resident and shall also contain a covenant to indemnify and hold harmless the holder of each Note, Receipt, Coupon or Talon against all liabilities, costs, charges and expenses which may be incurred by or levied against any such holder as a result of the Substituted Issuer assuming liability as the principal debtor in respect of the Notes pursuant to this Condition and which should not have been incurred or levied had such assumption not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on such holder by any political subdivision or taxing authority of any country in which such holder resides or is subject to any such tax or duty and which would not have been so imposed had such assumption not been made);

(cc) the Documents will contain a warranty and representation that the Substituted Issuer and (if the Substituted Issuer is not the Bank) the Bank have obtained all necessary governmental and regulatory approvals and consents for the assumption by the Substituted Issuer of liability as principal debtor in respect of the Notes, Receipts, Coupons and Talons and (if the Substituted Issuer is not the Bank) of the guarantee by the Bank of the obligations of the Substituted Issuer, that such approvals and consents are in full force and effect and that the obligations assumed by the Substituted Issuer and (if the Substituted Issuer is not the Bank) the guarantee given by the Bank are valid and binding in accordance with their terms and enforceable by the holder of each Note, Receipt, Coupon and Talon; and

(dd) the Bank will procure that the Substituted Issuer will supply an opinion from an independent legal adviser in the jurisdiction of the Substituted Issuer to the effect that the Substituted Issuer will become bound by these Conditions and the Agency Agreement as if the Substituted Issuer had originally been named herein and therein.

(ii) Upon the execution of the Documents as referred to in Condition 10(c)(i) the Substituted Issuer shall be deemed to be named herein and on the Receipts, the Coupons and the Talons as the principal debtor in place of the Issuer (or of any previous substitute under this Condition) and this Note, the Receipt(s) (if any), the Coupons and the Talons (if any) appertaining hereto shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations (including, for the avoidance of doubt, past obligations) as principal debtor in respect of the Notes, the Receipts, the Coupons and the Talons.

(iii) The Documents shall be deposited with and held by the Fiscal Agent for so long as any Note or Coupon remains outstanding and for so long thereafter as any claim made against the Substituted Issuer or (if the Substituted Issuer is not the Bank) the Bank by any Noteholder or Couponholder in relation to the Notes, the Receipts, the Coupons, the Talons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Issuer and (if the Substituted Issuer is not the Bank) the Bank shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for enforcement of any of the Notes, the Coupons or the Documents.

(iv) Not later than 14 days after the execution of the Documents the Substituted Issuer shall give notice thereof to the Noteholders in accordance with Condition 13.

(v) For the purposes of this Condition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company, which, in aggregate, entitle the holder thereof to elect a majority of its directors and includes any company in like relationship to such first-mentioned company and, for this purpose, “voting shares” means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof and “controlling”, “controlled by” and “under common control with” shall be construed accordingly.<sup>[2]</sup>

## **11. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, 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 Fiscal Agent (in the case of the Bearer Notes, Receipts, 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, 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 on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, 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 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.

### 13. 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 Receipts 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.

### 14. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer [or the Bank]<sup>(2)</sup> or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer [or the Bank]<sup>(2)</sup> shall only constitute a discharge to the Issuer [or the Bank, as the case may be,]<sup>(2)</sup> to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer[, failing whom the Bank,]<sup>(2)</sup> shall indemnify it against any loss sustained by it as a result. In any event, the Issuer[, failing whom the Bank,]<sup>(2)</sup> shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's [and the Bank's]<sup>(2)</sup> other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

Notes:—

- (1) Square bracketed provisions will only appear on Notes issued by SMBCIF or SMBCCM.
- (2) Square bracketed text will not appear on Notes issued by the Bank.
- (3) Square bracketed provisions will only appear on Notes issued by SMBCIF or the Bank.
- (4) Square bracketed provisions will only appear on Notes issued by SMBCIF.
- (5) Square bracketed provisions will only appear on Notes issued by the Bank.
- (6) In the case of Dated Subordinated Notes issued by SMBCIF, the word(s) appearing in the square brackets in front of the oblique shall be deemed to be deleted. In the case of Dated Subordinated Notes issued by the Bank, the word(s) appearing in the square brackets after the oblique shall be deemed to be deleted.
- (7) References to Japan, the Netherlands Antilles or the United States, as the case may be, will appear on Notes issued by the Bank, SMBCIF and SMBCCM respectively.
- (8) Square bracketed provisions will not appear on Notes issued by SMBCIF or SMBCCM.
- (9) In the case of Notes guaranteed by the Bank, the word appearing in the square brackets in front of the oblique shall be deemed to be deleted. In the case of Notes not guaranteed by the Bank, the word appearing in the square brackets after the oblique shall be deemed to be deleted.
- (10) References to the Netherlands Antilles or the United States, as the case may be, will appear on Notes issued by SMBCIF, and SMBCCM respectively.
- (11) Delete as appropriate.
- (12) Square bracketed provisions will only appear on Senior Notes issued by SMBCCM or the Bank.
- (13) Square bracketed provisions will only appear on Senior Notes issued by SMBCCM.

## **15. 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.

## **16. Governing Law and Jurisdiction**

### *(a) Governing Law*

The [Guarantee, the]<sup>(1)</sup> 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 any Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“Proceedings”) may be brought in such courts. The Issuer [and the Bank each]<sup>(1)</sup> 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. [These submissions are]<sup>(1)</sup> [This submission is]<sup>(8)</sup> made for the benefit of each of the holders of the Notes, Receipts, 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, as its agent, 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.