

18 MARCH 2016

**CITIGROUP INC.
AS ISSUER**

**U.S.\$110,000,000,000
PROGRAMME FOR THE ISSUANCE OF
EURO MEDIUM TERM NOTES, SERIES C**

ISSUE AND PAYING AGENCY AGREEMENT

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THIS AGREEMENT is made on 18 March 2016

BETWEEN:

- (1) **CITIGROUP INC.** (the “**Issuer**”);
- (2) **CITIBANK, N.A.** as registrar (the “**Registrar**”);
- (3) **CITIBANK, N.A.** as fiscal agent (the “**Fiscal Agent**”);
- (4) **CITIBANK, N.A.** as transfer agent (the “**Transfer Agent**”); and
- (5) **BANQUE INTERNATIONALE À LUXEMBOURG, société anonyme** as paying agent (together with the Fiscal Agent, the “**Paying Agents**”).

WHEREAS:

- (A) The Issuer has established a U.S.\$110,000,000,000 Programme (the “**Programme**”) for the issuance of Euro medium-term notes (the “**Notes**”), in connection with which it has entered into a dealer agreement (as amended or supplemented from time to time, the “**Dealer Agreement**”) dated 18 March 2016, and made between the Issuer and the dealers named therein (the “**Dealers**”, which expression shall include any substitute or additional dealers appointed in accordance with the Dealer Agreement).
- (B) Notes may be issued on a listed or unlisted basis. The Issuer has made an application for Notes issued under the Programme to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, in connection with which application the Issuer has procured the preparation of the Base Prospectus (as defined herein). Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) In connection with the Programme, the Issuer has prepared a base prospectus dated 18 March 2016 which has been approved by the CSSF and constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive as amended and relevant implementing measures in Luxembourg.
- (D) The Issuer and the Agents (as defined below) wish to record certain arrangements which they have made in relation to the Notes to be issued under the Programme.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 **Definitions**

In this Agreement the following expressions have the following meanings:

“**Agents**” means the Paying Agents, the Registrar, the Transfer Agents and any Calculation Agent and “**Agent**” means any one of the Agents;

“**Applicable Law**” means any law or regulation including, but not limited to: (i) any statute or regulation; (ii) any rule or practice of any Authority by which any Party is bound or with which it is accustomed to comply; (iii) any agreement between any Authorities; and (iv) any customary agreement between any Authority and any Party;

“**Authorised Amount**” has the meaning given to it in the Dealer Agreement;

“**Authority**” means any competent regulatory, prosecuting, Tax or governmental authority in any jurisdiction;

“**Base Prospectus**” means the base prospectus prepared by the Issuer dated 18 March 2016 in connection with the application for Notes to be listed on the regulated market of Luxembourg Stock Exchange and any further base prospectus prepared in connection with the listing, trading and/or quotation of any Notes by any other competent authority, stock exchange and/or quotation system on which Notes may from time to time be admitted to listing, trading and/or quotation together with any information incorporated therein by reference, as the same may be amended, supplemented, updated and/or replaced from time to time;

“**Calculation Agent**” means, in relation to any Series of Notes, the institution appointed as calculation agent for the purposes of such Notes and named as such in the relevant Final Terms, in the case of the Fiscal Agent, pursuant to Clause 11 (*Appointment and Duties of the Calculation Agent*), in the case of a Dealer, pursuant to clause 8 (*Calculation Agent*) of the Dealer Agreement and, in the case of any other institution pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 4 (*Form of Calculation Agent Appointment Letter*) and, in any case, any successor to such institution in its capacity as such;

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme, Luxembourg;

“**Common Safekeeper**” means an ICSD in its capacity as common safekeeper or a person nominated by the ICSDs to perform the role of common safekeeper;

“**Common Service Provider**” means a person nominated by the ICSDs to perform the role of common service provider;

the “**Conditions**” means, in relation to any Notes, the terms and conditions applicable to such Notes set out in the Base Prospectus, as amended or supplemented or replaced in the Final Terms prepared in respect of such Notes and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof;

“**Euroclear**” means Euroclear Bank S.A./N.V. or any successor thereto;

“**Event of Default**” means any of the circumstances or events set out as an event of default in the Conditions;

“**Fiscal Agent**”, “**Paying Agents**”, “**Registrar**”, “**Transfer Agent**” and “**Calculation Agent**” include any successors thereto appointed from time to time in accordance

with Clause 14 (*Changes in Agents*) and “**Paying Agent**” means any one of the Paying Agents;

“**Global Note**” means a Global Note substantially in the form set out in Part A of Schedule 1 (*Form of Global Note*);

“**Issuer-ICSDs Agreement**” means the agreement entered into between the Issuer and the ICSDs with respect to the settlement in the ICSDs of Notes to be held under the NSS;

“**ICSDs**” means Clearstream, Luxembourg and Euroclear;

“**Individual Note Certificate**” means a Note certificate substantially in the form set out in Part B of Schedule 1 (*Form of Individual Note Certificate*);

“**Local Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Fiscal Agent has its Specified Office;

“**Local Time**” means the time in the city in which the Fiscal Agent has its Specified Office;

“**London business day**” means a day on which commercial banks and foreign exchange markets are open for business in London;

“**Listing Agent**” means, in relation to the Luxembourg Stock Exchange, Banque Internationale à Luxembourg, société anonyme or its successor and, in relation to any other stock exchange, the agent appointed by the Issuer in accordance with Clause 14 (*Changes in Agents*);

references to a “**master Global Note**” are to a Note substantially in the form set out in Part A of Schedule 1 (*Form of Global Note*) which is complete save in that it requires completion by the Fiscal Agent or, as the case may be, the Registrar, on behalf of the Issuer, as to the details of the Tranche of Notes to which they will relate;

“**Note Certificate**” means a Global Note and/or an Individual Note Certificate;

“**NSS**” or “**New Safekeeping Structure**” means a structure where a Global Note which is registered in the name of a nominee of a Common Safekeeper of Euroclear and/or Clearstream, Luxembourg will be deposited on or about the issue date with the Common Safekeeper of Euroclear and/or Clearstream, Luxembourg.

“**Outstanding**” means, in relation to any Series of Notes, all such Notes other than:

- (a) those which have been redeemed in full or purchased and cancelled pursuant to the Conditions;
- (b) those in respect of which the date for redemption in full has occurred and the redemption moneys therefor (including all arrears of interest to such date for redemption) have been duly paid to the Fiscal Agent in the manner provided for in this Agreement (and, where appropriate, notice to that effect has been

given in accordance with the Conditions) and remain available for payment in accordance with the Conditions;

- (c) those which have become void or claims in respect of which have become prescribed under the Conditions,

provided, however, that for the purposes of Schedule 2 (*Provisions for Meetings of Noteholders*) those Notes which are held by or on behalf of the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“Put Option Notice” means a notice of exercise relating to the put option contained in Condition 9(e) (*Redemption at the option of Noteholders*), substantially in the form set out in Schedule 5 (*Form of Put Option Notice*) or such other form as may from time to time be agreed between the Issuer and the Fiscal Agent and distributed to each Paying Agent;

“Put Option Receipt” means a receipt delivered by a Paying Agent in relation to an Individual Note Certificate which is the subject of a Put Option Notice, substantially in the form set out in Schedule 6 (*Form of Put Option Receipt*) or such other form as may from time to time be agreed between the Issuer and the Fiscal Agent and distributed to each Paying Agent;

“Register” has the meaning set out in Clause 5 (*Transfer of Notes*);

“Regulations” means the regulations concerning the transfer of Notes as the same may from time to time be promulgated by the Issuer and approved by the Registrar (the initial regulations being set out in Schedule 8 (*Regulations concerning transfers and registration of Notes*));

“Relevant Agreement” means an Agreement between the Issuer and any Dealer(s) for the issue by the Issuer and the subscription by such Dealer(s) of any Notes;

“Relevant Dealer” means, in respect of any Tranche of Notes, the institution specified as such in the relevant Final Terms;

“Replacement Agent” means the Fiscal Agent or, in respect of any Tranche of Notes, the Paying Agent named as such in the relevant Final Terms;

“Required Paying Agent” means any Paying Agent (which may be the Fiscal Agent) or Transfer Agent (which expression shall include, for the purposes of this definition only, the Registrar) which is the sole remaining Paying Agent or (as the case may be) Transfer Agent with its Specified Office in any city where a listing authority, stock exchange and/or quotation system by which the Notes are admitted to listing, trading and/or quotation requires there to be a Paying Agent, or, as the case may be Transfer Agent;

a **“Schedule”** means, unless the context indicates otherwise, to a schedule hereto;

the **“Securities Act”** is to the United States Securities Act of 1933;

“**Series**” means a Tranche or Tranches of Notes the terms of which are identical except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches and a Series may comprise Notes in more than one denomination;

the “**Specified Office**” of any Agent means the office specified against its name in Schedule 3 (*The Specified Offices of the Agents*) or, in the case of any Agent not originally party hereto, specified in its terms of appointment (or, in the case of a Calculation Agent which is a Dealer, specified for the purposes of clause 8 (*Calculation Agent*) of the Dealer Agreement) or such other office in the same city or town as such Agent may specify by notice to the Issuer and the other parties hereto in accordance with Clause 14.8 (*Change in Specified Offices*);

“**Taxes**” means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Authority having power to tax.

“**Tranche**” means Notes which are issued on the same Issue Date, the terms of which are identical in all respects (save that a Tranche may comprise Notes in more than one denomination).

1.2 **Records**

Any reference in this Agreement to the records of an ICSD shall be to the records that each of the ICSDs holds for its customers which reflect the amount of such customers’ interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD).

1.3 **Clauses and Schedules**

Any reference in this Agreement to a Clause or a sub-clause or a Schedule is, unless otherwise stated, to a clause or a sub-clause hereof or a schedule hereto.

1.4 **Principal and interest**

In this Agreement, (i) any reference to principal or interest includes any additional amounts payable in relation thereto under the Conditions and (ii) any reference to principal shall include any Deliverable Assets (as defined in the Conditions).

1.5 **Terms defined in the Conditions**

Terms and expressions used but not defined herein have the respective meanings given to them in the Base Prospectus, Dealer Agreement and the Conditions.

1.6 **Statutes**

Any reference in this Agreement to a statute, any provision thereof or to any statutory instrument, order or regulation made thereunder shall be construed as a reference to such statute, provision, statutory instrument, order or regulation as the same may have been, or may from time to time be, amended or re-enacted.

1.7 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement.

2. **APPOINTMENT OF THE AGENTS**

2.1 **Appointment**

The Issuer appoints each of the Agents at their respective Specified Offices as its agent in relation to the Notes for the purposes specified in this Agreement and in the Conditions and all matters incidental thereto.

2.2 **Acceptance of appointment**

Each of the Agents accepts its appointment as agent of the Issuer in relation to the Notes and shall perform all matters expressed to be performed by it in, and otherwise comply with, the Conditions and the provisions of this Agreement and, in connection therewith, shall take all such action as may be incidental thereto.

2.3 **Obligations Several**

The obligations of the Agents are several and not joint.

3. **THE NOTES**

3.1 **Global Notes**

Each Global Note shall:

- 3.1.1 be in substantially the form set out in Part A of Schedule 1 (*Form of Global Note*) but with such modifications, amendments and additions as the Relevant Dealer and the Issuer shall have agreed to be necessary;
- 3.1.2 have the Conditions attached thereto or incorporated by reference therein;
- 3.1.3 have the relevant Final Terms attached thereto; and
- 3.1.4 be executed manually or in facsimile by or on behalf of the Issuer or shall be a duplicate of the relevant master Global Note supplied by the Issuer under Clause 4.2 (*Master Global Notes*) and, in any case, shall be authenticated manually by or on behalf of the Registrar and, if held under the NSS, effectuated by the Common Safekeeper.

3.2 **Individual Note Certificates**

Each Individual Note Certificate shall:

- 3.2.1 be in substantially the form set out in Part B of Schedule 1 (*Form of Individual Note Certificate*) but with such modifications, amendments and additions as the Relevant Dealer and the Issuer shall have agreed to be necessary;
- 3.2.2 have a unique certificate or serial number printed thereon;

- 3.2.3 have the Conditions and the relevant Final Terms (or relevant parts thereof) endorsed thereon, or attached thereto or incorporated by reference therein;
- 3.2.4 be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Registrar.

3.3 **Manual signatures**

Each master Global Note, if any, will be signed manually by or on behalf of the Issuer. A master Global Note may be used provided that the person(s) whose signature(s) appear thereon were/was an authorised signatory/ies at the date of signing such master Global Note notwithstanding that any such person may, for any reason (including death), have ceased to be such authorised signatory at the time of the creation and issue of the relevant Tranche or the issue and delivery of the relevant Note.

3.4 **Facsimile signatures**

Any facsimile signature affixed to a Note may be that of a person who is at the time of the creation and issue of the relevant Tranche an authorised signatory for such purpose of the Issuer notwithstanding that such person may for any reason (including death) have ceased to be such an authorised signatory at the time at which the relevant Note may be delivered.

3.5 **Notification**

The Issuer shall promptly notify in writing the Fiscal Agent and the Registrar of any change in the names of the person or persons whose signatures are to be used.

4. **ISSUANCE OF NOTES**

4.1 **Issuance procedure**

Upon the conclusion of any Relevant Agreement, the Issuer shall, as soon as practicable but in any event, not later than 3.00 p.m. (London time) on the second Local Banking Day prior to the proposed Issue Date:

- 4.1.1 confirm by fax or email to the Registrar (copied to the Fiscal Agent) all such information as the Registrar may reasonably require to carry out its functions under this Agreement and in particular, whether customary eurobond or Medium-Term note settlement and payment procedures will apply to the relevant Tranche and (if a master Global Note is/are to be used), such details as are necessary to enable it to complete a duplicate or duplicates of the master Global Note and (if Medium-Term note settlement and payment procedures are to apply) the account of the Issuer to which payment should be made;
- 4.1.2 deliver a copy of the form of Final Terms in relation to the relevant Tranche to the Fiscal Agent, or, as the case may be, the Registrar (copied to the Fiscal Agent); and
- 4.1.3 unless a master Global Note is to be used and the Issuer shall have provided such document to the Fiscal Agent and/or the Registrar, as the case may be,

pursuant to Clause 4.2 (*Master Global Notes*), ensure that there is delivered to the Fiscal Agent or, as the case may be, Registrar an appropriate Global Note (in unauthenticated (and, if applicable, uneffectuated) form but executed by or on behalf of the Issuer and otherwise complete) in relation to the relevant Tranche.

4.2 **Master Global Notes**

The Issuer may, at its option, deliver from time to time to the Registrar, a stock of Master Global Notes (in unauthenticated (and, if applicable, uneffectuated) form but executed by or on behalf of the Issuer).

4.3 **Delivery of Final Terms**

The Fiscal Agent shall on behalf of the Issuer, where the relevant Notes are to be listed on the Luxembourg Stock Exchange or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Final Terms, deliver a copy of the Final Terms in relation to the relevant Tranche to the relevant Listing Agent and the Luxembourg Stock Exchange or such other stock exchange as soon as practicable but in any event not later than 2.00 p.m. (Luxembourg time) one London business day prior to the proposed issue date therefor.

4.4 **Authentication, effectuation and delivery of Global Note**

Immediately before the issue of any Global Note, the Fiscal Agent (or its agent on its behalf) or, as the case may be, the Registrar (or an agent on its behalf), shall authenticate it. Following authentication of any Global Note, the Fiscal Agent or, as the case may be, the Registrar, shall:

4.4.1 in the case of a Tranche intended to be cleared through a clearing system (other than a Tranche which is syndicated among two or more Dealers), on the Local Banking Day immediately preceding its Issue Date deliver the Global Note to the relevant depository for Euroclear and/or Clearstream, Luxembourg (which in the case of a Global Note to be held under the NSS shall be a specified Common Safekeeper) or to the relevant depository for such other clearing system as shall have been agreed between the Issuer the Registrar and:

- (a) instruct the clearing systems to whom (or to whose depository or Common Safekeeper) such Global Note has been delivered, to credit the underlying Notes represented by such Global Note to the securities account(s) at such clearing systems that have been notified to the Registrar by the Issuer, on a delivery against payment basis or, if specifically agreed between them, on a delivery free of payment basis; and
- (b) in the case of a Global Note to be held under the NSS, instruct the Common Safekeeper to effectuate the Global Note (provided that, if the Fiscal Agent is the Common Safekeeper, the Fiscal Agent shall effectuate the Global Note); and

- 4.4.2 in the case of a Tranche which is syndicated among two or more Dealers, on the Issue Date at or about the time specified in the Relevant Agreement deliver the Global Note to, or to the order of, the Relevant Dealer at such place as shall be specified in the Relevant Agreement or such other time, date and/or place as may have been agreed between the Issuer and the Registrar against the delivery to the Fiscal Agent of such certificate as to payment or payment instructions as shall be agreed in writing in connection with the closing procedure for the relevant Tranche, *provided that* in the case of a Global Note to be held under the NSS, it must be delivered to a specified Common Safekeeper together with instructions to the Common Safekeeper to effectuate the Global Note; and
- 4.4.3 at such time, on such date, deliver the Global Note to such person and in such place as may have been agreed between the Issuer and the Registrar (*provided that* in the case of a Global Note to be held under the NSS it must be delivered to a specified Common Safekeeper together with instructions to the Common Safekeeper to effectuate the Global Note).

4.5 **Repayment of advance**

If the Fiscal Agent should pay an amount (an “**advance**”) to the Issuer in the belief that a payment has been or will be received from a Dealer, and if such payment is not received by the Fiscal Agent on the date that the Fiscal Agent pays the Issuer, at the request of the Fiscal Agent the Issuer shall forthwith repay the advance (unless prior to such repayment the payment is received from the Dealer) and shall pay interest on such amount which shall accrue (as well after as before judgment) on the basis of a year of 360 days (365 days (366 days in the case of a leap year) in the case of an advance paid in sterling) and the actual number of days elapsed from the date of payment of such advance until the earlier of (i) repayment of the advance or (ii) receipt by the Fiscal Agent of the payment from the Dealer, and at the rate per annum which is the sum of one per cent. per annum and the rate specified by the Fiscal Agent as reflecting its cost of funds for the time being in relation to the unpaid amount.

4.6 **Duties of Fiscal Agent, Registrar and Replacement Agent**

Each of the Fiscal Agent, Registrar and the Replacement Agent shall hold in safe custody all unauthenticated, Global Notes or Individual Note Certificates delivered to it in accordance with this Clause 4 (*Issuance of Notes*) and Clause 6 (*Replacement Notes*) and shall ensure that the same (or, in the case of master Global Notes copies thereof) are authenticated, effectuated (if applicable) and delivered only in accordance with the terms hereof, of the Conditions and, if applicable, the relevant Note. The Issuer shall ensure that each of the Fiscal Agent, Registrar and the Replacement Agent holds sufficient Notes or Note Certificates to fulfil its respective obligations under Clause 4 (*Issuance of Notes*) and Clause 6 (*Replacement Notes*) and each of the Fiscal Agent, Registrar and the Replacement Agent undertakes to notify the Issuer if it holds insufficient Notes or Note Certificates for such purposes.

4.7 **Authority to authenticate and effectuate**

Each of the Fiscal Agent, Registrar and the Replacement Agent is authorised by the Issuer to authenticate and, if applicable, effectuate such Global Notes and Individual

Note Certificates as may be required to be authenticated or, as the case may be, effectuated hereunder by the signature of any of their respective officers or any other person duly authorised for the purpose by the Fiscal Agent, Registrar or (as the case may be) the Replacement Agent.

4.8 Exchange of Global Note for Individual Note Certificates

If the Global Note becomes exchangeable for Individual Note Certificates in accordance with its terms, the Registrar shall authenticate and deliver to each person designated by a clearing system an Individual Note Certificate in accordance with the terms of this Agreement and the Global Note.

4.9 Changes in Dealers

The Issuer undertakes to notify the Fiscal Agent and the Registrar of any changes in the identity of the Dealers appointed generally in respect of the Programme and the Fiscal Agent agrees to notify the other Agents thereof as soon as reasonably practicable thereafter.

4.10 Election of Common Safekeeper

The Issuer hereby authorises and instructs the Fiscal Agent to elect Clearstream, Luxembourg to be Common Safekeeper for each issue of a Global Note to be held under the NSS in relation to which one of the ICSDs must be Common Safekeeper. From time to time, the Issuer and the Fiscal Agent may agree to vary this election. The Issuer acknowledges that in connection with the election of either of the ICSDs as Common Safekeeper any such election is subject to the right of the ICSDs to jointly determine that the other shall act as Common Safekeeper in relation to any such issue and agrees that no liability shall attach to the Fiscal Agent in respect of any such election made by it.

5. TRANSFERS OF NOTES

5.1 Maintenance of the Register

The Registrar shall maintain in relation to the Notes a register (the “**Register**”), which shall be kept at its Specified Office in accordance with the Conditions and be made available by the Registrar to the Issuer, and the other Agents for inspection and for the taking of copies or extracts therefrom at all reasonable times. The Register shall show the aggregate principal amount, serial numbers and dates of issue of Note Certificates, the names and addresses of the initial Holders thereof and the dates of all transfers to, and the names and addresses of, all subsequent Holders thereof, all cancellations of Note Certificates and all replacements of Note Certificates.

5.2 Registration of Transfers in the Register

The Registrar shall receive requests for the transfer of Notes in accordance with the Conditions and the Regulations and shall make the necessary entries in the Register.

5.3 **Transfer Agents to receive requests for Transfers of Notes**

Each of the Transfer Agents shall receive requests for the transfer of Notes in accordance with the Conditions and the Regulations and assist, if required, in the issue of new Note Certificates to give effect to such transfers and, in particular, upon any such request being duly made, shall promptly notify the Registrar of:

- 5.3.1 the aggregate principal amount of the Notes to be transferred;
- 5.3.2 the name(s) and addresses to be entered on the Register of the Holder(s) of the new Note Certificate(s) to be issued in order to give effect to such transfer; and
- 5.3.3 the place and manner of delivery of the new Note Certificate(s) to be delivered in respect of such transfer,

and shall forward the Note Certificate(s) relating to the Notes to be transferred (with the relevant form(s) of transfer duly completed) to the Registrar with such notification.

6. **REPLACEMENT NOTES**

6.1 **Delivery of replacements**

Subject to receipt of sufficient Global Notes and Individual Note Certificates in accordance with Clause 4.6 (*Duties of Fiscal Agent, Registrar and Replacement Agent*), the Replacement Agent shall, upon and in accordance with the instructions (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity) of the Issuer but not otherwise, authenticate (if necessary) and deliver a Global Note or Individual Note Certificate, as the case may be, as a replacement for any of the same which has been mutilated or defaced or which has or has been alleged to have been destroyed, stolen or lost *provided, however, that:*

- 6.1.1 no Global Note or Individual Note Certificate, as the case may be, shall be delivered as a replacement for any of the same which has been mutilated or defaced otherwise than against surrender of the same or, in the case of a Global Note to be held under the NSS, appropriate confirmation of destruction from the Common Safekeeper; and
- 6.1.2 any replacement Global Note to be held under the NSS shall be delivered to the Common Safekeeper together with instructions to effectuate it.

The Replacement Agent shall not issue a replacement for any of the same until the applicant has furnished the Replacement Agent with such evidence, security and indemnity as the Issuer and/or the Replacement Agent may reasonably require and has paid such costs and expenses as may be incurred in connection with such replacement.

6.2 **Replacements to be numbered**

Each replacement Global Note or Individual Note Certificate delivered hereunder shall bear a unique certificate or (as the case may be) serial number.

6.3 Cancellation of mutilated or defaced Notes

The Replacement Agent shall cancel each mutilated or defaced Global Note or Individual Note Certificate surrendered to it and in respect of which a replacement has been delivered.

6.4 Notification

The Replacement Agent shall notify the Issuer and the other Agents of the delivery by it in accordance herewith of any replacement Global Note or Individual Note Certificate specifying the serial number thereof and the certificate or (as the case may be) serial number (if any and if known) of the Note which it replaces and confirming (if such be the case) that the Note which it replaces has been cancelled and (if such is the case) destroyed in accordance with Clause 6.5 (*Destruction*).

6.5 Destruction

Unless the Issuer instructs otherwise, the Replacement Agent shall destroy each mutilated or defaced Global Note or Individual Note Certificate surrendered to and cancelled by it and in respect of which a replacement has been delivered and shall furnish the Issuer with a certificate as to such destruction specifying the certificate or serial numbers (if any) of the Global Note or Individual Note Certificate so destroyed. In the case of a Global Note to be held under the NSS which has been destroyed by the Common Safekeeper, the Replacement Agent shall furnish the Issuer with a copy of the confirmation of destruction received by it from the Common Safekeeper.

7. PAYMENTS TO THE FISCAL AGENT

7.1 Issuer to pay Fiscal Agent

In order to provide for the payment of interest and principal or, as the case may be, any other amount payable in respect of the Notes of each Series as the same shall become due and payable, the Issuer shall pay to the Fiscal Agent on the date on which such payment becomes due an amount equal to the amount of principal or, as the case may be, interest then becoming due in respect of such Notes or any other amount payable.

7.2 Manner and time of payment

Each amount payable by the Issuer under Clause 7.1 (*Issuer to pay Fiscal Agent*) shall be paid unconditionally by credit transfer in the currency in which the Notes of the relevant Series are denominated or, if different, payable and in immediately available, freely transferable, cleared funds not later than 10.00 a.m. (Local Time) on the relevant day to such account with such bank as the Fiscal Agent may from time to time by notice to the Issuer have specified for the purpose. The Issuer shall, before 10.00 a.m. (Local Time) on the second Local Banking Day before the due date of each payment by it under Clause 7.1 (*Issuer to pay Fiscal Agent*), procure that the bank effecting payment for it confirms by tested telex or authenticated SWIFT message to the Fiscal Agent the payment instructions relating to such payment.

7.3 **Exclusion of liens and interest**

The Fiscal Agent shall be entitled to deal with each amount paid to it under this Clause 7 (*Payments to the Fiscal Agent*) in the same manner as other amounts paid to it as a banker by its customers *provided, however, that:*

- 7.3.1 it shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof;
- 7.3.2 it shall not be liable to any person for interest thereon; and
- 7.3.3 money held by it need not be segregated except as required by law.

Amounts paid to the Fiscal Agent shall not be held subject to the United Kingdom's Financial Conduct Authority's Client Money Rules.

7.4 **Application by Fiscal Agent**

The Fiscal Agent shall apply each amount paid to it hereunder in accordance with Clause 8 (*Payments to Noteholders*) and shall not be obliged to repay any such amount unless the claim for the relevant payment becomes void under Condition 13 (*Prescription*) or otherwise ceases in accordance with the Conditions, in which event it shall refund at the written request of the Issuer such portion of such amount as relates to such payment by paying the same by credit transfer to such account with such bank as the Issuer has by notice to the Fiscal Agent specified for the purpose.

7.5 **Non-payment**

If the Fiscal Agent has not by 10.00 (a.m.) (Local Time) on the due date of any payment received the full amount payable under Clause 7.1 (*Issuer to pay Fiscal Agent*) it shall forthwith notify the Issuer and the Paying Agents thereof. If the Fiscal Agent subsequently receives payment of the amount due, it shall forthwith notify the Issuer and the Paying Agents thereof.

8. **PAYMENTS TO NOTEHOLDERS**

8.1 **Payments by Paying Agents**

Each Paying Agent acting through its Specified Office shall make payments of interest or, as the case may be, principal in respect of Notes in accordance with the Conditions applicable thereto (and, in the case of a Global Note, the terms thereof) *provided, however, that:*

- 8.1.1 if any Global Note or Individual Note Certificate is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent shall forthwith notify the Issuer of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and has received the amount to be so paid;
- 8.1.2 a Paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Notes, if:

- (a) in the case of the Fiscal Agent, it has not received the full amount of any payment due to it under Clause 7.1 (*Issuer to pay Fiscal Agent*); or
- (b) in the case of any other Paying Agent, it is not able to establish that the Fiscal Agent has received (whether or not at the due time) the full amount of any payment due to it under Clause 7.1 (*Issuer to pay Fiscal Agent*);

8.1.3 each Paying Agent shall:

- (a) in the case of a Global Note held under the NSS, the Fiscal Agent shall instruct the Common Safekeeper to destroy the relevant Global Note; and
- (b) cancel or procure the cancellation of each Global Note or Individual Note Certificate against surrender of which it has made full payment and shall deliver or procure the delivery of each Global Note or Individual Note Certificate so cancelled to the Registrar;

8.1.4 notwithstanding any other provision of this Agreement, each Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future taxes, duties or charges if and to the extent so required by applicable law, in which event such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for (and shall notify the Issuer of) the amount so withheld or deducted.

8.2 Exclusion of liens and commissions

No Paying Agent shall exercise any lien, right of set-off or similar claim against any person to whom it makes any payment under Clause 8.1 (*Payments by Paying Agents*) in respect thereof, nor shall any commission or expense be charged by it to any such person in respect thereof.

8.3 Reimbursement by Fiscal Agent

If a Paying Agent other than the Fiscal Agent makes any payment in accordance with Clause 8.1 (*Payments by Paying Agents*):

8.3.1 it shall notify the Fiscal Agent and the Registrar of the amount so paid by it, the certificate or serial number (if any) of the Global Note or Individual Note Certificate against presentation or surrender of which payment of principal or interest was made (if applicable); and

8.3.2 subject to and to the extent of compliance by the Issuer with Clause 7.1 (*Issuer to pay Fiscal Agent*) (whether or not at the due time), the Fiscal Agent shall pay to such Paying Agent out of the funds received by it under Clause 7.1 (*Issuer to pay Fiscal Agent*), by credit transfer in immediately available, freely transferable, cleared funds to such account with such bank as such Paying Agent may by notice to the Fiscal Agent have specified for the purpose, an amount equal to the amount so paid by such Paying Agent.

8.4 Appropriation by Fiscal Agent

If the Fiscal Agent makes any payment in accordance with Clause 8.1 (*Payments by Paying Agents*), it shall be entitled to appropriate for its own account out of the funds received by it under Clause 7.1 (*Issuer to pay Fiscal Agent*) an amount equal to the amount so paid by it.

8.5 Reimbursement by Issuer

Subject to sub-clauses 8.1.1 and 8.1.2 (*Payments by Paying Agents*) if any Paying Agent makes a payment in respect of Notes at a time at which the Fiscal Agent has not received the full amount of the relevant payment due to it under Clause 7.1 (*Issuer to pay Fiscal Agent*), and the Fiscal Agent is not able out of the funds received by it under Clause 7.1 (*Issuer to pay Fiscal Agent*) to reimburse such Paying Agent therefor (whether by payment under Clause 8.3 (*Reimbursement by Fiscal Agent*) or appropriation under Clause 8.4 (*Appropriation by Fiscal Agent*)), the Issuer shall from time to time on demand pay to the Fiscal Agent for the account of such Paying Agent:

- 8.5.1 the amount so paid out by such Paying Agent and not so reimbursed to it; and
- 8.5.2 interest on such amount from the date on which such Paying Agent made such payment until the date of reimbursement of such amount.

Any payment made under sub-clause 8.5.1 shall satisfy *pro tanto* the Issuer's obligations under Clause 7.1 (*Issuer to pay Fiscal Agent*).

8.6 Interest

Interest shall accrue for the purpose of sub-clause 8.5.2 (as well after as before judgment) on the basis of a year of 360 days (365 days (366 days in the case of a leap year) in the case of an amount in sterling) and the actual number of days elapsed and at the rate per annum which is the sum of one per cent. per annum and the rate per annum specified by the Paying Agent as reflecting its cost of funds for the time being in relation to the unpaid amount.

8.7 Partial payments

If at any time and for any reason a Paying Agent makes a partial payment in respect of any Global Note or Individual Note Certificate presented or surrendered for payment to or to the order of that Paying Agent, such Paying Agent shall endorse thereon a statement indicating the amount and date of such payment.

9. MISCELLANEOUS

9.1 Records

The Registrar shall:

- 9.1.1 separately in respect of each Series of Notes, maintain a record of all Note Certificates delivered hereunder and of their redemption, payment, exchange, cancellation, mutilation, defacement, alleged destruction, theft or loss or replacement; and

9.1.2 make such records available for inspection at all reasonable times by the Issuer and the other Paying Agents.

9.2 **Information from Paying Agents**

The Paying Agents shall make available to the Fiscal Agent and the Registrar such information as may reasonably be required for the maintenance of the records referred to in Clause 9.1 (*Records*) and for the Fiscal Agent and the Registrar to perform the duties set out in Schedule 7 (*Duties under the Issuer-ICSDs Agreement*).

9.3 **Cancellation**

The Issuer may from time to time deliver to the Registrar Note Certificates, for cancellation, whereupon the Registrar, shall cancel such Note Certificates and make the corresponding entries in the Register.

9.4 **Note Certificates in issue**

As soon as practicable after a request from the Issuer, the Registrar shall notify the Issuer of the serial numbers and principal amount of any Note Certificates against surrender of which payment has been made and of the serial numbers and principal amount of any Note Certificates (and the names and addresses of the Holders thereof) which have not yet been surrendered for payment.

9.5 **Destruction**

The Fiscal Agent or as the case may be, the Registrar:

9.5.1 may destroy each Global Note or Individual Note Certificate cancelled by it (or cancelled by another Paying Agent or Replacement Agent) (where there is no principal amount remaining of such Global Note, Individual Note Certificate delivered to and cancelled by it in accordance with Clause 9.3 (*Cancellation*), in which case it shall upon written request furnish the Issuer with a certificate as to such destruction distinguishing between the Notes of each Series and specifying the certificate or serial numbers of the Global Note and Individual Note Certificates in numerical sequence;

9.5.2 may instruct the Common Safekeeper to destroy each Global Note to be held under the NSS in accordance with Clause 8.1 (*Payments by Paying Agents*) in which case, upon receipt of confirmation of destruction from the Common Safekeeper, the Fiscal Agent shall furnish the Issuer with a copy of such confirmation; and

9.5.3 where it has delivered any authenticated Global Note to a Common Safekeeper for effectuation using electronic means, is authorised and instructed to destroy the authenticated Global Note retained by it following its receipt of confirmation from the Common Safekeeper that the relevant Global Note has been effectuated.

9.6 Forms of Proxy and Block Voting Instructions

The Registrar shall, at the request of the Holder of any Note held in a clearing system, issue Forms of Proxy and Block Voting Instructions in a form and manner which comply with the provisions of Schedule 2 (*Provisions for Meetings of Noteholders*) (except that it shall not be required to issue the same less than forty eight hours before the time fixed for any Meeting therein provided for) and shall perform and comply with the provisions of Schedule 2 (*Provisions for Meetings of Noteholders*). The Registrar shall keep a full record of Forms of Proxy and Block Voting Instructions issued by it and will give to the Issuer not less than twenty four hours before the time appointed for any Meeting or adjourned Meeting full particulars of all Forms of Proxy and Block Voting Instructions issued by it in respect of such Meeting or adjourned Meeting.

9.7 Provision of documents

The Issuer shall provide to the Fiscal Agent for distribution among the Paying Agents and the Registrar:

- 9.7.1 specimen Notes;
- 9.7.2 sufficient copies of all documents required to be available for inspection as provided in the Base Prospectus or, in relation to any Notes, the Conditions or Final Terms in respect of such Notes;
- 9.7.3 in the event that the provisions of such Condition become relevant in relation to any Notes, the documents required under Condition 9(b) (*Redemption for tax reasons*); and
- 9.7.4 The Registrar shall provide the Fiscal Agent with all such information as the Fiscal Agent may reasonably require in order to perform the obligations set out in Clause 9.10 (*Notifications and Filings*) hereof.

9.8 Documents available for inspection

Each of the Paying Agents and the Registrar shall make available for inspection by holders of Notes during normal business hours at its Specified Office such documents as may be specified as so available in the Base Prospectus or, in relation to any Notes, the Conditions or Final Terms in respect of such Notes, or as may be required by any listing authority, stock exchange and/or quotation system by which any Notes may from time to time be admitted to listing, trading and/or quotation and, without prejudice to the generality of the foregoing, the Fiscal Agent and the Paying Agent with its specified office in Luxembourg shall make available for inspection during normal business hours at its specified office copies of the Base Prospectus and all other documents listed in the General Information Section of the Base Prospectus and, in the event that the provisions of such Condition become relevant, the certificate required in Condition 9(b)(i) (*Redemption for tax reasons*).

9.9 Notifications and filings

The Fiscal Agent shall (on behalf of the Issuer) make all necessary notifications and filings as may be required from time to time in relation to the issue, purchase and

redemption of Notes by all applicable laws, regulations and guidelines and, in particular but without limitation, those promulgated by, Japanese governmental or regulatory authorities, in the case of Notes denominated in or linked to Japanese Yen and the Bank of England, in the case of Notes denominated in or linked to sterling.

Save as aforesaid, the Issuer shall be solely responsible for ensuring that each Note to be issued or other transactions to be effected hereunder shall comply with all applicable laws and regulations of any governmental or other regulatory authority in connection with any Note and that all necessary consents and approvals of, notifications to and registrations and filings with, any such authority in connection therewith are effected, obtained and maintained in full force and effect.

9.10 Completion of distribution

The Fiscal Agent, or, as the case may be, the Registrar agrees with the Issuer that, to the extent that it is notified by each relevant Dealer that the distribution of the Notes of any Tranche is complete, it will notify the relevant Dealers of the completion of distribution of the Notes of any Tranche which are sold to or through more than one Dealer.

9.11 Forwarding of notices

The Fiscal Agent, or, as the case may be, the Registrar shall immediately notify the Issuer of any notice delivered to it declaring any Note due and payable by reason of an Event of Default or requiring any breach of any provision of this Agreement or the Conditions applicable to any Tranche of Notes to be remedied.

9.12 Publication of notices

The Fiscal Agent shall upon and in accordance with the instructions of the Issuer but not otherwise, arrange for the publication in accordance with the Conditions of any notice which is to be given to the Holders of any Notes and shall supply a copy thereof to each other Paying Agent.

9.13 Issuer-ICSDs Agreement

The Fiscal Agent and the Registrar shall comply with the provisions set out in Schedule 7 (*Duties under the Issuer-ICSDs Agreement*).

9.14 The Issuer and the Agents shall, within ten business days of a written request by either the Agents or the Issuer respectively, supply to that other such forms, documentation and other information relating to it, its operations, or any Notes as that other party reasonably requests for the purposes of that other party's compliance with Applicable Law and shall notify the relevant other party reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such party is (or becomes) inaccurate in any material respect; provided, however, that no party shall be required to provide any forms, documentation or other information to the extent that: (i) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such party and cannot be obtained by such party using reasonable efforts; or (ii) doing so would or might in the reasonable opinion of such party constitute a breach of any: (a) Applicable Law; (b) fiduciary duty; or (c) duty of confidentiality.

- 9.15 The Issuer shall notify the Agents in the event that it determines that any payment to be made by an Agent under any Notes is a payment which could be subject to FATCA Withholding if such payment were made to a recipient that is generally unable to receive payments free from FATCA Withholding, and the extent to which the relevant payment is so treated, provided, however, that the Issuer's obligation shall apply only to the extent that such payments are so treated by virtue of characteristics of the Issuer, such Notes, or both.
- 9.16 Notwithstanding any other provision of the Issue and Paying Agency Agreement, each Agent shall be entitled to make a deduction or withholding from any payment which it makes under any Notes for or on account of any Tax, if and only to the extent so required by Applicable Law, in which event the relevant Agent shall make such payment after such deduction or withholding has been made and shall account to the relevant Authority within the time allowed for the amount so deducted or withheld or, at its option, shall reasonably promptly after making such payment return to the Issuer the amount so deducted or withheld, in which case, the Issuer shall so account to the relevant Authority for such amount.
- 9.17 In the event that the Issuer determines in its sole discretion that withholding for or on account of any Tax will be required by Applicable Law in connection with any payment due to any of the Agents on any Notes, then the Issuer will be entitled to redirect or reorganise any such payment in any way that it sees fit in order that the payment may be made without such deductions or withholding provided that, any such redirected or reorganised payment is made through a recognised institution of international standing and otherwise made in accordance with the Issue and Paying Agency Agreement. The Issuer will promptly notify the Agents of any such redirection or reorganisation.

10. **EARLY REDEMPTION AND EXERCISE OF OPTIONS**

10.1 **Exercise of call or other option**

If the Issuer intends (other than consequent upon an Event of Default) to redeem all or any of the Notes prior to their stated maturity date or to exercise any other option under the Conditions, it shall, not less than 14 days prior to the latest date for the publication of the notice of redemption or of exercise of the Issuer's option required to be given to the Holders of any Notes, give notice of such intention to the Fiscal Agent and the Registrar stating the date on which such Notes are to be redeemed or such option is to be exercised.

10.2 **Exercise of put option**

Each Paying Agent shall make available to Noteholders during the period specified in Condition 9(e) (*Redemption at the option of Noteholders*) for the deposit of Put Option Notices forms of Put Option Notice upon request during usual business hours at its Specified Office. Upon receipt by a Paying Agent of a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Individual Note Certificates, such Individual Note Certificates, in accordance with Condition 9(e) (*Redemption at the option of Noteholders*), such Paying Agent shall notify the Issuer

and (in the case of a Paying Agent other than the Fiscal Agent) the Fiscal Agent (and, if applicable, the Registrar) thereof indicating the certificate or serial numbers (if any) and principal amount of the Notes in respect of which the Put Option is exercised. Any such Paying Agent with which an Individual Note Certificate, is deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder and shall hold such Individual Note Certificate, on behalf of the depositing Noteholder (but shall not, save as provided below or in the Conditions, release it) until the Optional Redemption Date (Put), when it shall present such Individual Note Certificate, to itself for payment of the redemption moneys therefor and interest (if any) accrued to such date in accordance with the Conditions and Clause 8 (*Payments to Noteholders*) and pay such amounts in accordance with the directions of the Noteholder contained in the Put Option Notice; *provided, however, that* if, prior to the Optional Redemption Date (Put), such Notes evidenced by such Individual Note Certificate becomes immediately due and payable or upon due presentation of such Individual Note Certificate, payment of such redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall in the case of an Individual Note Certificate, mail such Note Certificate by uninsured post to, and at the risk of, the Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice. Any Paying Agent which receives a Put Option Notice in respect of Notes represented by a Global Note shall make payment of the relevant redemption moneys and interest accrued to the Optional Redemption Date (Put) in accordance with the Conditions, Clause 8 (*Payments to Noteholders*) and the terms of the Global Note.

10.3 Exercise of Redenomination option

Where Redenomination is specified in the relevant Final Terms as being applicable, the Issuer shall, in accordance with Clause 10.1 (*Exercise of call or other option*) above notify the Registrar of its intention to exercise its option to redenominate. Where the Notes have been issued in individual certificated form, the Registrar shall cancel or procure the cancellation of each Individual Note Certificate which has become void in accordance with its terms upon due and full exchange for an Individual Note Certificate denominated in euro.

10.4 Details of exercise

At the end of any applicable period for the exercise of such option or, as the case may be, not later than 7 days after the latest date for the exercise of such option in relation to a particular date, each Paying Agent shall in the case of the exercise of an option in respect of a Global Note or an Individual Note Certificate, promptly notify the Registrar of the principal amount of the Notes in respect of which such option has been exercised with it together with their certificate or, as the case may be, serial numbers and the Registrar shall promptly notify such details to the Issuer.

11. APPOINTMENT AND DUTIES OF THE CALCULATION AGENT

11.1 Appointment

The Issuer appoints the Fiscal Agent at its specified office as Calculation Agent in relation to each Series of Notes in respect of which it is named as such in the relevant

Final Terms for the purposes specified in this Agreement and in the Conditions and all matters incidental thereto.

11.2 Acceptance of appointment

The Fiscal Agent accepts its appointment as Calculation Agent in relation to each Series of Notes in respect of which it agrees to be named as such in the relevant Final Terms and shall perform all matters expressed to be performed by it in, and otherwise comply with, the Conditions and the provisions of this Agreement and, in connection therewith, shall take all such action as may be incidental thereto. The Fiscal Agent acknowledges and agrees that it shall be named in the relevant Final Terms as Calculation Agent in respect of each Series of Notes unless the Dealer (or one of the Dealers) through whom such Notes are issued has agreed with the Issuer to act as Calculation Agent or the Issuer otherwise agrees to appoint another institution as Calculation Agent.

11.3 Calculations and determinations

The Calculation Agent shall in respect of each Series of Notes in relation to which it is appointed as such:

- (a) obtain such quotes and rates and/or make such determinations, calculations, adjustments, notifications and publications as may be required to be made by it by the Conditions at the times and otherwise in accordance with the Conditions; and
- (b) maintain a record of all quotations obtained by it and of all amounts, rates and other items determined or calculated by it and make such records available for inspection at all reasonable times by the Issuer and the Paying Agents.

12. COMMISSIONS, FEES AND EXPENSES

12.1 Fees and expenses

The Issuer shall pay:

- (a) in respect of the services of the Agents under this Agreement such fees and expenses as may from time to time be agreed between the Issuer and the Fiscal Agent; and
- (b) on demand, all out-of-pocket expenses (including legal, advertising, telex and postage expenses) properly incurred by the Agents in connection with their services together with any applicable value added tax, sales, stamp, issue, registration, documentary or other taxes or duties.

12.2 Front-end expenses

The Issuer shall on demand reimburse the Fiscal Agent, each Paying Agent, the Registrar, the Transfer Agent and each Calculation Agent for all expenses (including, without limitation, legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services hereunder (plus any applicable value added tax), other than such

costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 12.1 (*Fees and expenses*).

12.3 **Taxes**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Agreement and any letters of appointment under which any Agent is appointed as agent hereunder, and the Issuer shall indemnify each Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same. All payments by the Issuer under this Clause 12 (*Commissions, Fees and Expenses*) or Clause 13.4 (*Indemnity in favour of the Agents*) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States of America or any political subdivision or any authority thereof or therein, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Agent of such amounts as would have been received by it if no such withholding or deduction had been required.

13. **TERMS OF APPOINTMENT**

13.1 Each of the Paying Agents, the Registrar and the Transfer Agent and (in the case of sub-clauses 13.1.4, 13.1.5 and 13.1.6 each Calculation Agent) may, in connection with its services hereunder:

13.1.1 except as ordered by a court of competent jurisdiction or as required by law and notwithstanding any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof, but subject to sub-clause 8.1.1 (*Payments by Paying Agents*), treat the holder of any Note as the absolute owner thereof and make payments thereon accordingly;

13.1.2 assume that the terms of each Note as issued are correct;

13.1.3 refer any question relating to the ownership of any Note or the adequacy or sufficiency of any evidence supplied in connection with the replacement of any Note to the Issuer for determination by the Issuer and rely upon any determination so made;

13.1.4 rely upon, and be protected against liability for acting upon, the terms of any notice, instruction, communication or other document reasonably believed by it to be genuine and from the proper parties;

13.1.5 refrain from acting in accordance with any instruction if, in its sole discretion, it determines that such instruction is equivocal, unclear or conflicting;

- 13.1.6 engage and pay for the advice or services of any lawyers or other experts whose advice or services it considers necessary and rely upon any advice so obtained (and such Agent shall be protected and shall incur no liability as against the Issuer in respect of any action taken, or suffered to be taken, in accordance with such advice and in good faith); and
- 13.1.7 treat itself as being released from any obligation to take any action hereunder which it reasonably expects will result in any expense or liability to it, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

13.2 **Extent of Duties**

Each Agent shall be obliged to perform such duties and only such duties as are applicable to such Agent and are specifically set forth in this Agreement and the Conditions and any duties necessarily incidental thereto. No Agent shall:

- 13.2.1 be under any fiduciary duty or other obligation towards or have any relationship of agency or trust for or with any person other than the Issuer; or
- 13.2.2 be responsible for or liable in respect of the legality, validity or enforceability of this Agreement, any Note or any act or omission of itself or any other person (including, without limitation, the Issuer or any other Agent) except for its own gross negligence, wilful default or bad faith, including that of its officers, directors and employees; or
- 13.2.3 be obliged to perform additional duties set out in any Final Terms and thereby incorporated into the Conditions unless it shall have agreed to perform such duties. If the Conditions are amended on or after a date on which the Calculation Agent accepts any appointment in a way which affects the duties expressed to be performed by the Calculation Agent, the Calculation Agent shall not be obliged to perform such duties as so amended unless it has first approved the relevant change to the Conditions. No Agent shall be under any obligation to take any action hereunder which it expects, and has thus notified the Issuer in writing, will result in any expense or liability of such Agent, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

13.3 **Performance of Duties**

Whenever, in the performance of its duties under this Agreement, an Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Issuer prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a duly authorised officer of the Issuer and delivered to such Agent and such certificate shall constitute full authorisation to such Agent, in its capacity as such, for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.

13.4 Indemnity in favour of the Agents

The Issuer shall indemnify and hold harmless each Agent and each of their respective officers, employees or agents on demand by such Agent against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs or which may be made against such Agent, other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 12.1 (*Fees and expenses*) and otherwise than by reason of its own gross negligence or wilful misconduct or that of its officers, employees or agents, as a result or arising out of or in relation to its acting as the agent of the Issuer in relation to the Notes. The indemnity contained in this clause shall survive the termination or expiry of this Agreement.

13.5 Indemnity in favour of the Issuer

Each Agent shall severally indemnify and hold harmless the Issuer and its respective officers, employees or agents against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result of the gross negligence or wilful misconduct of such Agent or of their respective officers, employees or agents. The indemnity contained in this clause shall survive the termination or expiry of this Agreement.

13.6 No liability for consequential loss

Notwithstanding the foregoing, under no circumstances will the Agents be liable to the Issuer or any other party to this Agreement for any consequential loss (being loss of business, goodwill, opportunity or profit) or any special or arising punitive damages of any kind whatsoever; in each case however caused or arising and whether or not foreseeable, even if advised of the possibility of such loss or damage.

13.7 Interest in the Notes

Each of the Agents and their affiliates may acquire an interest in the Notes or be involved in any other transaction with the Issuer.

13.8 Notwithstanding anything else herein contained, each Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, the Grand-Duchy of Luxembourg and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

14. CHANGES IN AGENTS

14.1 Resignation

Any Agent may resign its appointment as agent of the Issuer hereunder and/or in relation to any Series of Notes upon the expiration of not less than 60 days' notice to that effect by such Agent to the Issuer (with a copy, in the case of a Paying Agent or Calculation Agent other than the Fiscal Agent, to the Fiscal Agent and in the case of

an Agent other than the Registrar, to the Registrar) (and the Issuer shall take appropriate steps to notify any such resignation to the Noteholders) *provided, however, that*:

- 14.1.1 it complies with the provisions of Condition 15;
- 14.1.2 if in relation to any Series of Notes any such resignation which would otherwise take effect less than 30 days before or after the maturity date or other date for redemption of such Series or any interest or other payment date in relation to any such Series it shall not take effect, in relation to such Series only, until the thirtieth day following such date; and
- 14.1.3 in respect of any Series of Notes, in the case of the Fiscal Agent, the Registrar, the Calculation Agent or any Required Paying Agent, such resignation shall not be effective until a successor thereto has been appointed by the Issuer as its agent in relation to such Series of Notes or in accordance with Clause 14.5 (*Agents may appoint successors*) and notice of such appointment has been given in accordance with the Conditions.

14.2 **Revocation**

The Issuer may revoke its appointment of any Agent as agent of the Issuer and/or in relation to any Series of Notes by not less than 60 days' notice to that effect to such Agent (with a copy, in the case of a Paying Agent or Calculation Agent other than the Fiscal Agent, to the Fiscal Agent and in the case of an Agent other than the Registrar, to the Registrar) (and the Issuer shall take appropriate steps to notify any such revocation to the Noteholders) *provided, however, that* in respect of any Series of Notes, in the case of the Fiscal Agent, the Registrar, the Calculation Agent or any Required Paying Agent, such revocation shall not be effective until a successor thereto has been appointed by the Issuer as its agent in relation to such Series of Notes and notice of such appointment has been given in accordance with the Conditions.

14.3 **Automatic termination**

The appointment of any Agent shall terminate forthwith if at any time such Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver, administrator or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding up or dissolution of such Agent, or if a receiver, administrator or other similar official of such Agent or all or any substantial part of its property is appointed, or if any order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law, or if any public officer takes charge or control of such Agent or its property or affairs for the purpose of rehabilitation, conservation, administration or liquidation. If the appointment of the Fiscal Agent, Registrar, Calculation Agent or any Required Paying Agent is terminated in accordance with the preceding sentence, the Issuer shall forthwith appoint a successor in accordance with Clause 14.4 (*Additional and successor agents*).

14.4 **Additional and successor agents**

The Issuer may appoint a successor fiscal agent, registrar or calculation agent and additional or successor paying agents and transfer agents and shall forthwith give notice of any such appointment to the continuing Agents and the Noteholders, whereupon the Issuer, the continuing Agents and the additional or successor fiscal agent, registrar, calculation agent, paying agent or transfer agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

14.5 **Agents may appoint successors**

If the Fiscal Agent, Registrar, Calculation Agent or any Required Paying Agent gives notice of its resignation in accordance with Clause 14.1 (*Resignation*) and a successor has not been duly appointed in accordance with Clause 14.4 (*Additional and successor agents*) within 30 days of such a notice of resignation having been given to the Issuer, then the Fiscal Agent or (as the case may be), Registrar, Calculation Agent or Required Paying Agent may itself, following such consultation with the Issuer as is practicable in the circumstances, appoint as its successor any reputable and experienced financial institution and give notice of such appointment to the Issuer, the remaining Agents and the Noteholders, whereupon the Issuer, the remaining Agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

14.6 **Release**

Upon any resignation or revocation taking effect under Clause 14.1 (*Resignation*) or 14.2 (*Revocation*) or any termination taking effect under Clause 14.3 (*Automatic termination*), the relevant Agent shall:

- 14.6.1 be released and discharged from its obligations under this Agreement (save that it shall remain entitled to the benefit of and subject to Clause 12.3 (*Taxes*), Clause 13 (*Terms of Appointment*) and Clause 14 (*Changes in Agents*));
- 14.6.2 in the case of the Fiscal Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Fiscal Agent, of the records maintained by it in accordance with Clause 9.1 (*Records*);
- 14.6.3 in the case of any Calculation Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of such Calculation Agent, of the records maintained by it in accordance with Clause 11 (*Appointment and Duties of the Calculation Agent*);
- 14.6.4 in the case of the Registrar, deliver to the Issuer and its successor a copy, certified as true and up to date by an officer or authorised signatory of the Registrar, of the records maintained by it in accordance with Clause 5.1 (*Maintenance of the Register*); and

14.6.5 forthwith (upon payment to it of any amount due to it in accordance with Clause 12 (*Commissions Fees and Expenses*) or Clause 13.4 (*Indemnity in favour of the Agents*)) transfer all moneys and papers (including any unissued Notes held by it hereunder and any documents held by it pursuant to Clause 9.8 (*Documents available for inspection*)) to its successor and, upon appropriate notice, provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder.

14.7 **Merger**

Any legal entity into which any Agent is merged or converted or any legal entity resulting from any merger or conversion to which such Agent is a party shall, to the extent permitted by applicable law, be the successor to such Agent without any further formality, whereupon the Issuer, the other Agents and such successor shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement. Notice of any such merger or conversion shall forthwith be given by such successor to the Issuer, the other Agents and the Noteholders.

14.8 **Changes in Specified Offices**

If any Agent decides to change its Specified Office (which may only be effected within the same city unless the prior written approval of the Issuer has been obtained), it shall give notice to the Issuer (with a copy to the other Agents) of the address of the new Specified Office stating the date on which such change is to take effect, which date shall be not less than 30 days after the date of such notice. The Issuer shall at its own expense not less than 14 days prior to the date on which such change is to take effect (unless the appointment of the relevant Agent is to terminate pursuant to any of the foregoing provisions of this Clause 14 (*Changes in Agents*)) on or prior to the date of such change) give notice thereof to the Noteholders.

15. **NOTICES**

15.1 **Addresses for Notices**

All notices and communications hereunder shall be made in writing (by letter or fax), shall be effective upon receipt by the addressee and shall be sent as follows:

15.1.1 if to the Issuer to it at:

Address: 388 Greenwich Street
New York, NY 10013
United States of America

Fax: +1 718 248 9335
Attention: Treasury Department

15.1.2 if to the Fiscal Agent, the Registrar, a Paying Agent or a Transfer Agent to it at the address or fax number specified against its name in the Third Schedule hereto,

or, in any case, to such other address or fax number or for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

15.2 **Effectiveness**

Every notice or communication sent in accordance with Clause 15.1 (*Addresses for notices*) shall be effective upon receipt by the addressee, *provided, however, that* any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

15.3 **Reliance on Communications**

The Issuer accepts that some methods of communication listed above are not secure and that the Agents shall incur no liability for receiving instructions or (upon the Issuer's request) communicating or transmitting data to the Issuer via any such non-secure method. The Issuer shall use all reasonable endeavours to ensure that instructions transmitted to the Agent pursuant to this Agreement are correct and complete. Any instructions shall be conclusively deemed to be valid instructions from the Issuer to the Agent for the purposes of this Agreement. The Agent may in its sole discretion decline to act upon any instructions or communications which are insufficient, incomplete, are not permissible in line with internal or regulatory requirements or are not received by the Agent in sufficient time for the Agent to act upon such instructions or communications, and shall notify the Issuer as soon as reasonably practicable if it so declines to act.

16. **LAW AND JURISDICTION**

16.1 **Governing law**

This Agreement is governed by and shall be construed in accordance with the internal laws of the State of New York.

16.2 **Jurisdiction**

The Issuer unconditionally and irrevocably agrees that any State or Federal courts sitting in the Borough of Manhattan, the City of New York shall have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement or the transactions contemplated thereby ("**Proceedings**") may be brought in such courts.

16.3 **Non-exclusivity**

The submission to the jurisdiction of the State or Federal courts sitting in the Borough of Manhattan, the City of New York shall not (and shall not be construed so as to) limit the right of any Agent to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

17. **MODIFICATION**

For the avoidance of doubt, this Agreement may be amended by further agreement among the parties hereto and without the consent of the Noteholders.

18. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when so executed shall constitute one and the same binding agreement between the parties.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first before written.

**SCHEDULE 1
FORMS OF NOTES**

**PART A
FORM OF GLOBAL NOTE**

ISIN:

CITIGROUP INC.
*(incorporated with limited liability under
the laws of the State of Delaware, United States of America)*

**U.S.\$110,000,000,000
Euro Medium Term Note Programme,
Series C**

GLOBAL NOTE

INTRODUCTION

(a) The Notes

This Global Note is issued in respect of the notes (the “**Notes**”) of Citigroup Inc. (the “**Issuer**”) described in the final terms (the “**Final Terms**”) a copy of which is annexed hereto. The Notes:

1.1.1 are the subject of an agency agreement dated 18 March 2016 (the “**Agency Agreement**”) made between the Issuer, Citibank, N.A. as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), Citibank, N.A. as fiscal agent and the other paying agents and the transfer agents named therein.

(b) Construction

All references in this Global Note to an agreement, instrument or other document (including the Agency Agreement) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time *provided that*, in the case of any amendment, supplement, replacement or novation made after the date hereof, it is made in accordance with the Conditions. Headings and sub-headings are for ease of reference only and shall not affect the construction of this Global Note.

(c) References to Conditions

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Notes set out in Annex A (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Note.

REGISTERED HOLDER

This certifies that the person whose name is entered in the register maintained by the Registrar in relation to the Notes (the “**Register**”) is the duly registered holder (the “**Holder**”) of an aggregate principal amount of Notes equal to the Aggregate Nominal Amount specified in the Final Terms or (if the Aggregate Nominal Amount in respect of the Series specified in the Final Terms is different from the Aggregate Nominal Amount in respect of the Tranche specified in the Final Terms) the Aggregate Nominal Amount in respect of the Tranche specified in the Final Terms, or (in either case) such other principal amount as may from time to time be entered in the Register in accordance with the Agency Agreement and this Global Note.

PROMISE TO PAY

The Issuer, for value received, promises to pay to the Holder, in respect of each Note represented by this Global Note, the Redemption Amount on the Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Final Terms) and to pay interest on each such Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

PAYMENT CONDITIONS

If the currency of any payment made in respect of Notes represented by this Global Note is euro, the applicable Payment Business Day shall be any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of any payment made in respect of Notes represented by this Global Note is not euro, the applicable Payment Business Day shall be any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Each payment made in respect of this Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which this Global Note is being held is open for business.

EXCHANGE FOR INDIVIDUAL NOTE CERTIFICATES

This Global Note will be exchanged in whole (but not in part) for duly authenticated and completed Individual Note Certificates (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement:

- (d) *Upon notice:* on the expiry of such period of notice as may be specified in the Final Terms; or
- (e) *Upon demand:* at any time, if so specified in the Final Terms; or

(f) *In limited circumstances:* if the Final Terms specifies “in the limited circumstances described in the Global Note,” then if either of the following events occurs:

4.3.1 *Closure of clearing systems:* Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

4.3.2 *Event of Default:* any of the circumstances described in Condition 12 (*Events of Default*) occurs.

DELIVERY OF INDIVIDUAL NOTE CERTIFICATES

Whenever this Global Note is to be exchanged for Individual Note Certificates, such Individual Note Certificates shall be issued in an aggregate principal amount equal to the principal amount of this Global Note within five business days of the delivery, by or on behalf of the Holder, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of this Global Note at the Specified Office of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, “business day” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city in which the Registrar has its Specified Office.

CONDITIONS APPLY

Save as otherwise provided herein, the Holder of this Global Note shall have the benefit of, and be subject to, the Conditions and, for the purposes of this Global Note, any reference in the Conditions to “**Note Certificate**” or “**Note Certificates**” shall, except where the context otherwise requires, be construed so as to include this Global Note.

EXERCISE OF PUT OPTION

In order to exercise the option contained in Condition 9(e) (*Redemption at the option of the Noteholder*) (the “**Put Option**”), the Holder must, within the period specified in the Conditions for the deposit of the relevant Note Certificate and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

EXERCISE OF CALL OPTION

In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Notes represented by this Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

NOTICES

Notwithstanding Condition 18 (*Notices*), so long as this Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to Holders of Notes represented by this Global Note may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).¹

DETERMINATION OF ENTITLEMENT

This Global Note is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Global Note.

REDENOMINATION

If the Notes are redenominated pursuant to Condition 21 (*Redenomination*), then following redenomination:

- (g) if Individual Note Certificates are required to be issued, they shall be issued at the expense of the Issuer in such denominations as the Registrar shall determine and notify to the Noteholders; and
- (h) the amount of interest due in respect of Notes represented by this Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest euro 0.01.

AUTHENTICATION

This Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A. as registrar.

[EFFECTUATION

¹ Only include the text in square brackets where the Notes are admitted to trading on the Luxembourg Stock Exchange.

This Global Note shall not be valid for any purpose until it has been effectuated for or on behalf of the entity appointed as common safekeeper by Euroclear or Clearstream, Luxembourg.]

GOVERNING LAW

This Global Note and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of the State of New York.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

CITIGROUP INC.

By:
[manual or facsimile signature]
(duly authorised)

ISSUED on [issue date]

**AUTHENTICATED for and on behalf of
Citibank, N.A.**

as registrar without recourse, warranty
or liability

By:
[manual signature]

(duly authorised)

[EFFECTUATED for and on behalf of

[COMMON SAFEKEEPER] as common safekeeper

without recourse, warranty or liability

By:

[*manual signature*]
[*duly authorised*]

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of this Note Certificate, hereby transfers to.....
.....
of.....
.....
....., [currency] in principal amount of the Notes and irrevocably requests and authorises [Registrar], in its capacity as registrar in relation to the Notes (or any successor to [Registrar], in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:
(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Global Note.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Notes shall be in an amount equal to a Specified Denomination.

Annex A

Terms and Conditions of the Notes

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under Summary of Provisions Relating to the Notes while in Global Form below.

1. **Introduction**

(a) **Programme**

Citigroup Inc. (the “**Issuer**”) has established a Euro Medium-Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$110,000,000,000 in aggregate principal amount of notes (the “**Notes**”) outstanding at any one time.

(b) **Final Terms**

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) **Agency Agreement**

The Notes are the subject of an issue and paying agency agreement dated on or about 18 March 2016 (as amended or supplemented from time to time up to and including the Issue Date of the Notes, the “**Agency Agreement**”) between the Issuer, Citibank, N.A. as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citibank, N.A. as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the transfer agent named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

(d) **The Notes**

All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.

(e) **Summaries**

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. Noteholders are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) **Definitions**

In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Day**” means, unless otherwise specified in the relevant Final Terms:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the

number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (vi) when the 2000 ISDA Definitions are specified in the relevant Final Terms as being applicable:
 - (a) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
 - (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
 - (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (e) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
 - (f) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); or
- (vii) when the 2006 ISDA Definitions are specified in the relevant Final Terms as being applicable:
- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:

- (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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);
 - (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
 - (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
 - (e) if “**30/360**” is so specified, means 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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” 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 **D₁** is greater than 29, in which case **D₂** will be 30;

- (f) if “**30E/360**” or “**Eurobond Basis**” is so specified, means 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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” 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 **D₂** will be 30; and

- (g) if “**30E/360 (ISDA)**” is so specified, means 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:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” 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 D₁ will be 30; and

“**D₂**” 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 D₂ will be 30.

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**First Interest Payment Date**” means the date specified in the relevant Final Terms;

“**Fixed Interest Amount**” has the meaning given in the relevant Final Terms;

“**FSMA**” means the United Kingdom Financial Services and Markets Act 2000;

“**Holder**” has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Notes*);

“**Indebtedness**” means any and all obligations of a corporation for money borrowed which in accordance with U.S. generally accepted accounting principles would be reflected on the balance sheet of such corporation as a liability on the date as of which the Indebtedness is to be determined;

“**Interest Amount**” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“**Interest Determination Date**” has the meaning given in the relevant Final Terms;

“**Interest Payment Date**” means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“ISDA Definitions” means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.)) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

“Issue Date” has the meaning given in the relevant Final Terms;

“Margin” has the meaning given in the relevant Final Terms;

“Maturity Date” has the meaning given in the relevant Final Terms;

“Maximum Redemption Amount” has the meaning given in the relevant Final Terms;

“Minimum Redemption Amount” has the meaning given in the relevant Final Terms;

“Non-United States Person” means a person who is not a United States Person;

“Noteholder” has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Notes*);

“Optional Redemption Amount (Call)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (i) if the currency of payment is Euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Person” means any individual, company, corporation, firm, partnership, limited liability company, joint venture, association, trust, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms, or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” has the meaning given in the relevant Final Terms;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“Relevant Financial Centre” has the meaning given in the relevant Final Terms;

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“Relevant Time” has the meaning given in the relevant Final Terms;

“Reserved Matter” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“Senior Indebtedness” means:

- (i) the principal, premium, if any, and interest in respect of:
 - (A) indebtedness of the Issuer for money borrowed; and
 - (B) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by the Issuer including all indebtedness (whether now or hereafter outstanding) issued under (i) the indenture dated as of 13 November 2013 between the Issuer and The Bank of New York, as trustee, as the same may be amended, modified or supplemented from time to time, and (ii) the indenture dated as of 15 March 1987 between the Issuer and The Bank of New York, as trustee, as the same may be amended, modified or supplemented from time to time;
- (ii) all capital lease obligations of the Issuer;

- (iii) all obligations of the Issuer issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Issuer and all obligations of the Issuer under any conditional sale or title retention agreement (but excluding trade accounts payable in the ordinary course of business);
- (iv) all obligations, contingent or otherwise, of the Issuer in respect of any letters of credit, banker's acceptance, security purchase facilities and similar credit transactions;
- (v) all obligations of the Issuer in respect of any interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements;
- (vi) all obligations of the type referred to in clauses (i) to (v) above of other Persons for the payment of which the Issuer is responsible or liable as obligor, guarantor or otherwise; and
- (vii) all obligations of the type referred to in clauses (i) to (vi) of other Persons secured by any lien on any property or asset of the Issuer (whether or not such obligation is assumed by the Issuer),

except that Senior Indebtedness shall not include:

any indebtedness issued under the indenture dated as of 12 April 2001 between the Issuer and The Bank of New York Mellon (as successor to J.P. Morgan Trust Company, N.A.);

any indebtedness issued to a Citigroup Trust under (i) the indenture, dated as of 7 October 1996, between Citigroup and The Bank of New York Mellon, as successor trustee to JPMorgan Chase Bank (formerly known as The Chase Manhattan Bank), as trustee, as the same has been or may be amended, modified, or supplemented from time to time, and (ii) the indenture, dated as of 23 July 2004, between Citigroup and The Bank of New York Mellon, as successor trustee to JPMorgan Chase Bank, as trustee, as the same has been or may be amended, modified, or supplemented from time to time (collectively, the "junior subordinated debt indentures");

any indebtedness issued to a Citigroup Trust under the indenture, dated as of 28 June 2007, between Citigroup and The Bank of New York Mellon (formerly The Bank of New York), as trustee, as the same has been or may be amended, modified, or supplemented from time to time the "junior junior subordinated debt indenture");

any guarantee in respect of any preferred securities, capital securities or preference stock of a trust to which the Issuer issued any indebtedness; and

any indebtedness or any guarantee that is by its terms subordinated to, or ranks equally with the Subordinated Notes and the issuance of which (x) has received the concurrence or approval of the staff of the Federal Reserve Bank of New York or the staff of the Board of Governors of the Federal Reserve System or (y) does not at the time of issuance prevent the Subordinated Notes from qualifying for Tier 2 capital treatment (irrespective of any limits on the amount of the Issuer's Tier 2 capital) under the applicable capital adequacy guidelines,

regulations, policies or published interpretations of the Board of Governors of the Federal Reserve System or any applicable concurrence or approval of the Federal Reserve Bank of New York or its staff.

“Citigroup Trust” means each of Citigroup Capital III, Citigroup Capital XIII and Capital XVIII, each a Delaware statutory trust, or any other similar trust created for the purpose of issuing preferred securities in connection with the issuances of junior subordinated notes under the junior subordinated debt indentures or the junior junior subordinated debt indenture.

“**Significant Subsidiary**” means a Subsidiary, including its Subsidiaries, which meets any of the following conditions:

- (i) the Issuer and its other Subsidiaries’ investments in and advances to the Subsidiary exceed 10 per cent. of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (ii) the Issuer and its other Subsidiaries’ proportionate share of the total assets of the Subsidiary after intercompany eliminations exceeds 10 per cent. of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (iii) the Issuer and its other Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of the Subsidiary exceeds 10 per cent. of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year. For the purposes of making such prescribed income test, the following shall be applicable:
 - (A) when a loss has been incurred by either the Issuer and its Subsidiaries consolidated or the tested Subsidiary, but not both, the equity in the income or loss of the tested Subsidiary shall be excluded from the income of the Issuer and its Subsidiaries consolidated for purposes of the computation; and
 - (B) if income of the Issuer and its Subsidiaries consolidated for the most recent fiscal year is at least 10 per cent. lower than the average of the income for the last five fiscal years, such average income shall be substituted for purposes of the computation. Any loss years shall be omitted for purposes of computing average income;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” of any Agent means the office specified against its name in Schedule 2 of the Agency Agreement or, in the case of any Agent not originally party thereto, specified by notice to the Issuer in accordance with the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Subsidiary**” means any corporation of which securities entitled to elect at least a majority of such corporation’s directors shall at the time be owned, directly or indirectly, by the Issuer and/or one or more Subsidiaries;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in Euro;

“**Treaty**” means the Treaty on Functioning of the European Union;

“**United States**” means the United States of America, which includes only the States and the District of Columbia;

“**U.S. Person**” has the meaning given in Rule 902(k) of Regulation S under the Securities Act;

“**Voting Stock**” means capital stock the holders of which have general voting power under ordinary circumstances to elect at least a majority of the directors of a corporation, *provided that* capital stock which carries only a right to vote conditional on the happening of an event shall not be considered voting stock, whether or not such event has happened; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) ***Interpretation***

In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (iv) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable”, then such expression is not applicable to the Notes.

3. **Form, Denomination and Title**

(a) ***Notes***

Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(b) ***Title to Notes***

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Notes, “**Holder**” means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

(c) ***Ownership***

The Holder of any Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

(d) ***Transfers of Notes***

Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Specified Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

(e) ***Registration and delivery of Note Certificates***

Within five business days of the surrender of a Note Certificate in accordance with paragraph (d) (*Transfers of Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in

foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) ***No charge***

The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) ***Closed periods***

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

(h) ***Regulations concerning transfers and registration***

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status**

(a) ***Status of Senior Notes***

If specified in the applicable Final Terms, Notes issued on an unsubordinated basis (“**Senior Notes**”) constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and will at all times rank *pari passu* and rateably without any preference among the obligations of the Issuer in respect of other Senior Notes of the same Series of the Issuer and (subject to any applicable statutory exceptions and without prejudice to the provisions of Condition 5 (*Negative Pledge*)) at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) ***Status of Subordinated Notes***

If specified in the applicable Final Terms, Notes issued on a subordinated basis (“**Subordinated Notes**”) are subordinated and junior, to the extent and in the manner set out herein, in right of payment to the prior payment in full of Senior Indebtedness and will rank *pari passu* in right of payment with the debt securities issued or issuable by the Issuer under the indenture dated as of 12 April 2001 between the Issuer and The Bank of New York Mellon (as successor to J.P. Morgan Trust Company, N.A.) and with all other unsecured and subordinated indebtedness of the Issuer, present and future, except for any indebtedness that is by its terms junior to the Subordinated Notes.

In the event that the Issuer shall default in the payment of any principal (or premium, if any) or interest due and payable, after any applicable grace period, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, on any

Senior Indebtedness then, unless such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities, by set-off or otherwise) shall be made or agreed to be made on account of the principal, premium (if any) or interest on any of the Subordinated Notes, or in respect of any redemption, retirement or acquisition of any of the Subordinated Notes, except that holders of Subordinated Notes may receive and retain securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment.

In the event of any insolvency, bankruptcy, receivership, liquidation, reorganisation, composition or other similar proceedings, in respect of the Issuer, its creditors or its property, or of any proceedings for the liquidation, dissolution or other winding up of the Issuer, voluntary or involuntary, whether or not involving insolvency or bankruptcy, or any assignment by the Issuer for the benefit of creditors or any other marshalling of the assets of the Issuer;

then:

- (A) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon before the holders of any of the Subordinated Notes are entitled to receive a payment on account of the principal of (or premium, if any) or interest on the indebtedness evidenced by the Subordinated Notes;
- (B) any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment), to which the holders of any of the Subordinated Notes would be entitled except for the provisions of this Condition 4(b) shall be paid or delivered by the person making such payment or distribution directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all Senior Indebtedness has been paid in full before any payment or distribution is made to the holders of the indebtedness evidenced by the Subordinated Notes under these Conditions; and
- (C) in the event that, notwithstanding the foregoing, any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of

reorganisation or readjustment) shall be received by the holders of any of the Subordinated Notes before all Senior Indebtedness is paid in full, such payment or distribution shall be received in trust for the benefit of, and shall be paid over to the holders of, such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all such Senior Indebtedness shall have been paid in full. Senior Indebtedness shall not be deemed to have been repaid in full unless the holders thereof have received cash, securities or other property equal to the amount of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the holders of the Subordinated Notes shall be subrogated to all rights of the holders of Senior Indebtedness to receive all further payments or distributions applicable to the Senior Indebtedness unless the indebtedness evidenced by the Subordinated Notes then outstanding shall have been paid in full, and such payments or distributions received by holders of Subordinated Notes by reason of such subrogation shall as between the Issuer and its creditors other than holders of such Senior Indebtedness and the holders of the Subordinated Notes be deemed to be a payment by the Issuer on account of such Senior Indebtedness and not on account of the Subordinated Notes.

Nothing contained in this Condition 4(b) shall impair, as between the Issuer and the holders of the Subordinated Notes, the obligation of the Issuer, which is absolute and unconditional, to pay to the holders of the Subordinated Notes relating thereto the principal of (and premium, if any) and interest on the Subordinated Notes and when the same shall become due and payable in accordance with their terms, or shall prevent any holder of the Subordinated Notes from exercising all rights, powers and remedies otherwise permitted by applicable law upon the occurrence of a default under these Conditions, subject to the rights under this Condition 4(b) of the holders of Senior Indebtedness to receive cash, property or securities otherwise payable or receivable by holders of Subordinated Notes. Upon payment or distribution of assets of the Issuer referred to in this Condition 4(b), the holders of the Subordinated Notes shall be entitled to rely upon an order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation, reorganisation or arrangement proceeding affecting the affairs of the Issuer is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other person making such payment or distribution, delivered to the Fiscal Agent or to the holders of the Subordinated Notes, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount paid or distributed thereon and all other facts pertinent thereto or to this Condition 4(b). Nothing contained in this Condition 4(b) shall prevent any Paying Agent from paying any amounts due and payable to any Subordinated Noteholder from monies deposited with it by the Issuer in relation to such amounts due and owing if, at the time of such deposit, (x) such payment would not have been prohibited by this Condition 4(b) or (y) such Paying Agent had not received written notice of any event prohibiting the making of such payment.

Unless otherwise specified in the Final Terms relating to any series of Subordinated Notes, payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer. There is no right of acceleration in the case of a default in the payment of principal of, premium, if any, or interest on the Subordinated Notes or the performance of any other covenant of the Issuer contained in the Terms and Conditions. Upon a default in the payment of principal of, premium, if any, or interest, or the performance of any other covenant in the Terms and Conditions, Subordinated Noteholders may, subject to certain limitations and conditions, seek to enforce payment of such principal, premium, or interest or the performance of such covenant. No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any non-compliance by the Issuer with the terms, provisions and convenience of these Conditions, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

5. **Negative Pledge**

In relation to issues of Senior Notes, so long as any Senior Note remains outstanding, the Issuer will not, and will not permit any Subsidiary to, incur, issue, assume or guarantee any Indebtedness if such Indebtedness is secured by a pledge of, lien on, or security interest in any shares of Voting Stock of any Significant Subsidiary, whether such Voting Stock is owned now or acquired in the future, without effectively providing that the Senior Notes (together with, if the Issuer shall so determine, any other indebtedness or obligations of the Issuer or any Subsidiary ranking equally with such Senior Notes and then existing or thereafter created) shall be secured equally and rateably with such Indebtedness. For the purposes of the foregoing, pledging, placing a lien on or creating a security interest in any shares of Voting Stock of a Significant Subsidiary in order to secure then outstanding Indebtedness of the Issuer or any Subsidiary shall be deemed to be the incurrence, issuance, assumption or guarantee (as the case may be) of such Indebtedness, but the foregoing shall not apply to Indebtedness secured by a pledge of, lien on or security interest in any shares of Voting Stock of any corporation at the time it becomes a Significant Subsidiary, including extensions, renewals and replacements of such Indebtedness without an increase in the amount thereof.

6. **Fixed Rate Note Provisions**

(a) ***Application***

This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day

are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Fixed Interest Amount***

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Interest Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Interest Amount in respect of the relevant Specified Denomination.

(d) ***Regular Interest Periods***

If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

- (i) the Notes shall for the purposes of this Condition 6 be “**Regular Interest Period Notes**”;
- (ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 6 be a “**Regular Date**”; and
- (iii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall for the purposes of this Condition 6 be a “**Regular Period**”.

(e) ***Irregular first or last Interest Periods***

If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

- (i) the interval between the Issue Date and the first Interest Payment Date; and
- (ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes; *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a “**Regular Date**”.

(f) ***Irregular interest amount***

If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that is

available as legal tender in the country of such currency and, in the case of Euro, means one cent.

(g) ***Number of days***

For the purposes of this Condition 6, unless the Day Count Fraction is specified in the relevant Final Terms as being 30/360, the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.

(h) ***Irregular Interest Periods***

If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the relevant Final Terms.

7. **Floating Rate Note Provisions**

(a) ***Application***

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due ***presentation***, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) ***Screen Rate Determination***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

(d) ***ISDA Determination***

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is the period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) ***Maximum or Minimum Rate of Interest***

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount and multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

(g) ***Publication***

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) on which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to amend any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) ***Notifications, etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

(a) ***Application***

This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

(a) ***Scheduled redemption***

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).

(b) ***Redemption for tax reasons, termination of clearing organization's business or Issuer default***

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with accrued interest, if any, if:
 - (A) the Issuer has or will become obliged to pay additional interest on such Notes pursuant to Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which any person (including any person acting as underwriter, broker or dealer) agrees to purchase any of such Notes pursuant to their original issuance, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such additional interest were a payment in respect of the Notes then due; or
 - (B) (i) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system announces an intention to terminate its business without a successor, or (ii) upon the occurrence of an event of default (as defined in Condition 12 (*Events of Default*)) in respect of any Note of that Series, or (iii) upon the occurrence of a change in the tax law of the United States or the domicile of the Issuer by reason of which the Issuer

would be required to withhold or deduct a sum from any payment in respect of the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 9, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by an officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) in the case of a redemption pursuant to condition 9(b)(i)(A) a legal opinion, from lawyers of recognised standing in the United States, to the effect that the Issuer has or will become obligated to pay such additional interest as a result of such change or amendment.

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

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice in accordance with Condition 18 (*Notices*) to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) ***Partial redemption***

If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Redemption at the option of Noteholders***

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly

completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption monies is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) ***No other redemption***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) ***Regulatory approval***

Before exercising its option to redeem any Subordinated Notes, the Issuer will obtain the approval of the Federal Reserve, if then required by applicable law.

(h) ***Early redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) ***Notification of Exchange***

In respect of any Notes which are listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange and are to be redeemed as provided in paragraphs (b) to (e) above, the Issuer shall notify the Luxembourg Stock Exchange of such redemption.

(j) ***Purchase and Cancellation***

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

10. **Payments**

(a) ***Principal***

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of partial payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) ***Interest***

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of partial payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) ***Payments subject to fiscal laws***

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) ***Payments on business days***

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of partial payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

(e) ***Partial payments***

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) ***Record date***

Each payment in respect of a Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Note is being held is open for business. Where payment in respect of a Global Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

11. **Taxation**

The Issuer will, subject to the exceptions and limitations set forth below, pay as additional amounts to the beneficial holder of any Note that is a Non-United States Person such amounts as may be necessary so that every net payment on such Note, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States, will not be less than the amount provided in such Note to be then due and payable. However, the Issuer will not be required to make any such payment of additional amounts for or on account of:

- (i) any tax, assessment or other government charge that would not have been imposed but for (A) the existence of any present or former connection (or relationship) between a Noteholder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holders, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (B) such Noteholder’s past or present status as a personal holding company, foreign private foundation or other foreign tax-exempt organisation with respect to the United States, passive foreign investment company, controlled foreign corporation or as a corporation that accumulates earnings to avoid United States federal income tax; or
- (ii) a holder who would have been able to avoid such withholding or deduction imposed under (i) above: (A) by presenting the relevant Note to another Paying Agent in a Member State of the European Union; or (B) by satisfying any statutory or procedural requirements including, without limitation, the provision of information; or

- (iii) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property tax or any similar tax, assessment, withholding, deduction or other governmental charge; or
- (iv) any tax, assessment or other governmental charge that would not have been imposed but for:
 - (A) the presentation by the holder of a Note for payment more than 30 days after the Relevant Date; or
 - (B) a change in law, regulation or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later; or
- (v) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note; or
- (vi) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, if such payment can be made without such deduction or withholding by any other Paying Agent; or
- (vii) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, documentation, identification, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or the beneficial owner of a Note if such compliance is required by statute, regulation or administrative pronouncement of the United States or by a tax treaty of the United States, as a precondition to relief or exemption from such tax, assessment or other government charge; or
- (viii) any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner of any Note (or any financial institution through which the holder or beneficial owner holds any Note or through which payment on the Note is made) to take any action (including entering into an agreement with the U.S. Internal Revenue Service) or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by the holder, beneficial owner (or any such financial institution) or concerning ownership of the holder or beneficial owner, or any substantially similar requirement or agreement; or
- (ix) any tax, assessment or other governmental charge imposed on a holder that actually owns or is deemed to own 10 per cent. or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership or by reason of the holder being a bank that has invested in a Note as an extension of credit in the ordinary course of its trade or business; or
- (x) a payment on a Note to a holder that is a fiduciary, partnership, limited liability company or other fiscally transparent entity or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not

have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the holder of such Note; or

- (xi) any withholding tax required to be withheld or deducted pursuant to Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; or
- (xii) any combination of sub-paragraphs (i) to (xii) above.

12. **Events of Default**

- (a) “**event of default**” with respect to a Senior Note of a particular Series means any one of the following events (whatever the reason for such event of default and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
 - (i) ***Non-payment of interest***: default in the payment of any interest upon any Senior Note of that Series when and as it becomes payable, and continuance of such default for a period of 30 days; or
 - (ii) ***Non-payment of principal***: default in the payment of principal or premium, if any, on any Senior Note of such Series when and as it becomes payable; or
 - (iii) ***Breach of other obligations***: default in the performance or observance of any covenant or agreement of the Issuer in these Conditions or the Agency Agreement (other than a covenant or agreement solely for the benefit of holders of another Series of Senior Notes or a covenant or agreement a default in whose performance or observance is specifically dealt with elsewhere in this Condition 13) and continuance of such default for a period of 90 days after there has been given, to the Issuer and the Fiscal Agent by the holders of at least 25 per cent. in principal amount of the Senior Notes of that Series outstanding (as defined in the Agency Agreement), a written notice specifying such default and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or
 - (iv) ***Insolvency***: the entry of a decree or order for relief in respect of the Issuer by a court having jurisdiction in the premises in an involuntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Issuer or substantially all of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or
 - (v) ***Voluntary insolvency***: the commencement by the Issuer of a voluntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by it to the entry of an order for relief in an involuntary case under any such law or to the appointment of or

taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer or for substantially all of its property, or the making by it of an assignment for the benefit of its creditors; or

- (vi) ***Other specified events:*** the occurrence of any other event of default with respect to the Senior Notes of such Series as provided in the relevant Final Terms.

No event of default with respect to Senior Notes of a particular Series shall constitute an event of default with respect to Senior Notes of any other Series, except with respect to an event of default under subparagraphs (iv) and (v) of this Condition 12(a).

- (b) **“event of default”** with respect to a Subordinated Note of a particular Series means any of the events described in Condition 12(a)(iv) and (v). A **“default”** with respect to a Subordinated Note of a particular Series means an event of default with respect to such Subordinated Note as well as any of the events described in Condition 12(a)(i), (ii) and (iii), as these events relate to a Subordinated Note of such Series.
- (c) Subject to these Terms and Conditions, if an event of default with respect to the Notes of a particular Series at the time outstanding occurs and is continuing, then in such case the holders of not less than 25 per cent. in principal amount of the outstanding Notes of such Series may declare the Early Redemption Amount (Default) (being the amount so specified in the applicable Final Terms and if no such amount is specified, the principal amount thereof) and all accrued but unpaid interest on the Notes to be due and payable immediately, by a notice in writing to the Issuer (and to the Fiscal Agent), and upon any such declaration such Early Redemption Amount (Default) (or other specified amount) and interest shall become immediately due and payable. Upon payment of such amounts in the currency in which such Notes are denominated, all obligations of the Issuer in respect of payment of principal and interest on such Notes shall terminate.

At any time after such a declaration of acceleration of the Notes of a Series has been made, the holders of a majority in principal amount of the outstanding Notes of such Series, by written notice to the Issuer, may, on behalf of all Noteholders of such Series, waive such event of default and rescind and annul such declaration and its consequences if:

- (i) the Issuer has paid or deposited with the Fiscal Agent a sum in the currency in which such Notes are denominated sufficient to pay:
 - (A) all overdue instalments of interest on such Notes;
 - (B) the amounts of principal (and premium, if any, on) such Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate prescribed therefor in these Conditions;
 - (C) to the extent that payment of such interest is lawful, interest upon overdue instalments of interests on each such Note at the rate or rates prescribed therefor in such Notes; and

- (D) all sums paid or advanced by the Paying Agents and the reasonable compensation, expenses, disbursements and advances of the Paying Agents; *provided, however, that* all sums payable under this subparagraph (D) shall be paid in U.S. dollars; and
- (ii) all defaults and events of default with respect to such Notes, other than the non-payment of principal of and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived as provided in Condition 16 (*Meeting of Noteholders and Waiver*).

No such rescission and waiver shall affect any subsequent default or impair any right consequent thereon.

For all purposes under these Conditions, if a portion of the principal of any Zero-Coupon Note shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Zero-Coupon Note shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Zero-Coupon Note.

13. **Prescription**

Claims for principal and interest on redemption in respect of Notes shall become void unless the relevant Note Certificates are surrendered for payment within two years of the appropriate Relevant Date.

14. **Replacement of Notes**

If any Note or Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Note Certificates must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to

appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain:

- (i) a Fiscal Agent and a Registrar; and
- (ii) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent;
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, a Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (iv) a Paying Agent in a place of payment located outside the United States.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders and Waiver**

(a) ***Meetings of Noteholders***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

(b) ***Modification***

The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

18. **Notices**

Notices to the Holders of Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the day after the date of mailing.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such

calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Redenomination**

(a) ***Application***

This Condition 21 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

(b) ***Notice of redenomination***

If the country of the Specified Currency is, becomes, or announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

(c) ***Redenomination***

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); *provided, however, that* if the Issuer determines, with the agreement of the Fiscal Agent, that then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;
- (ii) if Notes have been issued in individual certificated form, new Individual Note Certificates denominated in Euro will be issued in exchange for Individual Note Certificates denominated in the Specified Currency in such manner as the Registrar may specify and as shall be notified to Noteholders in the Euro Exchange Notice; and
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a subdivision of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to, a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of any Member State of the European Union.

(d) ***Interest Determination Date***

If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

22. **Consolidation or Merger**

- (a) The Issuer shall not consolidate with or accept a merger of any other corporation into the Issuer or merge into any other corporation, or sell other than for cash or lease, all or substantially all its assets to another corporation or purchase all or substantially all the assets of another corporation unless:
- (i) either the Issuer shall be the continuing corporation, or the successor, transferee or lessee corporation (if other than the Issuer) shall, by taking such action as may be required to be taken were such successor corporation the Substitute (as defined in Condition 23) for the purposes of Condition 23, expressly assume the due and punctual payment of the principal of (and premium, if any) and interest (including all additional interest, if any, payable pursuant to Condition 11) on all the Notes and the performance of all the covenants and conditions on the part of the Issuer to be performed or observed; and
 - (ii) immediately after giving effect to such transaction the Issuer or the successor, transferee or lessee corporation (if other than the Issuer) is not in default in the performance of any covenant or condition in these Conditions or the Agency Agreement.

A purchase by a Subsidiary of all or substantially all of the assets of another corporation shall not be deemed to be a purchase of such assets by the Issuer.

- (b) Upon any consolidation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entity in accordance with Condition 22(a) above, the successor corporation formed by such consolidation or into which the Issuer is consolidated with or merged into shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions, the Notes and the Agency Agreement.

23. **Substitution of the Issuer**

- (a) The Issuer may at any time, without the consent of Noteholders, substitute for itself any company (the "**Substitute**") upon notice by such Issuer and the Substitute to be given in accordance with Condition 18 (*Notices*), **provided that:**
- (i) no payment in respect of the Notes is at the relevant time overdue;

- (ii) the Substitute shall, by means of a substitution agreement in the form scheduled to the Agency Agreement as Schedule 9 (the "**Substitution Agreement**"), agree to indemnify each Noteholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
 - (iii) the Issuer shall execute the Substitution Agreement pursuant to which it shall guarantee in favour of each Noteholder the payment of all sums payable by the Substitute in respect of the Notes as and when the same shall become due and payable (the "**Guarantee**");
 - (iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) to ensure that the Substitution Agreement, the Agency Agreement and the Notes represent valid, legally binding and enforceable obligations of the Substitute are taken, fulfilled and done;
 - (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
 - (vi) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in each jurisdiction referred to in (ii) above and in New York as to the fulfilment of the requirements of this Condition 23 and the other matters specified in the Substitution Agreement and that the Guarantee is the legal, valid and binding obligation of the Issuer and the Substitution Agreement, the Agency Agreement and the Notes are legal, valid and binding obligations of the Substitute; and
 - (vii) each stock exchange and/or listing authority to which the Notes have been admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be admitted to listing and/or trading by such listing authority and/or stock exchange.
- (b) Upon the execution of the Substitution Agreement and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations as Issuer under these Conditions, the Notes and the Agency Agreement (save for the Guarantee and such obligations that it shall assume under the Agency Agreement in its capacity as guarantor).
- (c) After a substitution pursuant to Condition 23(a), the Substitute may, without the consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 23(a) and 23(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.

- (d) After a substitution pursuant to Condition 23(a) or 23(c) any Substitute may, without the consent of any Noteholder, reverse the substitution, *mutatis mutandis*.
- (e) The Substitution Agreement and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

24. **Governing Law and Jurisdiction**

(a) ***Governing law***

The Notes for all purposes are governed by and shall be construed in accordance with the internal laws of the State of New York.

(b) ***Jurisdiction***

The Issuer unconditionally and irrevocably agrees that any State or Federal courts sitting in the Borough of Manhattan, the City of New York shall have jurisdiction to settle any disputes which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes (“Proceedings”) may be brought in such courts.

(c) ***Non-exclusivity***

The submission to the jurisdiction of the State or Federal courts sitting in the Borough of Manhattan, the City of New York shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

25. **De-listing**

Unless otherwise provided in the relevant Final Terms, the Issuer shall use its best efforts to have the Notes of a Series approved for listing on the official list and admission to trading on the regulated market of the Luxembourg Stock Exchange and to maintain such listing so long as any of the Notes of such Series are outstanding, *provided, however that* if it is impracticable or unduly burdensome, in the good faith determination of the Issuer, to maintain such listing due to changes in applicable law or listing requirements occurring after the date of the relevant Final Terms, application may be made to de-list such Notes from the regulated market of the Luxembourg Stock Exchange and the Issuer shall use its reasonable best efforts to obtain an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, exchange or system within or outside the European Union as it may decide. If such an alternative admission is not available or is, in the Issuer’s opinion, unduly burdensome, such an alternative admission will not be obtained, and the Issuer shall have no further obligation in respect of any listing, trading or quotation for such Notes. Notice of any de-listing and/or alternative admission will be given pursuant to Condition 18 (*Notices*).

PART B
FORM OF INDIVIDUAL NOTE CERTIFICATE

Serial Number:

CITIGROUP INC.
*(incorporated with limited liability under
the laws of the State of Delaware, United States of America)*

U.S.\$110,000,000,000
Programme for the Issuance of Euro Medium-term Notes,
Series C

This Note Certificate is issued in respect of a series of notes (the “Notes”) of Citigroup Inc. (the “Issuer”) described in the final terms (the “Final Terms”) a copy of the relevant particulars of which is endorsed on this Note. Any reference herein to the “Conditions” is to the Terms and Conditions of the Notes endorsed on this Note, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “Condition” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Note.

This is to certify that:

.....
of
.....

is the person registered in the register maintained by the Registrar in relation to the Notes (the “Register”) as the duly registered holder or, if more than one person is so registered, the first-named of such persons (the “Holder”) of:

[*currency*].....
(..... [**CURRENCY IN WORDS**])

in aggregate principal amount of the Notes.

The Issuer, for value received, hereby promises to pay the Redemption Amount to the Holder on Maturity Date or on such earlier date or dates as the same may become payable in accordance with the Conditions (or to pay such other amounts of principal on such dates as may be specified in the Final Terms), and to pay interest on this Note on the dates and in the manner specified in the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

This Note Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Note Certificate.

This Note Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of Citibank, N.A. as registrar.

This Note and any non-contractual matters arising out of or in connection with it are governed by and shall be construed in accordance with the laws of the State of New York.

AS WITNESS the manual or facsimile signature of a duly authorised person on behalf of the Issuer.

CITIGROUP INC.

By:
[*manual or facsimile signature*]
(*duly authorised*)

ISSUED as of [*issue date*]

AUTHENTICATED for and on behalf of
Citibank, N.A.
as registrar without recourse, warranty
or liability

By:
[*manual signature*]
(*duly authorised*)

FORM OF TRANSFER

FOR VALUE RECEIVED, being the registered holder of this Note Certificate, hereby transfers to.....
.....
of.....
.....
..... [currency] in principal amount of the Notes and irrevocably requests and authorises [Registrar], in its capacity as registrar in relation to the Notes (or any successor to [Registrar], in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated:

By:
(duly authorised)

Notes

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Note Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar may require.
- (c) Any transfer of Notes shall be in an amount equal to a Specified Denomination.

[Attached to each Note Certificate:]

[Terms and Conditions as set out in the [] Schedule]

[At the foot of the Terms and Conditions:]

FISCAL AGENT, TRANSFER AGENT AND REGISTRAR

Citibank, N.A.,
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
England

PAYING AGENTS

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
England

Banque Internationale à Luxembourg
69, route d'Esch
L-2953 Luxembourg

SCHEDULE 2
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. Definitions

In this Agreement and the Conditions, the following expressions have the following meanings:

“Block Voting Instruction” means, in relation to any Meeting, a document in the English language issued by the Registrar for Holders of Notes:

- (a) certifying that certain specified Notes (the **“deposited Notes”**) have been deposited with the Registrar (or to the order of such Registrar at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender to the Registrar, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the deposited or blocked Notes and notification thereof by such Registrar to the Issuer;
- (b) certifying that the depositor of each deposited Note or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to such deposited Note are to be cast in a particular way on each resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (c) listing the total number of the deposited Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (d) authorising a named individual or individuals to vote in respect of the deposited Notes in accordance with such instructions;

“Chairman” means, in relation to any Meeting, the individual who takes the chair in accordance with paragraph 8 (*Chairman*);

“Extraordinary Resolution” means a resolution passed at a Meeting duly convened and held in accordance with this Schedule by a majority of not less than three quarters of the votes cast;

“Form of Proxy” means, in relation to any Meeting, a document in the English language available from the Registrar signed by a Holder of Notes or, in the case of a corporation, executed under its seal or signed on its behalf by a duly authorised officer and delivered to the Registrar not later than 48 hours before the time fixed for such Meeting, appointing a named individual or individuals to vote in respect of the Notes held by such Noteholder;

“Meeting” means a meeting of Noteholders (whether originally convened or resumed following an adjournment);

“Proxy” means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy by a Holder of a Note other than:

- (a) any such person whose appointment has been revoked and in relation to whom the Fiscal Agent, or as the case may be, the Registrar has been notified in writing of such revocation by the time which is 48 hours before the time fixed for such Meeting; and
- (b) any such person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been re-appointed to vote at the Meeting when it is resumed;

“Relevant Fraction” means:

- (a) for all business other than voting on an Extraordinary Resolution, one tenth;
- (b) for voting on any Extraordinary Resolution other than one relating to a Reserved Matter, one more than half; and
- (c) for voting on any Extraordinary Resolution relating to a Reserved Matter, three quarters;

provided, however, that, in the case of a Meeting which has resumed after adjournment for want of a quorum it means:

- (i) for all business other than voting on an Extraordinary Resolution relating to a Reserved Matter, the fraction of the aggregate principal amount of the outstanding Notes represented or held by the Voters actually present at the Meeting; and
- (ii) for voting on any Extraordinary Resolution relating to a Reserved Matter, one quarter;

“Reserved Matter” means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

“**Voter**” means, in relation to any Meeting a Proxy or subject to paragraph 5(*Record Date*) below a Holder of Notes, *provided however that* (subject to paragraph 5 (*Record Date*) below) any Holder of Notes which has appointed a Proxy under a Block Voting Instruction or Form of Proxy shall not be a “**Voter**” except to the extent that such appointment has been revoked and the Registrar notified in writing of such revocation at least 48 hours before the time fixed for such Meeting; and;

“**Written Resolution**” means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Schedule, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes;

“**24 hours**” means a period of 24 hours including all or part of a day upon which banks are open for business in both the places where the relevant Meeting is to be held and the place where the Registrar has its Specified Office (disregarding for this purpose the day upon which such Meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business as aforesaid; and

“**48 hours**” means 2 consecutive periods of 24 hours.

2. **Issue Of Block Voting Instructions**

The Holder of an interest in a Note may require the Registrar to issue a Block Voting Instruction by arranging (to the satisfaction of the Registrar) for such Note to be blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. The registered Holder of a Note may require the Registrar to issue a Block Voting Instruction by delivering to the Registrar written instructions not later than 48 hours before the time fixed for the relevant Meeting. Any registered Holder of a Note may obtain an uncompleted and unexecuted Form of Proxy from the Registrar. A Block Voting Instruction shall be valid until the release of the deposited Notes to which it relates. A Form of Proxy and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Note.

3. **References To Deposit/Release Of Notes**

Where Notes are represented by a Global Note and/or are held within a clearing system, references to the deposit, or release, of Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4. **Validity Of Block Voting Instructions**

A Block Voting Instruction shall be valid only if it is deposited at the Specified Office of the Registrar, or at some other place approved by the Fiscal Agent or, as the case may be, the Registrar, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. A Form of Proxy shall be valid only if it is deposited at the Specified Office of the Registrar, or at some other place approved by the Registrar, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decided otherwise before the Meeting

proceeds to business. If the Fiscal Agent or, as the case may be, the Registrar requires, a notarised copy of each Block Voting Instruction or, as the case may be, Form of Proxy and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Fiscal Agent and, as the case may be, the Registrar shall not be obliged to investigate the validity of any Block Voting Instruction or, as the case may be, Form of Proxy or the authority of any Proxy.

5. **Record Date**

The issuer may fix a record date for the purposes of any Meeting of Noteholders or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name a Note is registered in the Register on the record date at close of business in the city in which the Registrar has its Specified Office shall be deemed to be the Holder of such Note for the purposes of such Meeting of Noteholders and notwithstanding any subsequent transfer of such Note or entries in the Register.

6. **Convening Of Meeting**

The Issuer may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes.

7. **Notice**

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Registrar (with a copy to the Issuer). The notice shall set out the full text of any resolutions to be proposed and shall state that the Notes may be deposited with, or to the order of the Registrar for the purpose of appointing Proxies not later than 48 hours before the time fixed for the Meeting.

8. **Chairman**

An individual (who may, but need not, be a Noteholder) nominated in writing by the Issuer may take the chair at any Meeting but, if no such nomination is made or if the individual nominated is not present within 15 minutes after the time fixed for the Meeting, those present shall elect one of themselves to take the chair failing which, the Issuer may appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was the Chairman of the original Meeting.

9. **Quorum**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; *provided, however, that*, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by a Global Note, a single Proxy representing the holder thereof shall be deemed to be two Voters for the purpose of forming a quorum.

10. Adjournment For Want Of Quorum

If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:

- (a) in the case of a Meeting requested by Noteholders, it shall be dissolved; and
- (b) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines; provided, however, that:
 - (i) the Meeting shall be dissolved if the Issuer so decides; and
 - (ii) no Meeting may be adjourned more than once for want of a quorum.

11. Adjourned Meeting

The Chairman may, with the consent of (and shall if directed by) any Meeting, adjourn such Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place.

12. Notice Following Adjournment

Paragraph 7 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum save that:

- (a) 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and
- (b) the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

It shall not be necessary to give notice of the resumption of a Meeting which has been adjourned for any other reason.

13. Participation

The following may attend and speak at a Meeting:

- (a) Voters;
- (b) representatives of the Issuer, the Fiscal Agent and the Registrar;
- (c) the financial advisers of the Issuer;
- (d) the legal counsel to the Issuer, the Fiscal Agent and the Registrar; and
- (e) any other person approved by the Meeting.

14. Show Of Hands

Every question submitted to a Meeting shall be decided in the first instance by a show of hands. Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed, passed by a particular majority, rejected or rejected by a particular majority shall be conclusive, without proof of the number of votes cast for, or against, the resolution. Where there is only one Voter, this paragraph shall not apply and the resolution will immediately be decided by means of a poll.

15. **Poll**

A demand for a poll shall be valid if it is made by the Chairman, the Issuer or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding Notes. The poll may be taken immediately or after such adjournment as the Chairman directs, but any poll demanded on the election of the Chairman or on any question of adjournment shall be taken at the Meeting without adjournment. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business as the Chairman directs.

16. **Votes**

Every Voter shall have:

- (a) on a show of hands, one vote; and
- (b) on a poll, the number of votes obtained by dividing that fraction of the aggregate principal amount of the outstanding Note(s) represented or held by him by the lowest denomination of the Notes.

In the case of a voting tie the Chairman shall have a casting vote.

Unless the terms of any Block Voting Instruction state otherwise, a Voter shall not be obliged to exercise all the votes to which he is entitled or to cast all the votes which he exercises in the same way.

17. **Validity Of Votes By Proxies**

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or, as the case may be, Form of Proxy shall be valid even if such Block Voting Instruction or, as the case may be, Form of Proxy or any instruction pursuant to which they were respectively given has been amended or revoked, *provided that*, the Registrar, has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Block Voting Instruction or, as the case may be, Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however, that* no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction or, as the case may be, Form of Proxy to vote at the Meeting when it is resumed.

18. **Powers**

A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:

- (a) to approve any Reserved Matter;
- (b) to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any of the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- (c) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer whether such rights shall arise under the Notes or otherwise;
- (d) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, other obligations or securities of the Issuer or any body corporate formed or to be formed;
- (e) to assent to any modification of the provisions contained in the Notes, the Conditions, this Schedule or the Agency Agreement which shall be proposed by the Issuer, any Holder of Notes or the Fiscal Agent;
- (f) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- (g) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Notes, or any act or omission which might otherwise constitute an event of default under the Notes;
- (h) to authorise the Fiscal Agent or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- (i) to give any other authorisation or approval which is required to be given by Extraordinary Resolution; and
- (j) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

19. Extraordinary Resolution Binds All Holders

An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at such Meeting and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote on an Extraordinary Resolution shall be given to the Noteholders and the Paying Agents (with a copy to the Issuer) within 14 days of the conclusion of the Meeting.

20. Minutes

Minutes shall be made of all resolutions and proceedings at each Meeting. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such

Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21. **Written Resolution**

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

SCHEDULE 3
THE SPECIFIED OFFICES OF THE AGENTS

The Fiscal Agent, Transfer Agent, Calculation Agent and Registrar:

Citibank, N.A.
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
England

Fax: +44 20 7508 3875
Attention: MTN Issuance Desk

The Other Paying Agent:

Banque Internationale à Luxembourg, société anonyme
69, route d'Esch
L-2953 Luxembourg

Fax: +352 4590 4227
Attention: Transaction Execution Group

SCHEDULE 4
FORM OF CALCULATION AGENT APPOINTMENT LETTER

[On letterhead of the Issuer]

*[for use if the Calculation Agent is **not** a Dealer]*

[Date]

[Name of Calculation Agent]

[Address]

Dear Sirs,

CITIGROUP INC.

U.S.\$110,000,000,000

Programme for the issuance of

Euro Medium-Term Notes, Series C

We refer to the Issue and Paying Agency Agreement dated 18 March 2016 entered into in respect of the above Euro Medium-Term Note Programme (as amended or supplemented from time to time, the “**Agency Agreement**”) between ourselves as Issuer, Citibank, N.A. as fiscal agent and certain other financial institutions named therein, a copy of which has been supplied to you by us.

Words and expressions defined in the Agency Agreement shall have the same meanings when used herein.

EITHER

[We hereby appoint you as Calculation Agent at your specified office detailed in the Confirmation as our agent in relation to *[specify relevant Series of Notes]* (the “**Notes**”) upon the terms of the Agency Agreement for the purposes specified in the Agency Agreement and in the Conditions and all matters incidental thereto.]

OR

[We hereby appoint you as Calculation Agent at your specified office detailed in the Confirmation set out below as our agent in relation to each Series of Notes in respect of which you are named as Calculation Agent in the relevant Final Terms upon the terms of the Agency Agreement and (in relation to each such Series of Notes) in the Conditions and all matters incidental thereto.]

Please complete and return to us the Confirmation on the copy of this letter duly signed by an authorised signatory confirming your acceptance of this appointment.

This letter, and any non-contractual obligations arising out of or in connection with it, are governed by the laws of the State of New York and the provisions of Clause 16 (*Law and Jurisdiction*) of the Agency Agreement shall apply to this letter as if set out herein in full.

Yours faithfully

Citigroup Inc.

By:

FORM OF CONFIRMATION

EITHER

We hereby accept our appointment as Calculation Agent of the Issuer in relation to the Notes, and shall perform all matters expressed to be performed by the Calculation Agent in, and shall otherwise comply with, the Conditions and the provisions of the Agency Agreement and, in connection therewith, shall take all such action as may be incidental thereto.

OR

We hereby accept our appointment as Calculation Agent of the Issuer in relation to each Series of Notes in respect of which we are named as Calculation Agent in the relevant Final Terms, and shall perform all matters expressed to be performed by the Calculation Agent in, and shall otherwise comply with (in relation to each such Series of Notes) the Conditions and the provisions of the Agency Agreement and, in connection therewith, shall take all such action as may be incidental thereto.

For the purposes of [the Notes] [each such Series of Notes] and the Agency Agreement our specified office and communication details are as follows:

Address: []

Telex: []

Fax: []

Attention: []

[Calculation Agent]

By:

Date:

[For the purposes of Article 1 of the Protocol annexed to the Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters signed at Brussels on 27 September 1968, the undersigned expressly and specifically agrees to the terms of Clause 16.2 (*Jurisdiction*) of the Agency Agreement as it is incorporated into this letter agreement.]

[LUXEMBOURG PARTY]

By:

**SCHEDULE 5
FORM OF PUT OPTION NOTICE**

To: [Paying Agent]

CITIGROUP INC.
U.S.\$110,000,000,000
Programme for the issuance of
Euro Medium-Term Notes, Series C
PUT OPTION NOTICE²

OPTION 1 (INDIVIDUAL NOTE CERTIFICATES)

By depositing this duly completed Notice with the above Paying Agent in relation to [*specify relevant Series of Notes*] (the “**Notes**”) in accordance with Condition 9(e) (*Redemption at the option of Noteholders*), the undersigned Holder of the principal amount of Notes specified below and evidenced by the Individual Note Certificate(s) referred to below and presented with this Put Option Notice exercises its option to have such Notes redeemed in accordance with Condition 9(e) (*Redemption at the option of Noteholders*) on [date].

This Notice relates to Note(s) in the aggregate principal amount of *currency* evidenced by Individual Note Certificate bearing the following serial numbers:

.....
.....
.....

OPTION 2 (GLOBAL NOTE)

By depositing this duly completed Notice with the above Paying Agent in relation to [*specify relevant Series of Notes*] (the “**Notes**”) in accordance with Condition 9(e) (*Redemption at the option of Noteholders*), the undersigned Holder of the principal amount of Notes specified below exercises its option to have such Notes redeemed in accordance with Condition 9(e) (*Redemption at the option of Noteholders*) on [date].

This Notice relates to Note(s) in the aggregate principal amount of *currency*

[END OF OPTIONS]

Payment should be made by [*complete and delete as appropriate*]:

² The Put Option Notice, duly completed and executed, should be deposited at the specified office of any Paying Agent. If the relevant Notes are in global form, the Put Option Notice should be submitted in accordance with the operating rules and regulations of the relevant clearing system and, if possible, the relevant interests in the relevant Global Note should be blocked to the satisfaction of the relevant Paying Agent.

- [currency] cheque drawn on a bank in [currency centre] and in favour of [name of payee] and mailed at the payee's risk by uninsured airmail post to [name of addressee] at [addressee's address].]

OR

- transfer to [details of the relevant account maintained by the payee] with [name and address of the relevant bank].]

OPTION (INDIVIDUAL NOTE CERTIFICATES) [completed/delete as applicable]

If the Individual Note Certificates referred to above are to be returned to the undersigned in accordance with the Conditions and the Agency Agreement relating to the Notes, they should be returned by post to:

.....

The undersigned acknowledges that any Individual Note Certificates so returned will be sent by uninsured airmail post at the risk of the registered Holder.

Name of Holder:

Signature
 of Holder:

[END OF OPTIONS]

All notices and communications relating to this Put Option Notice should be sent to the address specified below.

Name of holder:

Contact details:

Signature
 of holder:

Date:

[To be completed by Paying Agent:]

Received by:

[Signature and stamp of Paying Agent:]

At its office at

.....

On

**THIS NOTICE WILL NOT BE VALID UNLESS ALL OF THE PARAGRAPHS
REQUIRING COMPLETION HAVE BEEN DULY COMPLETED.**

**SCHEDULE 6
FORM OF PUT OPTION RECEIPT**

CITIGROUP INC.
U.S.\$110,000,000,000
Programme for the issuance of
Euro Medium-Term Notes, Series C

PUT OPTION RECEIPT³

We hereby acknowledge receipt of a Put Option Notice relating to [*specify relevant Series of Notes*] (the “**Notes**”) having the principal amount specified below and evidenced by the individual note certificate(s) referred to below. We will hold such Individual Note Certificate (s) in accordance with the terms of the Conditions of the Notes and the Agency Agreement dated [*date*] relating thereto.

In the event that, pursuant to such Conditions and the Agency Agreement, the Noteholder becomes entitled to the return of such Individual Note Certificate(s), we will return such Individual Note Certificate(s) to the Noteholder by uninsured post to, and at the risk of, the Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice.

Certificate Number

Denomination

.....
.....
.....

.....
.....
.....

END OF OPTIONS

Dated: [*date*]

[*PAYING AGENT*]

By:

duly authorised

³ A Receipt will only be issued in the case of deposit of an Individual Note Certificate.

SCHEDULE 7
DUTIES UNDER THE ISSUER-ICSDS AGREEMENT

In relation to each Tranche of Notes that are, or are to be, represented by a Global Note to be held under the NSS, the Fiscal Agent or the Registrar will comply with the following provisions:

1. *Initial issue outstanding amount:* The Registrar will inform each of the ICSDs, through the Common Service Provider appointed by the ICSDs to service the Notes, of the initial issue outstanding amount (the “IOA”) for such Tranche on or prior to the relevant Issue Date.
2. *Mark up or mark down:* If any event occurs that requires a mark up or mark down of the records which an ICSD holds for its customers to reflect such customers’ interest in the Notes, the Registrar will (to the extent known to it) promptly provide details of the amount of such mark up or mark down, together with a description of the event that requires it, to the ICSDs (through the Common Service Provider) to ensure that the IOA of the Notes remains at all times accurate.
3. *Reconciliation of records:* The Registrar will at least once every month reconcile its record of the IOA of the Notes with information received from the ICSDs (through the Common Service Provider) with respect to the IOA maintained by the ICSDs for the Notes and will promptly inform the ICSDs (through the Common Service Provider) of any discrepancies.
4. *Resolution of discrepancies:* The Registrar will promptly assist the ICSDs (through the Common Service Provider) in resolving any discrepancy identified in the IOA of the Notes.
5. *Details of payments:* The Registrar will promptly provide the ICSDs (through the Common Service Provider) details of all amounts paid by it under the Notes (or, where the Notes provide for delivery of assets other than cash, of the assets so delivered).
6. *Change of amount:* The Registrar will (to the extent known to it) promptly provide to the ICSDs (through the Common Service Provider) notice of any changes to the Notes that will affect the amount of, or date for, any payment due under the Notes.
7. *Notices to Noteholders:* The Registrar will (to the extent known to it) promptly provide to the ICSDs (through the Common Service Provider) copies of all information that is given to the holders of the Notes.
8. *Communications from ICSDs:* The Registrar will promptly pass on to the Issuer all communications it receives from the ICSDs directly or through the Common Service Provider relating to the Notes.
9. *Default:* The Registrar will (to the extent known to it) promptly notify the ICSDs (through the Common Service Provider) of any failure by the Issuer to make any payment or delivery due under the Notes when due.

SCHEDULE 8
REGULATIONS CONCERNING TRANSFERS AND REGISTRATION OF NOTES

1. Subject to paragraph 4 and paragraph 11 below, Notes may be transferred by execution of the relevant form of transfer under the hand of the transferor or, where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing. Where the form of transfer is executed by an attorney or, in the case of a corporation, under seal or under the hand of two of its officers duly authorised in writing, a copy of the relevant power of attorney certified by a financial institution in good standing or a notary public or in such other manner as the Registrar may require or, as the case may be, copies certified in the manner aforesaid of the documents authorising such officers to sign and witness the affixing of the seal must be delivered with the form of transfer. In this Schedule, “**transferor**” shall, where the context permits or requires, include joint transferors and shall be construed accordingly.
2. The Note Certificate issued in respect of the Notes to be transferred must be surrendered for registration, together with the form of transfer (including any certification as to compliance with restrictions on transfer included in such form of transfer) endorsed thereon, duly completed and executed, at the Specified Office of the Registrar or any Transfer Agent, and together with such evidence as the Registrar or (as the case may be) the relevant Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. The signature of the person effecting a transfer of a Note shall conform to any list of duly authorised specimen signatures supplied by the Holder of such Note or be certified by a financial institution in good standing, notary public or in such other manner as the Registrar or such Transfer Agent may require.
3. No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of such Note.
4. No Noteholder which has executed a Form of Proxy in relation to a Meeting of Holders of Notes may require the transfer of a Note covered by such Form of Proxy to be registered until the earlier of the conclusion of the Meeting and its adjournment for want of a quorum.
5. The executors or administrators of a deceased Holder of a Note (not being one of several joint Holders) and, in the case of the death of one or more of several joint Holders, the survivor or survivors of such joint Holders, shall be the only persons recognised by the Issuer as having any title to such Note.
6. Any person becoming entitled to any Notes in consequence of the death or bankruptcy of the Holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Registrar or the relevant Transfer Agent may require (including legal opinions), become registered himself as the Holder of such Notes or, subject to the provisions of these Regulations, the Notes and the Conditions as to transfer, may transfer such Notes. The Issuer, the Transfer Agents, the Registrar and the Paying Agents shall be at liberty to retain any amount payable upon the Notes to which any person is so entitled until such person is so registered or duly transfers such Notes.

7. Unless otherwise required by him and agreed by the Issuer and the Registrar, the Holder of any Notes shall be entitled to receive only one Note Certificate in respect of his holding.
8. The joint Holders of any Note shall be entitled to one Note Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint Holder whose name appears first in the Register in respect of the joint holding.
9. Where there is more than one transferee (to hold other than as joint Holders), separate forms of transfer (obtainable from the Specified Office of the Registrar or any Transfer Agent) must be completed in respect of each new holding.
10. A Holder of Notes may transfer all or part only of his holding of Notes provided that both the principal amount of Notes transferred and the principal amount of the balance not transferred are a Specified Denomination. Where a Holder of Notes has transferred part only of his holding of Notes, a new Note Certificate in respect of the balance of such holding will be delivered to him.
11. The Issuer, the Transfer Agents and the Registrar shall, save in the case of the issue of replacement Notes pursuant to Condition 14 (*Replacement of Notes*), make no charge to the Holders for the registration of any holding of Notes or any transfer thereof or for the issue of any Notes or for the delivery thereof at the Specified Office of any Transfer Agent or the Registrar or by uninsured post to the address specified by the Holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the Holder or the transferee thereof as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery.
12. Provided a transfer of a Note is duly made in accordance with all applicable requirements and restrictions upon transfer and the Note(s) transferred are presented to a Transfer Agent and/or the Registrar in accordance with the Agency Agreement and these Regulations, and subject to unforeseen circumstances beyond the control of such Transfer Agent or the Registrar arising, such Transfer Agent or the Registrar will, within five business days of the request for transfer being duly made, deliver at its Specified Office to the transferee or despatch by uninsured post (at the request and risk of the transferee) to such address as the transferee entitled to the Notes in relation to which such Note Certificate is issued may have specified, a Note Certificate in respect of which entries have been made in the Register, all formalities complied with and the name of the transferee completed on the Note Certificate by or on behalf of the Registrar; and, for the purposes of this paragraph, “**business day**” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the cities in which the Registrar and (if applicable) the relevant Transfer Agent have their respective Specified Offices.

SCHEDULE 9
FORM OF SUBSTITUTION AGREEMENT

This Substitution Agreement (the “**Agreement**”) is made on [date] by **CITIGROUP INC.** (the “**Issuer**”), a Delaware corporation, and [] (the “**Substitute**”), a company incorporated in [].

WHEREAS:

It has been proposed that in respect of the [Principal Amount] [Description of Series] Euro Medium-Term Notes, Series C due [Maturity] (the “**Notes**”) of the Issuer and in relation to which an Issue and Paying Agency Agreement (the “**Agency Agreement**”) was entered into dated 18 March 2016 between, among others, the Issuer and Citibank, N.A. there will be a substitution of the Substitute for the Issuer as the issuer of the Notes. References herein to the “**Notes**” include any Global Note representing the Notes and other expressions defined in the Notes have the same meaning in this Agreement unless the context requires otherwise.

IT IS AGREED as follows:

1. The Substitute agrees that, with effect from and including the first date on which notice has been given by the Issuer pursuant to Condition 23 (*Substitution of the Issuer*) and all the other requirements of such Condition have been met (the “**Effective Date**”), it shall be deemed to be “the Issuer” for all purposes in respect of the Notes insofar as it relates to the Notes, and accordingly it shall be entitled to all the rights, and subject to all the liabilities, on the part of the Issuer contained in them.
2. With effect from and including the Effective Date:
 - (a) the Issuer is released from all its liabilities, in its capacity as issuer of the Notes, contained in the Notes insofar as it relates to the Notes, *provided that* the Issuer hereby undertakes the obligations set forth below:
 - (1) The Issuer does hereby fully and unconditionally guarantee to the Noteholder the payment of all sums payable by the Substitute in respect of the Notes as and when the same shall become due and payable (the “**Guarantee**”).
 - (2) The Issuer hereby waives notice of acceptance of the Guarantee and of default by the Substitute, and hereby agrees that payment under the Guarantee shall be subject to no condition other than the giving of a written request for payment, stating the fact of default, in the manner provided in Condition 18 (*Notices*). This Guarantee is a guarantee of payment and not of collection.
 - (3) The obligations of the Issuer under the Guarantee shall in no way be impaired by: (1) any extension, amendment, modification or renewal of the Notes; (2) any waiver of any Event of Default (as defined in Condition 12 (*Events of Default*)), extension of time or failure to enforce any of the Notes; or (3) any extension, moratorium or other relief granted to the Substitute pursuant to any applicable law or statute.

- (4) The Issuer shall be obligated to make payment under the Guarantee, for the benefit of the Noteholders, at the same address as the Substitute is obligated to make payment.
- (5) Subject to clause (6) below, the Issuer hereby agrees that:
- (i) the Notes and all amounts, including without limitation indemnities, owed to the Noteholders will be paid strictly in accordance with the terms of the Notes, regardless of the value, genuineness, validity, regularity or enforceability of the Notes, and of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Noteholders with respect thereto; and
 - (ii) the liability of the Issuer to the extent herein set forth shall be absolute and unconditional, not subject to any reduction, limitation, impairment, termination, defense, offset, counterclaim or recoupment whatsoever (all of which are hereby expressly waived by the Issuer) whether by reason of any claim of any character whatsoever, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, or by reason of any liability at any time to the Issuer or otherwise, whether based upon any obligations or any other agreement or otherwise, and howsoever arising, whether out of action or inaction or otherwise and whether resulting from default, willful misconduct, negligence or otherwise, and without limiting the foregoing, irrespective of:
 - (A) any lack of validity or enforceability of any agreement or instrument relating to the Notes;
 - (B) any change in the time, manner or place of payment of, or in any other term in respect of, all or any of the Notes, or any other amendment or waiver of or consent to any departure from any other agreement relating to any Notes;
 - (C) any increase in, addition to, exchange or release of, or non-perfection of any lien on or security interest in, any collateral, or any release or amendment or waiver of or consent to any departure from or failure to enforce any other guarantee, for all or any of the indebtedness;
 - (D) any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Guarantee in respect of the Notes;
 - (E) the absence of any action on the part of the Noteholders to obtain payment of the Notes from the Substitute;

- (F) any insolvency, bankruptcy, reorganization or dissolution, or any similar proceeding of the Substitute, including, without limitation, rejection of the Notes in such bankruptcy; or
 - (G) the absence of notice or any delay in any action to enforce any Notes or to exercise any right or remedy against the Issuer or the Substitute, whether hereunder, under any Notes or any agreement or any indulgence, compromise or extension granted.
- (6) Notwithstanding anything to the contrary in this Agreement, the Issuer does not waive any defense that would be available to the Substitute based on a failure of any condition to the Substitute's obligations under the Notes or the illegality of any provision of the Notes.
- (7) The Issuer further agrees that, to the extent that the Substitute or the Issuer makes a payment or payments to the Noteholders, which payment or payments or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to the Substitute or the Issuer or their respective estate, trustee, receiver or any other party under any federal bankruptcy laws, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, this Guarantee and the advances or part thereof which have been paid, reduced or satisfied by such amount shall be reinstated and continued in full force and effect as of the date such initial payment, reduction or satisfaction occurred.
- (b) The Issuer shall be subrogated to all rights of the Noteholders against the Substitute in respect of any amounts paid to such holders by the Issuer pursuant to the provisions of the Guarantee; provided, however, that the Issuer shall not be entitled to enforce, or to receive any payments arising out of or based upon such right of subrogation until the principal of, interest on and additional interest, if any, payable in respect of all Notes of the same series shall have been paid in full.
- (c)
 - (1) The Issuer will not, and will not permit any Subsidiary to, incur, issue, assume or guarantee any **Indebtedness** if such Indebtedness is secured by a pledge of, lien on, or security interest in any shares of Voting Stock of any Significant Subsidiary, whether such Voting Stock is now owned or shall hereafter be acquired, without effectively providing that the Notes (together with, if the Issuer shall so determine, any other indebtedness or obligations of the Issuer or any Subsidiary ranking equally with such Notes and then existing or thereafter created) shall be secured equally and ratably with such Indebtedness. For the purposes of the foregoing, pledging, placing a lien on or creating a security interest in any shares of Voting Stock of a Significant Subsidiary in order to secure then outstanding Indebtedness of the Issuer or any Subsidiary shall be deemed to be the incurrence,

issuance, assumption or guarantee (as the case may be) of such Indebtedness, but the foregoing shall not apply to Indebtedness secured by a pledge of, lien on or security interest in any shares of Voting Stock of any corporation at the time it becomes a Significant Subsidiary, including extensions, renewals and replacements of such Indebtedness without increase in the amount thereof.;

- (2) For the purposes of Section 2(c)(1), (i) the term “**Indebtedness**” shall have the meaning given to it in the Terms and Conditions of the Notes; (ii) the term “**Voting Stock**” shall mean capital stock the holders of which have general voting power under ordinary circumstances to elect a majority of the board of directors of a corporation, or substantially equivalent interests in the case of an entity other than a corporation; provided that, for the purposes hereof, capital stock which carries only the right to vote conditioned on the happening of an event shall not be considered voting stock whether or not such event shall have happened and (iii) the term “**Subsidiary**”, when used with respect to the Issuer, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or in the case of a partnership or any other entity other than a corporation, the outstanding equity interests, are owned, directly or indirectly, by the Issuer; and for the purposes of this clause (iii), “**voting equity securities**” means equity securities having voting power for the election of directors, whether at all times or only so long as no senior class of securities has such voting power by reason of any contingency;
- (3) For the purposes of Section 2(c)(1), the term “**Significant Subsidiary**” shall mean a Subsidiary, including its Subsidiaries, which meets any of the following conditions:
- (i) The Issuer’s and its other Subsidiaries’ investments in and advances to the Subsidiary exceed 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
 - (ii) The Issuer’s and its other Subsidiaries’ proportionate share of the total assets (after inter-company eliminations) of the Subsidiary exceeds 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
 - (iii) The Issuer’s and its other Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle of the Subsidiary exceeds 10% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year.

(4) For the purposes of making the prescribed income test in Section 2(c)(3)(iii), the following shall be applicable:

- (i) When a loss has been incurred by either the Issuer and its Subsidiaries consolidated or the tested Subsidiary, but not both, the equity in the income or loss of the tested Subsidiary shall be excluded from the income of the Issuer and its Subsidiaries consolidated for purposes of the computation; and
- (ii) If income of the Issuer and its Subsidiaries consolidated for the most recent fiscal year is at least 10% lower than the average of the income for the last five fiscal years, such average income shall be substituted for purposes of the computation. Any loss years shall be omitted for purposes of computing average income.

(d)

(1) The Issuer will not consolidate with any other entity or accept a merger of any other entity into the Issuer or permit the Issuer to be merged into any other entity, or sell other than for cash or lease all or substantially all its assets to another entity, unless:

- (i) in the case where the Issuer shall consolidate with or merge into another entity or sell other than for cash or lease all or substantially all of its assets to another entity, the entity formed by such consolidation or into which the Issuer is merged or the entity which acquires other than for cash, or which leases, all or substantially all of the assets of the Issuer, shall be a corporation, partnership or trust organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;
- (ii) either the Issuer shall be the continuing entity, or the successor, transferee or lessee entity (if other than the Issuer) shall expressly assume, by agreement satisfactory to the Noteholders, executed and delivered by such entity prior to or simultaneously with such consolidation, merger, sale or lease, the full and unconditional guarantee of the due and punctual payment of the principal of and interest on all the Notes, according to their tenor and the due and punctual performance and observance of all other obligations to the Noteholders under the Notes to be performed or observed by the Issuer;
- (iii) immediately after such merger, consolidation, sale or lease, the Issuer or the successor, transferee or lessee entity (if other than the Issuer) would not be in default in the performance of any covenant or condition of the Notes; and
- (iv) after giving effect to such merger, consolidation, sale or lease, neither the Issuer nor any successor will be required to register

as an “investment company” under the Investment Company Act.

- (2) Upon any consolidation with or merger into any other entity, or any sale, conveyance or lease of all or substantially all of the assets of the Issuer in accordance with this Section 2(d), the successor entity formed by such consolidation or into or with which the Issuer is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Notes with the same effect as if such successor entity had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor Issuer shall be relieved of all obligations and covenants under the Guarantee.
- (e) The Issuer may, without the consent of the Noteholders, assume all of the rights and obligations of the Substitute under the Notes of such series if, after giving effect to such assumption, no default or Event of Default shall have occurred and shall be continuing. Upon such an assumption, the Issuer shall execute a substitution agreement evidencing its assumption of all such rights and obligations of the Substitute and the Substitute any shall be released from its liabilities under such Notes as obligor on the Notes of such series.
- (f) Nothing contained in this Section 2 shall limit the right of the Noteholders to take any action to accelerate the maturity of the Notes pursuant to Condition 12 (*Events of Default*) or to pursue any rights or remedies thereunder, hereunder or under applicable law.
- (g) the Terms and Conditions of the Notes (as modified with respect to any Notes represented by a Global Note by the provisions of the Global Notes, the “**Conditions**”) (but without altering such provisions insofar as they relate to Notes issued pursuant to the Agency Agreement other than the Notes) are amended in the following ways:
 - (1) all references to “[insert references to tax jurisdiction(s) which are no longer relevant]” in Condition 9(b) are replaced by references to “[insert references to tax jurisdiction(s) relevant as a result of the substitution]”;
 - (2) all references to “[insert references to tax jurisdiction(s) which are no longer relevant]” in Condition 11 are replaced by references to “[insert references to tax jurisdiction(s) relevant as a result of the substitution]”; and
 - (3) the provisions of Conditions 11 (*Taxation*), 12 (*Events of Default*), 22 (*Consolidation or Merger*) are amended insofar as they relate to provisions or procedures of the laws of [jurisdiction of incorporation of Issuer] by their replacement with provisions relating to provisions or procedures of the laws of [jurisdiction of incorporation of Substitute] having an analogous effect so that Noteholders are placed in no worse a position by reason of the substitution under this Agreement than they would have been had such substitution not taken place.

3. The Substitute agrees to indemnify each Noteholder against (A) any tax, duty, assessment or governmental charge which is imposed on such Noteholder by (or by any authority in or of) [*the jurisdiction of the country of residence of the Substitute for tax purposes and, if different, of its incorporation*] with respect to any Note and which would not have been so imposed had the substitution not been made and (B) any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution.
4. The Substitute agrees that the benefit of the undertakings and the covenants binding upon it contained in this Agreement shall be for the benefit of each and every Noteholder and each Noteholder shall be entitled severally to enforce such obligations against the Substitute.
5. This Agreement shall be deposited with and held to the exclusion of the Substitute by each of the Fiscal Agent and the Registrar at its specified office for the time being under the Conditions until complete performance of the obligations contained in the Notes relating to them occurs and the Substitute hereby acknowledges the right of every Noteholder to production of this Agreement and, upon request and payment of the expenses incurred in connection therewith, to the production of a copy hereof certified by the Fiscal Agent or the Registrar to be a true and complete copy.
6. This Agreement may only be amended in the same way as the other Conditions are capable of amendment pursuant to and in accordance with Schedule 2 of the Agency Agreement and any such amendment of this Agreement will constitute one of the proposals specified in Condition 16(a) (*Meetings of Noteholders and Waiver*) to which special quorum provisions apply.
7. This Agreement for all purposes is governed by and shall be construed in accordance with the internal laws of the State of New York.
8. The State or Federal courts sitting in the Borough of Manhattan, the City of New York shall have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement (“**Proceedings**”) may be brought in such courts. This submission to the jurisdiction of the State or Federal courts sitting in the Borough of Manhattan, the City of New York shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

IN WITNESS WHEREOF this Agreement has been executed by the Issuer and the Substitute and is intended to be and is hereby delivered on the day and year first before written.

The Issuer

By: _____
Name:
Title:

acting for and on behalf of
CITIGROUP INC.

The Substitute

By: _____
Name:
Title:

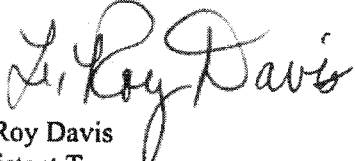
acting for and on behalf of
[insert name of Substitute]

SIGNATURES

The Issuer

EXECUTED

By:



Le Roy Davis
Assistant Treasurer
acting for and on behalf of
CITIGROUP INC.

The Fiscal, Transfer and Calculation Agent and Registrar
CITIBANK, N.A.

By:

The Other Paying Agent
BANQUE INTERNATIONALE À LUXEMBOURG société anonyme

By:

SIGNATURES

The Issuer

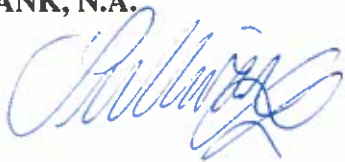
EXECUTED

By:

acting for and on behalf of
CITIGROUP INC.

The Fiscal, Transfer and Calculation Agent and Registrar
CITIBANK, N.A.

By:



Stuart Sullivan
Vice President

The Other Paying Agent
BANQUE INTERNATIONALE À LUXEMBOURG société anonyme

By:

SIGNATURES

The Issuer

EXECUTED

By:

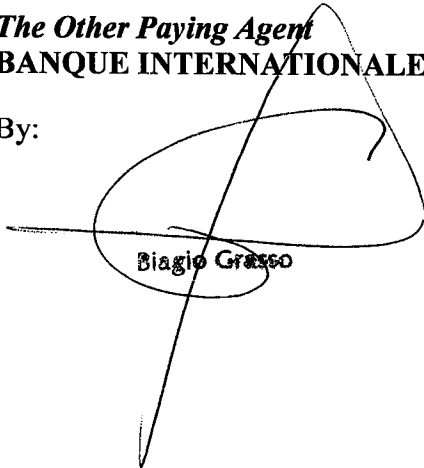
acting for and on behalf of
CITIGROUP INC.

The Fiscal, Transfer and Calculation Agent and Registrar
CITIBANK, N.A.


By:

The Other Paying Agent
BANQUE INTERNATIONALE À LUXEMBOURG société anonyme

By:



Biagio Grasso



Pierre-Francois Henlon