

## DESCRIPTION OF THE BONDS

The following is only a summary of certain provisions of the bonds and the indenture (as defined herein) and is qualified in its entirety by reference to all the provisions of the bonds and the indenture. Capitalized terms used in this section and not otherwise defined herein have the meanings assigned to them in the indenture and the forms of bonds, copies of which will be available for inspection at the principal office of the trustee at Floor 39, Citibank Tower, 3 Garden Road, Central, Hong Kong.

### General

We will issue the bonds with an initial aggregate principal amount of \$1,750,000,000 pursuant to a subordinated indenture to be dated on or about April 2, 2014 between us and Citicorp International Limited, as trustee, as may be supplemented from time to time, or the indenture. The bonds will mature on April 2, 2024, and will not be redeemable prior to maturity, except as described under “—Redemption for Taxation Reasons” or “—Redemption for Regulatory Reasons.”

The bonds will be issued in fully registered form, without coupons, in denominations of \$200,000 in principal amount and integral multiples of \$1,000 in excess thereof. As described in more detail below under “—Form, Book-entry and Transfer,” the bonds will be issued in the form of one or more global certificates deposited with a custodian and registered in the name of DTC or its nominee but, in certain circumstances, may be represented by definitive bonds in certificated form.

The bonds have not been and will not be registered with the SEC and are being offered and sold outside the United States only to non-U.S. Persons in reliance on Regulation S and inside the United States to QIBs in reliance on Rule 144A. Accordingly, the indenture is not required to be, and has not been, qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act.

### Ranking

The bonds will constitute our direct and unsecured obligations and shall at all times rank *pari passu* and without any preference among themselves and at least equally and ratably with all of our indebtedness that is subordinated to Senior Indebtedness and is in priority to all of our perpetual subordinated indebtedness, including indebtedness in respect of preference or other shares or any other indebtedness which ranks, or is expressed to rank, *pari passu* with, or junior to, indebtedness in respect of perpetual subordinated indebtedness.

### Subordination

Upon the occurrence and continuation of a Subordination Event (as defined below), our obligations pursuant to the bonds shall be subordinated in right of payment to all Senior Indebtedness and, so long as such Subordination Event continues (and in the case of civil rehabilitation proceedings, so long as neither a Summary Rehabilitation Order (as defined below) nor Consent Rehabilitation Order (as defined below) shall have been issued), no payment will be made under the bonds (except for such amounts which shall have become due and payable, other than solely by way of acceleration, prior to the occurrence of a Subordination Event) unless and until (i) in the case of Subordination Event (a), all Senior Indebtedness appearing on the final distribution list prepared by the administrator for the final distribution of bankruptcy assets pursuant to the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended) or any successor legislation thereto, or the Bankruptcy Act, is paid in full or provision has been made for the payment in full thereof pursuant to the Bankruptcy Act, (ii) in the case of Subordination Event (b), all Senior Indebtedness appearing in the plan of reorganization, at the date such plan has become final and conclusive after approval by a court of competent jurisdiction in Japan, as our indebtedness, subject to modification of such plan, is paid in full to the extent of the original amount of such indebtedness without regard to such modification, (iii) in the case of Subordination Event (c), all Senior Indebtedness appearing in the plan of rehabilitation, at the date such a plan has become final and conclusive after approval by a court of competent jurisdiction in Japan, as our indebtedness, subject to modification in such plan, is paid in full to the extent of the original amount of such indebtedness without regard to such modification or (iv) in the case of Subordination Event (d), conditions equivalent to those set out in (i), (ii) or (iii) above have been fulfilled; provided that, notwithstanding any provision herein to the contrary, if the imposition of any such condition is not allowed under such proceedings, any amount which becomes due under the bonds shall become payable in accordance with the Conditions for Payment set forth in the indenture and not subject to such impermissible condition.

The rights of the holders of the bonds will be reinstated with respect to any payments made to holders that are subsequently avoided in the bankruptcy, reorganization or rehabilitation, as though such payments had not been made.

We shall make no amendment or modification to the subordination provisions contained in the indenture that is prejudicial to any present or future creditor in respect of any of our Senior Indebtedness. No such amendment or modification shall in any event be effective against any such creditor.

A holder of a bond by his acceptance thereof shall thereby agree that if any payment is made to the holder of such bond with respect to a payment obligation that did not become due and payable prior to the occurrence of a Subordination Event and the amount of such payment shall exceed the amount, if any, that should have been paid to such holder (upon the proper application of the subordination provision of the bonds), the payment of such excess amount shall be deemed null and void and such holder shall be obliged to return the amount of the excess payment within ten days after receiving notice of the excess payment, and shall also thereby agree that upon the occurrence of a Subordination Event and so long as such Subordination Event shall continue, such holder shall not exercise any right to set off any of our liabilities under the bonds (except for such amounts which shall have become due and payable, other than solely by way of acceleration, prior to the occurrence of a Subordination Event) against any liabilities of such holder owed to us unless, until and only in such amount as our liabilities under the bonds become payable pursuant to the proper application of the subordination provisions of the bonds.

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

“Senior Indebtedness” means all our liabilities (including, for the avoidance of doubt, statutory subordinated bankruptcy claims (*retsugoteki hasan saiken*), as defined under the Bankruptcy Act) other than (i) liabilities under the bonds which shall not have become due and payable prior to the occurrence of a Subordination Event, (ii) liabilities under the bonds which shall have become due and payable solely by way of acceleration prior to such date and (iii) other liabilities ranking *pari passu* with, or junior to, the bonds.

“Subordination Event” means any one of the following events:

(a) a court of competent jurisdiction in Japan shall have adjudicated us to be bankrupt pursuant to the provisions of the Bankruptcy Act;

(b) a court of competent jurisdiction in Japan shall have commenced reorganization proceedings with respect to us pursuant to the provisions of the Corporate Reorganization Act of Japan (Act No. 154 of 2002 as amended), or the Reorganization Act;

(c) a court of competent jurisdiction in Japan shall have commenced civil rehabilitation proceedings with respect to us pursuant to the provisions of the Civil Rehabilitation Act of Japan (Act No. 225 of 1999 as amended) or any successor legislation thereto, or the Civil Rehabilitation Act; or

(d) we shall have become subject to bankruptcy, corporate reorganization, civil rehabilitation or other equivalent proceedings pursuant to any applicable law of any jurisdiction other than Japan, which proceedings have an equivalent effect to those set out in (a), (b) or (c) above.

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

For the avoidance of doubt, in the course of any potential bankruptcy proceedings pursuant to the Bankruptcy Act, claims of the holders of the bonds (other than claims that shall have become due and payable, other than by way of acceleration, prior to the occurrence of a Subordination Event) will rank junior in priority to statutory subordinated bankruptcy claims (*retsugoteki hasan saiken*), as defined in the Bankruptcy Act, in any distributions in such bankruptcy proceedings. Statutory subordinated bankruptcy claims will constitute Senior Indebtedness.

As a consequence of the subordination provisions in the bonds, in the event of the occurrence of a Subordination Event, the holders of the bonds may recover less ratably than the holders of our unsubordinated liabilities. Holders of the bonds may be required to pursue their claims with respect to the bonds in Japan. To the extent that holders of the bonds are entitled to any recovery with respect to the bonds in any Japanese action or proceeding, such holders might not be entitled in such an action or proceeding to a recovery in U.S. dollars and might be entitled in such an action or proceeding only to a recovery in Japanese yen. We have agreed pursuant to the terms of the indenture to indemnify the holders of the bonds against certain losses incurred as a result of any judgment or order being given or made for any amount due under the bonds and such judgment or order being expressed and paid in a currency other than U.S. dollars. See “—Indemnification of Judgment Currency.”

Any amounts due under this indemnification and any additional amounts due in respect of Japanese withholding taxes as provided by the terms of the bonds will be subordinated in right of payment in any such proceeding. See “—Taxation and Additional Amounts.” Pursuant to the provisions of the Bankruptcy Act, Reorganization Act or Civil Rehabilitation Act, the holders of our liabilities (both subordinated and unsubordinated) will be required to file a notice of claim in Japan upon the occurrence of a Subordination Event. Upon the expiration of the period for filing such notices, based on the notices filed and our records, an official list of liabilities that will be entitled to receive distribution in a bankruptcy, reorganization proceeding or rehabilitation proceeding will be determined pursuant to the provisions of the Bankruptcy Act, the Reorganization Act or the Civil Rehabilitation Act.

As of December 31, 2013, we had no outstanding subordinated indebtedness which upon the occurrence of a Subordination Event would rank *pari passu* with the obligations under the bonds. As of December 31, 2013, we had ¥11,607 billion in indebtedness on a consolidated basis. Neither the indenture nor the bonds contain any limitations on the amount of Senior Indebtedness or other liabilities that we may hereafter incur or assume (including through guarantee obligations) or on the amount of indebtedness or other liabilities that our subsidiaries may hereafter incur.

### **Payment of Principal and Interest**

Interest on the bonds will accrue at the rate of 4.436% *per annum* from April 2, 2014.

Principal will be repaid at maturity at a price of 100% of the principal amount unless the bonds are previously redeemed or otherwise cancelled.

We will pay interest on the bonds semiannually in arrears on April 2 and October 2 of each year (each an interest payment date), beginning on October 2, 2014, to the persons in whose names the bonds are registered as of the close of business on the fifteenth day before the interest payment date (whether or not a business day). Such semiannual interest will amount to \$22.18 per each \$1,000 in nominal amount of the bonds. Interest on the bonds will be paid to but excluding the relevant interest payment date. We will compute interest on the bonds on the basis of a 360-day year consisting of twelve 30-day months.

Our obligations to make payments of principal of or interest on the bonds are subject to the subordination provisions and the non-viability loss absorption provisions described herein under “—Subordination” and “—Write-Down upon a Non-Viability Event,” respectively.

We will pay the principal of and interest on the bonds in U.S. dollars or in such other coin or currency of the United States as at the time of payment is legal tender for the payment of public and private debts.

If any payment is due on the bonds on a day that is not a business day, we will make payment on the date that is the next succeeding business day. Payments postponed to the next succeeding business day in this situation will be treated under the indenture as if they were made on the original due date and no interest will accrue on the postponed amount from the original due date to the next succeeding business day. Unless otherwise specified, the term “business day” means any day on which banking institutions in The City of New York, London or Tokyo are not authorized or required by law, regulation or executive order to close.

### **Redemption for Taxation Reasons**

The bonds may be redeemed at our option, in whole, but not in part, subject to prior confirmation of the FSA, at any time, on giving not less than 30 nor more than 60 days’ notice of redemption to the holders of the

bonds (which notice shall be irrevocable and shall conform to all requirements with respect to such notice as set forth in the indenture) at a redemption price equal to 100% of the principal amount of the bonds together with any accrued and unpaid interest (including additional amounts with respect thereto, if any) to (but excluding) the date fixed for redemption if (i) we are or will be obliged to pay additional amounts as described under “—Taxation and Additional Amounts,” or, (ii) there is more than an insubstantial risk that, for Japanese corporate tax purposes, any portion of the interest payable on the bonds is not or will not be deductible from our taxable income or is or will be required to be deducted from the amount to be excluded from our taxable gross receipts, in each case of (i) and (ii) above, as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the original issuance date of the bonds and such obligation cannot be avoided by us through the taking of reasonable measures available to us; provided, that in the case of (i) above no such notice of redemption shall be given sooner than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts were a payment then due in respect of the bonds. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by an authorized officer stating that the conditions precedent to our right to so redeem have been fulfilled and an opinion of independent legal or tax advisor of recognized standing to the effect that we are or will be obliged to pay such additional amounts or there is more than an insubstantial risk that any part of interest to be payable on the bonds is not or will not be deductible from our taxable income or is or will be required to be deducted from the amount to be excluded from our taxable gross receipts, as the case may be, as a result of such change or amendment.

### **Redemption for Regulatory Reasons**

The bonds may be redeemed at our option, in whole, but not in part, subject to prior confirmation of the FSA, at any time, on giving not less than 30 nor more than 60 days’ notice of redemption to the holders of the bonds (which notice shall be irrevocable and shall conform to all requirements with respect to such notice as set forth in the indenture) at a redemption price equal to 100% of the principal amount of the bonds together with any accrued and unpaid interest (including additional amounts with respect thereto, if any) to (but excluding) the date fixed for redemption if, as a result of any change in, or amendment to, the Applicable Banking Regulations, which change or amendment becomes effective on or after the issuance date of the bonds, we determine after consultation with the FSA that there is more than an insubstantial risk that the bonds will be fully excluded from our Tier 2 Capital under the applicable standards set forth in the Applicable Banking Regulations and such exclusion cannot be avoided by us through the taking of reasonable measures available to us. Prior to the publication of any notice of redemption pursuant to this paragraph, we shall deliver to the trustee a certificate signed by an authorized officer stating that the conditions precedent to our right to so redeem have been fulfilled.

“Tier 2 Capital” means, any and all items constituting Tier 2 capital, as defined in the Applicable Banking Regulations.

“Applicable Banking Regulations” means, at any time, the capital adequacy regulations, public ministerial announcements, guidelines and policies then in effect of the FSA or other governmental authority that are applicable to us, including, without limitation, the Public Ministerial Announcement (*kokujū* (No. 20 of the FSA Public Ministerial Announcement of 2006, as amended)).

### **Write-Down upon a Non-Viability Event**

If a Non-Viability Event occurs, the bonds will be subject to a “Write-Down” on the Write-Down Date, automatically and without any additional action by us, the trustee or the holders of the bonds.

Upon the Write-Down:

- (i) the full principal amount of each bond, except for principal that has become due and payable prior to the occurrence of the Non-Viability Event, will be permanently written down to zero and the bonds will be cancelled; and
- (ii) the holders of the bonds will be deemed to have irrevocably waived their right to claim or receive, and will not have any rights against us or the trustee with respect to, payment of principal of or interest on the bonds (including additional amounts with respect thereto, if any), except for any payments of principal or interest (including additional amounts with respect thereto, if any) that have become due and payable prior to the occurrence of the Non-Viability Event.

Our obligations with respect to, and any claims for, the payment of principal of or interest on the bonds (including additional amounts with respect thereto, if any), except for payments of principal or interest (including additional amounts with respect thereto, if any) that have become due and payable prior to the occurrence of the Non-Viability Event, will be suspended from the occurrence of the Non-Viability Event until the Write-Down Date.

Except for claims with respect to payments of principal of or interest on the bonds (including additional amounts with respect thereto, if any) that have become due and payable prior to the occurrence of the Non-Viability Event, as described above, upon the occurrence of a Non-Viability Event, (a) the holders of the bonds shall have no rights whatsoever under the indenture or the bonds to take any action or enforce any rights or to instruct the trustee to take any action or enforce any rights whatsoever, (b) except for any indemnity or security provided by any holder in such instruction or related to such instruction, any instruction previously given to the trustee by any holders shall cease automatically and shall be deemed null and void and of no further effect, (c) no holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by us arising under, or in connection with, the bonds and each holder of bonds shall, by virtue of its holding of any bonds, be deemed to have irrevocably waived all such rights of set-off, compensation or retention and (d) no holder will be entitled to make any claim in any bankruptcy, insolvency or liquidation proceedings involving us or have any ability to initiate or participate in any such proceedings or do so through a representative.

A “Non-Viability Event” will be deemed to have occurred when the Prime Minister of Japan, following deliberation by Japan’s Financial Crisis Response Council pursuant to the Deposit Insurance Act, confirms (*nintei*) that “specified Item 2 measures (*tokutei dai nigo sochi*),” which are the measures set forth in Article 126-2, Paragraph 1, Item 2 of the Deposit Insurance Act (including any successor articles thereto), as then in effect, need to be applied to us under circumstances where our liabilities exceed or are likely to exceed our assets, or we have suspended or are likely to suspend payment of our obligations. See “Supervision and Regulation—Regulations in Japan—Regulations for Stabilizing the Financial System—Deposit Insurance System.”

We shall, on the date of or as soon as practicable after the occurrence of a Non-Viability Event, deliver a written notice, or a Write-Down Notice, to the holders of the bonds through DTC and to the trustee, confirming, among other things, the occurrence of such Non-Viability Event and the Write-Down Date. Any failure or delay by us to provide a Write-Down Notice, shall not change or delay the effect of the occurrence of the Non-Viability Event on our payment obligations under the bonds.

The “Write-Down Date” means the date on which the Write-Down will become effective, as specified in the relevant Write-Down Notice. The Write-Down Date shall be determined by us in consultation with the FSA and any other supervisory authorities and shall be no less than one and no more than ten business days following the date of the Write-Down Notice.

Following the receipt of a Write-Down Notice by DTC and the commencement of the Suspension Period, DTC will suspend all clearance and settlement of the bonds through DTC. Consequently, the holders of beneficial interests in the bonds will not be able to settle the transfer of any bonds through DTC upon the commencement of the Suspension Period, and any sale or other transfer of the bonds that a holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by, and will not be settled within, DTC. See “Risk Factors—Risks Related to the Bonds—Settlement activities of the bonds through DTC will be suspended following DTC’s receipt of a Write-Down Notice specifying the occurrence of a Non-Viability Event.”

“Suspension Period” means the period commencing on the business day in New York immediately following the date on which the relevant Write-Down Notice is received by DTC (except that such period may commence on the second business day in New York immediately following the day on which the Write-Down Notice is received by DTC, if DTC so determines in its discretion in accordance with its rules and procedures) and ending on the Write-Down Date.

If any payment on a bond is made to the holder of a bond with respect to a payment obligation that did not become due and payable prior to the occurrence of a Non-Viability Event, then the payment of such amount shall be deemed null and void and the holder shall be obliged to return the amount of such payment within ten days after receiving notice of the payment.

## **Listing**

We have received approval in-principle to list the bonds on the SGX-ST. The bonds will be traded on the SGX-ST in a minimum board lot size of \$200,000 for so long as the bonds remain listed on the SGX-ST.

## **Further Issuances**

We may from time to time, without the consent of the holders of the bonds, create and issue additional bonds on the same terms and conditions as the bonds offered hereby, except as to denomination, issue date, issue price and, if applicable, the date from which interest shall accrue and the date on which interest shall be first paid. Any additional bonds issued in this manner may be consolidated and treated as a single series with the bonds offered hereby for all purposes under the indenture, provided that such additional bonds that are so consolidated must be fungible for U.S. federal income tax purposes with the bonds offered hereby.

We also may, without the consent of the holders of the bonds, issue other series of debt securities in the future under the indenture on terms and conditions different from the bonds offered hereby.

## **Taxation and Additional Amounts**

We will make all payments of principal and interest in respect of the bonds without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, we shall pay such additional amounts as will result in the receipt by the holder of such amounts as would have been received by it had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any of the bonds under any of the following circumstances:

- the holder or beneficial owner of the bonds is an individual non-resident of Japan or a non-Japanese corporation and is liable for such taxes in respect of such bonds by reason of its having some connection with Japan other than the mere holding of such bonds or being a person having a special relationship with us as described in Article 6, Paragraph (4) of the Special Taxation Measures Act;
- the holder or beneficial owner of the bonds would otherwise be exempt from any such withholding or deduction but fails to comply with any applicable requirement to provide interest recipient information or to submit a written application for tax exemption to the relevant paying agent to whom the relevant bonds are presented (where presentation is required), or whose interest recipient information is not duly communicated through the relevant Participant (as defined below) and the relevant international clearing organization to such paying agent;
- the holder or beneficial owner of the bonds is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for a designated financial institution (as defined below) that complies with the requirement to provide interest recipient information or to submit a written application for tax exemption and an individual resident of Japan or a Japanese corporation that duly notifies (directly or through the relevant Participant or otherwise) the relevant paying agent of its status as not being subject to withholding or deduction by us by reason of receipt by such individual resident of Japan or Japanese corporation of interest on the relevant bonds through a payment handling agent in Japan appointed by it);
- the bond is presented for payment (where presentation is required) more than 30 days after the day on which such payment on the bond became due or after the full payment was provided for, whichever occurs later, except to the extent the holder thereof would have been entitled to additional amounts on presenting the same for payment on the last day of such period of 30 days;
- the withholding or deduction is imposed on a payment pursuant to European Council Directive 2003/48/EC regarding the taxation of savings income or any law implementing such directive;
- the withholding or deduction is imposed on a holder or beneficial owner who could have avoided such withholding or deduction by presenting its bond (where presentation is required) to another paying agent maintained by us;

- the holder is a fiduciary or partnership or is not the sole beneficial owner of the payment of the principal of, or any interest on, a bond, and Japanese law requires the payment to be included for tax purposes in the income of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner, in each case, that would not have been entitled to such additional amounts had it been the beneficial owner of such bond; or
- any combination of the above.

No additional amounts will be payable for or on account of any deduction or withholding imposed pursuant to Sections 1471-1474 of the U.S. Internal Revenue Code and the U.S. Treasury regulations thereunder, or FATCA, any intergovernmental agreement entered into with respect to FATCA, or any law, regulation or other official guidance enacted in any jurisdiction implementing, or relating to, FATCA or any intergovernmental agreement.

Where the bonds are held through a participant of an international clearing organization or a financial intermediary, or a Participant, in order to receive payments free of withholding or deduction by us for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, if the relevant beneficial owner is an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of ours) or a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Act, or a designated financial institution, each such beneficial owner shall, at the time of entrusting a Participant with the custody of the bonds, provide certain information prescribed by the Special Taxation Measures Act to enable the Participant to establish that such beneficial owner is exempted from the requirement for withholding or deduction of such taxes, and advise the Participant if the beneficial owner ceases to be so exempted (including the case in which a beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of ours).

Where the bonds are not held through a Participant, in order to receive payments free of withholding or deduction by us for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax, if the relevant beneficial owner is an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of ours) or a designated financial institution falling under certain categories prescribed by the Special Taxation Measures Act, each such beneficial owner shall, prior to each time at which it receives interest, submit to the relevant paying agent a written application for tax exemption (*hikazei tekiyo shinkokusho*), in a form obtainable from the paying agent stating, among other things, the name and address of the beneficial owner, the title of the bonds, the relevant interest payment date, the amount of interest and the fact that the beneficial owner is qualified to submit the written application for tax exemption, together with documentary evidence regarding its identity and residence.

By subscribing to the bonds, an investor will be deemed to have represented that it is a “Gross Recipient” for Japanese tax purposes. See “Taxation—Japanese Taxation.”

We will make any required withholding or deduction and remit the full amount withheld or deducted to the Japanese taxing authority in accordance with applicable law. We will use reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any tax, duty, assessment, fee or other governmental charge so withheld or deducted from the Japanese taxing authority imposing such tax, duty, assessment or other governmental charge and if certified copies are not available we will use reasonable efforts to obtain other evidence satisfactory to the trustee, and the trustee will make such certified copies or other evidence available to the holders upon reasonable request to the trustee.

If (i) subsequent to making a payment on the bonds without withholding or deduction of Japanese taxes we are required to remit to the Japanese taxing authority any amount in respect of Japanese taxes that should have been withheld or deducted from such payment (together with any interest and penalties) due to the failure of the beneficial owner to provide accurate interest recipient information or to otherwise properly claim an exemption from Japanese taxes imposed with respect to such payment, and (ii) the beneficial owner would not have been entitled to receive additional amounts with respect to such payment had Japanese taxes been withheld from the payment when it was made, the beneficial owner shall be required to reimburse us, in Japanese yen, for the amount remitted by us to the Japanese taxing authority.

The obligation to pay additional amounts with respect to any taxes, duties, assessments or other governmental charges shall not apply to any estate, inheritance, gift, sales, transfer, personal property or any

similar tax, duty, assessment, fee or other governmental charge or any tax, duty, assessment, fee or other governmental charge which is payable otherwise than by withholding or deduction from payments of principal of or interest on the bonds; provided that, except as otherwise set forth in the bonds and in the indenture, we will pay all stamp, court or documentary taxes or any excise or property taxes, charges or similar levies and other duties, if any, which may be imposed by Japan, the United States or any political subdivision or any taxing authority thereof or therein, with respect to the execution and enforcement of the indenture or as a consequence of the initial issuance, execution, delivery or registration of the bonds.

References to principal or interest in respect of the bonds shall be deemed to include any additional amounts due which may be payable as set forth in the bonds and the indenture.

### **Repurchase**

We, or any subsidiary of ours, may at any time but subject to prior confirmation of the FSA (if such confirmation is required under the Applicable Banking Regulations) purchase any or all of the bonds in the open market or otherwise at any price. Subject to applicable law, neither we nor any subsidiary of ours shall have any obligation to offer to purchase any bonds held by any holder as result of our or its purchase or offer to purchase bonds held by any other holder in the open market or otherwise.

Any bonds so repurchased by us or any subsidiary of ours and surrendered to the trustee shall be cancelled.

### **Consolidation, Merger, Sale or Conveyance**

The indenture provides that we may consolidate with or merge into any other corporation or entity or sell or dispose of our properties and assets substantially as an entirety, whether as a single transaction or a number of transactions, related or not, to any person; provided that, among other things, such other corporation or entity formed by such consolidation, or into which we are merged, or such person who acquires our properties and assets substantially as an entirety is a joint stock company (*kabushiki kaisha*) incorporated and validly existing under the laws of Japan and expressly assumes our obligations under all series of bonds issued under the indenture and the indenture, and further provided that, immediately after giving effect to such transaction, no Event of Acceleration shall have occurred and be continuing.

### **Events of Acceleration; Limited Rights of Acceleration**

An Event of Acceleration with respect to the bonds means the occurrence and continuation of a Subordination Event. If an Event of Acceleration has occurred and is continuing, and provided that a Non-Viability Event has not occurred, the trustee or the holders of not less than 25% in aggregate principal amount of the bonds may, by written notice to us and the trustee (if given by the holders), declare the principal of and all interest then accrued on the bonds to be forthwith due and payable upon receipt of such notice by us and, if applicable, the trustee. At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the trustee pursuant to the provisions of the indenture, the holders of a majority in principal amount of the bonds, by written notice to us and the trustee, may rescind and annul such declaration and its consequences provided certain conditions set forth in the indenture have been satisfied. Except as provided above, neither the trustee nor the holders of the bonds will have any right to accelerate any payment of principal or interest in respect of the bonds.

If the holders of a majority in principal amount of the bonds rescind and annul a declaration of acceleration or if a court of competent jurisdiction shall (i) rescind or terminate a bankruptcy action with respect to us without a distribution of assets pursuant to the Bankruptcy Act, (ii) rescind or terminate a reorganization proceeding with respect to us without approving the plan of reorganization pursuant to the Reorganization Act or (iii) rescind or terminate a rehabilitation proceeding without approving the plan of rehabilitation, or a Summary Rehabilitation Order or Consent Rehabilitation Order is issued, pursuant to the Civil Rehabilitation Act, then such Event of Acceleration shall have the same effect as if it had not occurred.

Pursuant to the indenture, the trustee shall give notice by mail to the holders of the bonds of all defaults known to the trustee that have occurred with respect to the bonds, provided that the trustee may, in certain limited circumstances, withhold such notice. The trustee shall transmit the notice within 90 days of such occurrence, unless the defaults have been cured before transmission of such notice.



## **Paying Agent, Transfer Agent and Registrar**

Whenever we appoint a paying agent to make payments required under the indenture and the bonds, such paying agent will hold all sums received by it as such agent for the payment of the principal and interest (including any additional amounts) on the bonds in trust for the benefit of the holders of the bonds and will make payments to such holders as provided for in the indenture and the bonds.

Citibank, N.A., London, located at 1 North Wall Quay, Dublin, Ireland, will initially act as paying agent, transfer agent and registrar for the bonds. We may change the paying agent, transfer agent or registrar without prior notice to the holders of the bonds, and we or any of our subsidiaries may act as paying agent, transfer agent or registrar.

So long as the bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the global security is exchanged for definitive bonds, we shall appoint and maintain a paying agent in Singapore, at the specified office of which the bonds may be presented or surrendered for payment or redemption. In addition, an announcement of such exchange shall be made by or on our behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive bonds, including details of the paying agent in Singapore.

## **Indemnification of Judgment Currency**

We will indemnify each holder of a bond to the full extent permitted by applicable law against any loss incurred by such holder as a result of any judgment or order being given or made for any amount due under such bond and such judgment or order being expressed and paid in a judgment currency other than U.S. dollars and as a result of any variation as between the rate of exchange at which the U.S. dollar is converted into the judgment currency for the purpose of such judgment or order and the spot rate of exchange in The City of New York at which the holder on the day on which final unappealable judgment is entered is able to purchase U.S. dollars with the amount of the judgment currency actually received by the holder. This indemnification will constitute a separate and independent obligation and will continue notwithstanding any such judgment.

## **Satisfaction and Discharge**

We may discharge all of our obligations with respect to the bonds, other than as to transfers and exchanges, under the indenture if we shall have:

- paid or caused to be paid the principal of and interest on all of the bonds (other than bonds which have been destroyed, lost or stolen and which have been replaced or paid as provided in the indenture) as and when the same shall have become due and payable; or
- delivered to the trustee for cancellation all of the bonds theretofore authenticated (other than bonds which have been destroyed, lost or stolen and which have been replaced or paid as provided in the indenture).

## **Modification and Waiver**

No amendment or modification which is prejudicial to any present or future creditor in respect of any Senior Indebtedness shall be made to the subordination provision contained in the indenture. In addition, any amendment or modification to the principal terms of the bonds is subject to prior confirmation of the FSA, if such confirmation is required under the Applicable Banking Regulations.

### ***Without Consent of Holders***

We and the trustee may amend or modify the indenture or the bonds without the consent of any holder of the bonds to:

- cure ambiguities, defects or inconsistencies, or make other provisions which shall not adversely affect the interests of the holders of the bonds in any material respect;
- add covenants for the protection of the holders of the bonds;
- secure the bonds of any series;
- establish the forms or terms of the bonds of any series;
- evidence and provide for the acceptance of appointment by a successor trustee;

- evidence the assumption by a successor corporation of our obligations under the bonds and the indenture;
- qualify the indenture under the Trust Indenture Act; or
- remove, amend or modify the non-viability loss absorption provisions; provided that such removal, amendment or modification does not adversely affect the interests of the holders of the bonds in any material respect or the treatment of the bonds as our Tier 2 Capital.

### ***With Consent of Holders***

We and the trustee may, with the consent of the holders of not less than a majority in aggregate principal amount of all affected series of outstanding bonds under the indenture (voting together as a single class), add any provisions to, or change in any manner or eliminate any of the provisions of, the indenture or modify in any manner the rights of the holders of the bonds issued under the indenture. However, we and the trustee may not make any of the following changes to any outstanding bond of any series issued under the indenture without the consent of each holder that would be affected by such change:

- extend the final maturity of the bonds of any series or of any installment of principal thereof;
- reduce the principal amount thereof;
- reduce the rate or extend the time of payment of interest thereon;
- reduce any amount payable on redemption thereof;
- make the principal thereof (including any amount in respect of original issue discount), or interest thereon, payable in any coin or currency other than that provided in the bonds or in accordance with the terms thereof;
- modify or amend any provisions for converting any currency into any other currency as provided in any of the bonds or in accordance with the terms of the bonds;
- change our obligations, if any, to pay additional amounts established for any tax, assessment or governmental charge withheld or deducted, including any option to redeem the bonds rather than to pay the additional amounts;
- reduce the amount of the principal of an original issue discount security that would be due and payable upon an acceleration of the maturity of such bond or the amount provable in bankruptcy, or impair or affect the right of any holders of the bonds to institute suit for the payment thereof or, if the bonds provide therefor, impair or affect any right of repayment at the option of the holders of the bonds;
- modify or amend any provisions relating to the conversion or exchange of any of the bonds for other of our securities or for securities of other entities or for other property (or the cash value thereof), including the determination of the amount of securities or other property (or cash) into which such bonds shall be converted or exchanged, other than as provided in the antidilution provisions or other similar adjustment provisions of such bonds or otherwise in accordance with the terms of such bonds;
- modify or amend any provisions relating to the agreement to subordinate and the terms of subordination of the bonds of any particular series pursuant to the indenture; or
- reduce the aforesaid percentage of any of the bonds of any particular series, the consent of the holders of such series being required for any such supplemental indenture.

The holders of a majority in aggregate principal amount of the outstanding bonds of all affected series then outstanding under the indenture (voting together as a single class) also have the right to waive any past default or Event of Acceleration and its consequences, except a default in respect of a covenant or a provision of the indenture which cannot be modified or amended without the consent of the holder of each bond affected thereby.

### **The Trustee**

The trustee is organized under the laws of Hong Kong with offices located at Floor 39, Citibank Tower, 3 Garden Road, Central, Hong Kong. The indenture provides that in the case of an Event of Acceleration or a

default in the payment of interest or principal with respect to the bonds, the trustee will with respect to the bonds exercise the rights and powers vested in it by the indenture, using the same degree of care and skill as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. In the absence of an Event of Acceleration or a default in the payment of interest or principal with respect to the bonds, the trustee need only perform the duties specifically set forth in the indenture.

The trustee will be under no obligation to exercise any rights, trusts or powers conferred under the indenture or any of the bonds for the benefit of the holders unless such holders have offered to the trustee indemnity or security reasonably satisfactory to the trustee against any loss, cost, liability or expense.

The indenture does not contain limitations on the rights of the trustee thereunder, should it be or become a creditor of ours, to obtain payment of claims. The trustee is not precluded from engaging in other transactions and, if it has or acquires any conflicting interest (as defined in Section 310(b) of the Trust Indenture Act), it is not required to eliminate such conflict or resign.

The indenture provides that we will indemnify the trustee and each predecessor trustee and their respective agents, employees, officers and directors for, and hold each such party harmless against, any loss, liability or expense arising out of or in connection with the acceptance or administration of the indenture or the trusts thereunder and the performance of each such party's duties thereunder, including reasonable and properly incurred costs and expenses of defending against or investigating any claim of liability, except to the extent such loss, liability or expense is due to the negligence or bad faith of the trustee, such predecessor trustee or their respective agents, employees, officers or directors.

The trustee currently acts as trustee for certain securities issued by our affiliates and may in the future act as trustee for other securities issued by us or by our affiliates.

### **Successor Trustee**

The indenture provides that the trustee may resign or be removed by us, effective upon the acceptance by a successor trustee of its appointment. The indenture provides that any successor trustee shall be a corporation with a combined capital and surplus of not less than \$50,000,000.

### **Repayment of Funds**

All monies paid by us to the trustee or a paying agent for payment of principal of or interest on any bond which remain unclaimed at the end of two years after such payment shall have become due and payable will be repaid to us and all liability of the trustee with respect thereto will cease, and to the extent permitted by law, the holder of such bond shall thereafter look only to us for any payment which such holder may be entitled to collect.

### **Governing Law**

The indenture and the bonds will be governed by, and construed in accordance with, the laws of the State of New York.

### **Consent to Jurisdiction and Service of Process**

We have irrevocably consented to the jurisdiction of the courts of the State of New York and the United States courts located in The City of New York with respect to any action that may be brought in connection with the indenture or the bonds. We have appointed the Bank's New York Branch, with offices at 277 Park Avenue, New York, New York 10172, General Manager, Planning Dept., Americas Division, as our authorized agent upon whom process may be served in any such action arising out of or based on the indenture or the bonds until the first-year anniversary of the first day upon which none of the bonds shall be outstanding.

### **Limitation on Suits**

Except for the right to institute a suit for the enforcement of the payment of principal of or interest on a bond, in accordance with the terms of the indenture and the bonds, no holder of any bond shall have any right by virtue or availing of any provision of the indenture to institute any proceeding with respect to the indenture or for

the appointment of a trustee, receiver, liquidator, custodian or other similar official or for any other remedy thereunder, unless: (i) such holder has previously given written notice to the trustee of a continuing default with respect to the bonds, (ii) the holders of not less than 25% in principal amount of the outstanding bonds of each affected series issued under the indenture (treated as a single class) shall have made written request to the trustee to institute proceedings, (iii) such holders have offered to the trustee indemnity or security reasonably satisfactory to the trustee against the costs, expenses and liabilities to be suffered or incurred, (iv) the trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and (v) no direction inconsistent with such written request has been given to the trustee during such 60-day period by the holders of a majority in principal amount of the outstanding bonds of each affected series (voting as a single class).

### **Undertaking for Costs**

The indenture will provide that we and the trustee agree, and each holder of a bond by his acceptance thereof shall be deemed to have agreed, that in any suit for the enforcement of any right or remedy under the indenture or against the trustee for action taken, suffered or omitted by it as trustee (other than a suit instituted by the trustee, a holder or group of holders holding more than 10% in aggregate principal amount of the bonds, or any holder for the enforcement of the payment of the principal of or interest on any bond on or after the due date thereof), a court may in its discretion require the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

### **Form, Book-entry and Transfer**

The bonds will be issued only in fully registered form without coupons and in denominations of \$200,000 and integral multiples of \$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of the bonds, but we may require payment of a sum sufficient to cover any tax or government charge payable in connection therewith.

We will cause to be maintained offices or agencies where the bonds may be presented for registration of transfer or for exchange, each, a transfer agent. We will initially appoint Citibank, N.A., London as transfer agent for the bonds.

We will cause to be kept for the bonds a register in which, subject to such reasonable regulations as we may prescribe, we will provide for the registration of such bonds and registration of transfers of such bonds. We, the trustee and any agent of ours or the trustee may treat the person in whose name any bond is registered as the absolute owner of such bond for all purposes and none of them shall be affected by any notice to the contrary. At the option of the registered holder of a bond, subject to the restrictions contained in the bonds and in the indenture, such bond may be transferred or exchanged for a like aggregate principal amount of bonds of the same series of different authorized denominations, upon surrender for exchange or registration of transfer, at the trustee's office. Any bond surrendered for exchange or presented for registration of transfer shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to us and the trustee, duly executed by the holder thereof or its attorney duly authorized in writing. Bonds issued upon any such transfer will be executed by us and authenticated by or on behalf of the trustee, registered in the name of the designated transferee or transferees and delivered at the trustee's office or mailed, at the request, risk and expense of, and to the address requested by, the designated transferee or transferees.

We may vary or terminate the appointment of any transfer agent, or appoint additional or other transfer agents or approve any change in the office through which any transfer agent acts. We will cause notice of any resignation, termination or appointment of the trustee or any transfer agent, and of any change in the office through which any transfer agent will act, to be provided to holders of the bonds.

### ***Global Securities***

The bonds will be initially represented by one or more global certificates in fully registered form without interest coupons, or the global securities. The global securities will be deposited upon issuance with the custodian for DTC, in London, and registered in the name of DTC or its nominee. Beneficial interests in the global

securities may be held only through DTC (or any successor clearing system that holds global securities) and its participants, including Euroclear and Clearstream. Each of DTC, Euroclear and Clearstream is referred to as a depository.

The Rule 144A bonds will initially be issued as global securities, collectively, the Rule 144A global securities. Any bonds issued in exchange for Rule 144A global securities or beneficial interests therein will be subject to certain restrictions on transfer set forth therein and in the indenture and will bear the legend regarding restrictions set forth under “Transfer Restrictions.”

The Regulation S bonds will initially be issued as global securities, collectively, the Regulation S global securities. On or prior to the fortieth day after the later of the commencement of the offering or the date the bonds were originally issued, a beneficial interest in Regulation S global securities may be transferred to a person who wishes to take delivery of such beneficial interest as evidenced by a Rule 144A global security only upon receipt by or on behalf of the trustee of a written certification from the transferor (in the form set out in the indenture), to the effect that such transfer is being made to a person whom the transferor reasonably believes to be a QIB within the meaning of Rule 144A, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Beneficial interests in the global securities will be shown on, and transfers thereof will be effected only through, records maintained by the depositories and their participants. Except as set forth below, the global securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Accordingly, the sole holder of the bonds represented by the global securities will at all times be DTC or its nominee (or a successor of DTC or its nominee), and voting and other consensual rights of holders of the bonds will be exercisable by beneficial owners of the bonds only indirectly through the rules and procedures of the depositories from time to time in effect. Beneficial interests in the global securities may not be exchanged for definitive bonds except in the limited circumstances described below under “—Exchanges of Global Securities for Definitive Bonds.” In addition, beneficial interests in the Rule 144A global securities may not be exchanged for beneficial interests in the Regulation S global securities of the same series or vice versa except in accordance with the transfer and certification requirements described below under “—Exchanges between the Rule 144A Global Securities and the Regulation S Global Securities.”

#### *Exchanges between the Rule 144A Global Securities and the Regulation S Global Securities*

Beneficial interests in the Rule 144A global securities may be transferred to a person who takes delivery in the form of an interest in a Regulation S global security of the same series, only upon receipt by the trustee of a written certification from the transferor (in the form provided in the indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or, if available, Rule 144.

Transfers involving an exchange of a beneficial interest in the bonds evidenced by the Regulation S global securities for a beneficial interest in the bonds evidenced by the Rule 144A global securities or *vice versa* will be effected in DTC by means of an instruction originated by the registrar through the DTC’s Deposit/Withdrawal at Custodian system.

Any beneficial interest in one of the global securities that is transferred to a person who takes delivery in the form of an interest in the other global security of the same series will, upon transfer, cease to be an interest in such global security and will become an interest in the other global security and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other global security for as long as it remains such an interest. In connection with any such exchange, appropriate adjustments will be made in the records of the bonds register to reflect the relevant increase and decrease in the principal amounts of the affected global securities.

#### *Exchanges of Global Securities for Definitive Bonds*

A beneficial interest in a global security may not be exchanged for a definitive bond unless DTC notifies us that it is unwilling or unable to continue as depository for such global security or has ceased to be a clearing agency registered under the Exchange Act, and we do not appoint a successor depository within 90 days. Upon the occurrence of such event, DTC shall instruct us to transfer the bonds to such persons as notified to it by the applicable depository or any successor clearance and settlement system as the holders of beneficial interests therein. In all cases, definitive bonds delivered in exchange for any global security or beneficial interests therein will be registered in the names, and issued in approved denominations, requested by or on behalf of the

applicable depositary (in accordance with its customary procedures). Any definitive bonds issued in exchange for an interest in a global security will bear a legend restricting transfers to those made in accordance with the restrictions set forth in the indenture.

### ***Depositary Procedures***

As long as DTC or its nominee is the registered holder of global securities, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the bonds represented by such global securities for all purposes under the indenture and the bonds, and, accordingly, our obligations under the bonds represented by such global securities are to DTC or its nominee, as the case may be, as the registered holder of such bonds, and not to the holders of beneficial interests in such bonds.

Transfer of beneficial interests in the global securities will be subject to the applicable rules and procedures of the depositaries and their respective direct or indirect participants, which may change from time to time.

### ***DTC***

DTC is a limited-purpose trust company created to hold securities for its participating organizations, collectively, DTC participants, and to facilitate the clearance and settlement of transactions in those securities between DTC participants through electronic book-entry changes in accounts. DTC participants include the initial purchasers and other securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly, collectively, indirect DTC participants.

Persons who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect DTC participants. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of DTC are recorded on the records of DTC participants and indirect DTC participants. DTC has also advised that, pursuant to its established procedures, upon deposit of the global securities, DTC will credit the accounts of DTC participants designated by the initial purchasers with portions of the principal amount of such global securities and ownership of such interests in the global securities will be shown on, and the transfer of ownership thereof will be effected only through, records maintained by DTC (with respect to DTC participants) or by DTC participants and indirect DTC participants (with respect to other owners of beneficial interests in the global securities).

Investors in the bonds may hold their interests therein directly through DTC if they are participants in such system, or indirectly through DTC participants. All interests in a global security may be subject to the procedures and requirements of DTC. The laws of some states require that certain persons take physical delivery in certificated form of securities that they own. Consequently, the ability to transfer beneficial interests in a global security to such persons will be limited to that extent. Because DTC can act only on behalf of DTC participants, which in turn act on behalf of indirect DTC participants and certain banks, the ability of a person having beneficial interests in global securities to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests. See “—Global Securities—Exchanges of Global Securities for Definitive Bonds.”

Except as described above under “—Global Securities—Exchanges of Global Securities for Definitive Bonds,” owners of interests in global securities will not have bonds registered in their name, will not receive physical delivery of bonds and will not be considered the registered owners or holders thereof for any purpose.

Payments in respect of global securities registered in the name of DTC or its nominee will be payable by Citibank, N.A., London to DTC or to the order of its nominee as the registered owner of the global securities. Citibank, N.A., London will treat the persons in whose names the global securities are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently, neither we nor any agent of ours has or will have any responsibility or liability for any aspect of DTC's records or any DTC participant's or indirect DTC participant's records relating to or payments made on account of beneficial ownership interests in the global securities, or for maintaining, supervising or reviewing any of DTC's records or any DTC participant's or indirect DTC participant's records relating to the beneficial ownership interests in global securities or any other matter relating to the actions and practices of DTC or any of DTC participants or indirect DTC participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the bonds, is to credit the accounts of the relevant DTC participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Payments by the DTC participants and the indirect DTC participants to the beneficial owners of bonds will be governed by standing instructions and customary practices, will be the responsibility of the DTC participants or the indirect DTC participants and will not be the responsibility of DTC or us. We and Citibank, N.A., London may conclusively rely upon and will be protected in relying upon instructions from DTC or its nominee for all purposes.

Interests in the global securities will trade in DTC's Settlement System, and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and DTC participants. Transfers between DTC participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

DTC has advised that it will take any action permitted to be taken by a holder of bonds only at the direction of one or more DTC participants to whose account with DTC interests in the bonds are credited. However, DTC reserves the right to exchange the global securities for legended definitive bonds and to distribute such legended bonds to DTC participants.

The information in this section concerning DTC and its book-entry systems has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof. Although DTC has agreed to the foregoing procedures to facilitate transfers of interest in the global securities among DTC participants, it is under no obligation to perform or to continue to perform such procedures, and such procedures may be discontinued at any time. We will not have any responsibility for the performance by DTC, DTC participants or indirect DTC participants of their respective obligations under the rules and procedures governing their operations.

#### *Euroclear*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thus eliminating the need for physical movement of certificates and risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation. All operations are conducted by Euroclear Bank, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with Euroclear Bank, not with Euroclear Clearance Systems. Euroclear Clearance Systems establishes policies for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include the initial purchasers. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly. Euroclear is licensed, regulated and examined by the Belgian Banking and Finance Commission.

Securities clearance accounts and cash accounts with Euroclear are governed by the terms and conditions governing use of, and the related operating procedures of, Euroclear and applicable Belgian law, which are referred to collectively as the terms and conditions. The terms and conditions govern transfers of securities and cash within Euroclear, and withdrawals of securities and cash from Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. Euroclear acts under the terms and conditions only on behalf of Euroclear participants and has no record of, or relationship with, persons holding through Euroclear participants.

#### *Clearstream*

Clearstream is incorporated as a bank under Luxembourg law. Clearstream holds securities for its participants and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thus eliminating the need for physical movement of certificates. Clearstream provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic markets in a number of countries. Clearstream has established an electronic bridge with Euroclear to facilitate settlement of trades between Clearstream and Euroclear.

As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for Supervision of the Financial Sector. Clearstream participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. In the United States, Clearstream participants are limited to securities brokers and dealers. Clearstream participants may include the initial purchasers. Other institutions that maintain a custodial relationship with a Clearstream participant may obtain indirect access to Clearstream.

#### *Transfers among DTC, Clearstream and Euroclear*

Transfers between DTC participants will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding, directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depository; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the European depositories.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the bonds through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

#### *Limitation on Responsibilities*

Although the foregoing sets out the procedures of the depositories established in order to facilitate the transfer of interests in the global securities among their participants, none of the depositories is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

DTC, Euroclear and Clearstream have no knowledge of the actual beneficial owners of interests in a global security. DTC's records reflect only the identity of the DTC participants to whose accounts those global securities are credited, which may or may not be the beneficial owners of interests in a global security. Similarly, the records of Euroclear and Clearstream reflect only the identity of the Euroclear or Clearstream participants to whose accounts global securities are credited, which also may or may not be the beneficial owners of interests in a global security. DTC, Euroclear and Clearstream participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Neither we nor the initial purchasers, nor any of our or their respective agents will have any responsibility for the performance by any depository or their respective participants of their respective obligations under the rules and procedures governing their operations.