



The International Finance Facility for Immunisation Global Debt Issuance Programme

On 3 November 2006, International Finance Facility for Immunisation Company ("IFFIm") established a Global Debt Issuance Programme. This Prospectus supersedes the previous Prospectus dated 17 December 2007. Any Notes (as defined below) issued under the Programme (as defined below) on or after the date hereof are issued as described in, and subject to the terms and conditions set out in this Prospectus. This does not affect any Notes already in issue.

Under the Global Debt Issuance Programme described in this Prospectus (the "Programme"), IFFIm, subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes"). There is no limit on the total aggregate principal amount of Notes which may be issued or outstanding at any time under the Programme. Notes will be issued on the terms and conditions set out in this document, as modified and supplemented by the terms set out in the pricing supplement (each a "Pricing Supplement") in respect of a Series (as defined herein) of Notes published at the time of issue.

This Prospectus comprises neither a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "Prospectus Directive") nor a document for listing purposes under the EuroMTF market of the Luxembourg Stock Exchange, but does comprise a base prospectus solely for the purposes of the Luxembourg law of 10 July 2005 on prospectuses for securities (the "Luxembourg Prospectus Law") insofar as it applies to exempt issuers under Article 1(2)(e) of the Prospectus Directive. Application has therefore been made to the Commission de Surveillance du Secteur Financier (the "CSSF") in its capacity as competent authority under the Luxembourg Prospectus Law, to provide a certificate of approval attesting that the simplified prospectus has been drawn up in accordance with Part III of the Luxembourg Prospectus Law for the purposes of offering the Notes issued under the Programme to the public in Luxembourg. Application has also been made to the Luxembourg Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Prospectus to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). However, unlisted Notes may be issued pursuant to the Programme, and Notes may be listed on stock exchanges other than the Luxembourg Stock Exchange. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market, will be listed on any other stock exchange or will be unlisted.

Each Series (as defined in "Summary of the Programme" below) of Notes in bearer form ("Bearer Notes") will be represented on issue by a temporary global note in bearer form (each a "Temporary Regulation S Global Note") or a permanent global note in bearer form (each a "Permanent Regulation S Global Note" and, together with the Temporary Regulation S Global Notes, the "Global Notes"). If the Global Notes are stated in the applicable Pricing Supplement to be issued in new global note ("NGN") form, they will be delivered on or prior to the original issue date of the Tranche (as defined in "Summary of the Programme" below) to which they relate to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). Global Notes which are not issued in NGN form ("Classic Global Notes" or "CGNs") will be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "Common Depositary"), or with an alternative clearing and settlement system as disclosed in the relevant Pricing Supplement.

Each Series of Notes in registered form ("Registered Notes") and which are sold in an "offshore transaction" within the meaning of Regulation S ("Regulation S Registered Notes") under the United States Securities Act of 1933, as amended (the "Securities Act"), will initially be represented by a permanent registered global certificate (each a "Regulation S Global Certificate") which may (or in the case of Notes listed on the Luxembourg Stock Exchange are expected to) be deposited on the issue date with, and registered in the name of a nominee for, the Common Depositary. Registered Notes which are sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("Rule 144A Registered Notes") will initially be represented by a registered global certificate (each a "Rule 144A Global Certificate" and, together with the Regulation S Global Certificate, the "Global Certificates"), which may be deposited on the issue date either with (a) the Common Depositary and registered in the name of a nominee for such Common Depositary, or (b) a custodian for, and registered in the name of Cede & Co. as nominee for, The Depository Trust Company ("DTC"). In the case of Notes listed on the Luxembourg Stock Exchange such Rule 144A Global Certificates are expected to be deposited on the issue date with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg.

The provisions governing the exchange of interests in Global Notes and Global Certificates for other Global Notes and other Global Certificates and Notes in definitive form are described in "Summary of Provisions Relating to the Notes while in Global Form".

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

The Notes have not been recommended by the U.S. Securities and Exchange Commission or any other U.S. federal or state securities commission or regulatory authority nor have such authorities confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Arranger for the Programme
Goldman Sachs International**

SIMPLIFIED BASE PROSPECTUS DATED 4 August 2008

IMPORTANT NOTICE

IFFIm accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of IFFIm (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained herein relating to GAVI, the GAVI Fund and The GAVI Fund Affiliate has been extracted from published information. So far as IFFIm is aware and is able to ascertain from such published information, no facts have been omitted which could render such information misleading. None of GAVI, the members of GAVI, the GAVI Fund, The GAVI Fund Affiliate or any Grantor makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information contained in this Prospectus, or in any information incorporated herein by reference.

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

This Prospectus does not constitute an offer of, or an invitation by or on behalf of IFFIm, the Arranger, the Dealers or the Trustee to subscribe for, or purchase, any Notes.

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

Certain Notes are complex financial instruments and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in the Prospectus and in the applicable Pricing Supplement, and the merits and risks of investing in a particular issue of such Notes in the context of their financial position and particular circumstances. In particular, investors should have access to, and knowledge of, appropriate analytical resources to evaluate the sensitivity of such Notes to changes in economic conditions, interest rates, exchange rates or other indices, the calculation formulae and redemption, options and other rights associated with such Notes and other factors which may have a bearing on the merits and risks of an investment in any issue of such Notes. Investors should have the financial capacity to bear the risks associated with any investment in the Notes.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by IFFIm, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may include Notes in bearer form that are subject to U.S. tax law requirements.

Subject to certain exceptions, the Notes may not be offered, sold or, in the case of bearer Notes, delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")).

THIS PROSPECTUS HAS BEEN PREPARED BY IFFIm FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") IN RELIANCE ON RULE 144A AND FOR LISTING OF THE NOTES ON THE OFFICIAL LIST OF THE LUXEMBOURG STOCK EXCHANGE AND/OR ANY OTHER STOCK EXCHANGE. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS PROSPECTUS SEE "SUBSCRIPTION AND SALE" AND "TRANSFER RESTRICTIONS".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "U.S.\$" or "USD" are to United States dollars, to "GBP" or "£" are to pounds sterling, to "EUR" or "€" are to the single currency introduced in the Member States of the European Community which adopted the single currency in accordance with the Treaty of Rome of 25 March 1957, as subsequently amended and supplemented, to "SEK" are to Swedish Krona and to "ZAR" are to South African rand.

AVAILABILITY OF INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, IFFIm has undertaken in the Dealer Agreement (as defined herein) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, IFFIm is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Notwithstanding anything herein to the contrary, investors (and each employee, representative or other agent of the investors) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the offering of Notes and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure (as such terms are defined in Treasury Regulation Section 1.6011-4). This authorisation of tax disclosure is retroactively effective to the commencement of discussions between IFFIm, the Arranger and the Dealers or their respective representatives and a prospective investor regarding the transactions contemplated herein.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

IFFIm is a company incorporated under the laws of England and Wales. None of the directors of IFFIm are residents of the United States, and all or a substantial portion of the assets of IFFIm (save for funds standing from time to time to the credit of the IFFIm Account, which will be held within the United States by the Treasury Manager, and any investment assets of IFFIm invested on its behalf by the Treasury Manager in the United States, which, from time to time, may represent a substantial portion of IFFIm’s assets) and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon IFFIm or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state or territory within the United States. There is doubt as to the enforceability in England and Wales, in original actions or in actions for the enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the federal securities laws of the United States.

SUPPLEMENTS TO THE PROSPECTUS

If at any time IFFIm is required to prepare a supplement to this prospectus pursuant to Article 39 of the Luxembourg Prospectus Law, IFFIm will prepare and make available an appropriate supplement to this Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market, shall constitute a prospectus supplement as required by Article 39 of the Luxembourg Prospectus Law.

IFFIm has given an undertaking to the Dealers that (unless IFFIm has notified the Arranger in writing that it does not intend to issue Notes under the Programme), if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses and prospects of IFFIm and/or the rights attaching to the Notes or if the Prospectus shall otherwise come to contain an untrue statement of a

material fact or omit to state a fact necessary to make the statements contained herein not misleading in any material respect, IFFIm shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes.

INCORPORATION OF INFORMATION BY REFERENCE

This Prospectus should be read and construed in conjunction with each relevant Pricing Supplement, the audited annual financial statements of IFFIm and report of the trustees of IFFIm for the period ended 31 December 2007¹, the most recently published audited annual financial statements of IFFIm and report of the trustees, and any interim financial statements² (whether audited or unaudited) published subsequently to such annual financial statements, of IFFIm from time to time, which shall be deemed to be incorporated in, and to form part of, this Prospectus and which shall be deemed to modify or supersede the contents of this Prospectus to the extent that a statement contained in any such document is inconsistent with such contents.

¹ See section entitled “*General Information*” on page 104 for details of where the audited annual financial statements of IFFIm and report of the trustees of IFFIm for the period ended 31 December 2007 may be obtained.

² IFFIm, as a public sector issuer, is exempted from certain of the periodic financial reporting obligations set out in Rule 4 of the Financial Services Authority’s Disclosure and Transparency Rules, including the obligation to produce half-yearly financial reports.

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THE INTERNATIONAL FINANCE FACILITY FOR IMMUNISATION

Introduction

IFFIm is a multilateral development institution, established as a charity registered with the Charity Commission for England and Wales (the “UK Charity Commission”). IFFIm’s primary purpose is to provide funding for the immunisation programmes and/or programmes of vaccine procurement of the GAVI Alliance (“GAVI”) in 70 of the poorest countries of the world by making grants to The GAVI Fund Affiliate, a charity registered with the UK Charity Commission.

The governments of seven nations — the Republic of France, the Republic of Italy, the Kingdom of Norway, the Republic of South Africa, the Kingdom of Spain, the Kingdom of Sweden and the United Kingdom — have committed to provide scheduled grant payments to The GAVI Fund Affiliate over up to 20 years. The GAVI Fund Affiliate has assigned the right to receive these grant payments to IFFIm in consideration for IFFIm’s agreement to assess for approval programmes of immunisation and/or vaccine procurement presented to IFFIm by The GAVI Fund Affiliate, and to use its reasonable endeavours to raise funds for such programmes if approved. IFFIm will use the proceeds of the assigned grant payments for the purpose of, *inter alia*, repaying principal and paying interest on the Notes issued by IFFIm under the Programme.

Working with its target eligible countries, GAVI will continue to identify and approve programmes of immunisation, related health system strengthening and/or vaccine procurement, some of which may be appropriate for funding by The GAVI Fund Affiliate. The GAVI Fund Affiliate will present such programmes to IFFIm, which, after consideration of such programmes’ eligibility for IFFIm funding, including consideration of whether IFFIm has sufficient financial resources and consideration of the funding and liquidity policies of IFFIm, may issue Notes from time to time under the Programme and disburse the proceeds to The GAVI Fund Affiliate. IFFIm is also permitted by the Finance Framework Agreement described in greater detail below, and the other agreements to which IFFIm is a party, to raise funds pursuant to loan facilities made available under agreements concluded between it and lenders from time to time. The Finance Framework Agreement contains certain restrictions on the borrowing of loans by IFFIm, including that the terms of any such loan should be confirmed by IFFIm’s Treasury Manager as being in compliance with IFFIm’s funding strategy.

The GAVI Fund Affiliate subsequently disburses the funds received by it from IFFIm, either directly or via an account in the name of the GAVI Fund to support GAVI immunisation, related health system strengthening or vaccine procurement programmes which The GAVI Fund Affiliate has previously approved.

IFFIm is managed by a board of directors. IFFIm has outsourced its principal activities to two organisations: all administrative support functions are provided by the GAVI Fund — the financial coordinating member of GAVI; and all treasury functions are provided by the International Bank for Reconstruction and Development, otherwise known as the World Bank, in its capacity as IFFIm’s Treasury Manager.

Background to the International Finance Facility for Immunisation

The Grantors are committed to the achievement of the United Nations Millennium Development Goals (“MDGs”) agreed at the UN General Assembly in 2000. At the International Conference on Financing for Development in Monterrey in 2002, a number of sovereign grantors committed to increase their Official Development Assistance (“ODA”) and to explore mechanisms to raise additional resources for development. The Initial Grantors reaffirmed their commitment to contributing to meeting the Millennium Development Goals at the Millennium Review Summit held in New York in September 2005 by increasing their ODA and implementing new financing mechanisms.

The fourth Millennium Development Goal (“MDG4”) is the reduction by two thirds of the mortality rate of children under five by 2015. Immunisation and related health system strengthening programmes serving children under five living in poor countries can greatly contribute to the achievement of MDG4. GAVI has been working since 2000 to save children’s lives and protect people’s health through the widespread use of vaccines in poor countries. In 2004, the establishment of a new organisation, IFFIm, was proposed to bring forward resources to support and enhance the immunisation and/or vaccine procurement programmes of GAVI through the leveraging of long-term

sovereign grants. The GAVI Fund Affiliate, registered as a charity with the UK Charity Commission, is intended to be the principal recipient of funds raised in the international capital markets by IFFIm.

The Grantors have each entered into a Grant Agreement, pursuant to which they have committed to make Grant Payments to The GAVI Fund Affiliate according to an agreed schedule. The GAVI Fund Affiliate has, prior to the date of this Prospectus, assigned all of its rights, title, benefit and interest in, to and under each such Grant Agreement, including the rights to receive each Grant Payment committed to be made thereunder, to IFFIm. Further grantors may enter into grant agreements from time to time.

The goal of IFFIm, based on the current Grant Payments, is to provide up to U.S.\$4 billion for programmes of immunisation and/or vaccine procurement from 2006 to 2015 (inclusive).

It is estimated by the World Health Organization that IFFIm's resources could lead to the vaccination of more than 500 million people between 2006 and 2015, with the objective of preventing the deaths of 5 million children and 5 million adults via the usage of new and under-utilised vaccines, targeted immunisation campaigns and the strengthening of health and immunisation services in GAVI's target countries.

There are 72 countries currently eligible for support through GAVI programmes. IFFIm resources can be used to fund non-country specific programmes (as to which, see further below), and country-specific programmes in GAVI eligible countries that are also members of, and not in Protracted Arrears (as defined herein) to, the International Monetary Fund ("IMF"). There are two GAVI eligible countries that are not members of the IMF (Cuba and North Korea) and which will therefore not benefit from IFFIm funds. There are three GAVI eligible countries currently in Protracted Arrears (Somalia, Sudan and Zimbabwe), and for a discussion of the effects of such Protracted Arrears, see further below under "Grant Payment Conditionality".

IFFIm

IFFIm was incorporated as a private company limited by guarantee, without share capital, under the Companies Act 1985 (as amended from time to time, the "Companies Act"), on 26 June 2006 for an indefinite duration under the name of International Finance Facility for Immunisation Company. The members of IFFIm are the GAVI Fund and GAVI Foundation.

IFFIm is registered with the Registrar of Companies for England and Wales under registered number 5857343. IFFIm is also registered with the UK Charity Commission as a charity with registered number 1115413.

IFFIm's registered office is 2 Lamb's Passage, London EC1Y 8BB. IFFIm may be contacted on +41 22 909 6504. See further the section entitled "*IFFIm*" on page 73.

IFFIm has appointed a five member board of directors (who also constitute the charitable board of trustees). The directors and their principal activity outside IFFIm are:

- Alan R. Gillespie CBE, PhD (Chairman of the IFFIm board): Chairman, Ulster Bank Group, Northern Ireland, a member of the Royal Bank of Scotland Group;
- Michèle Boccoz: Director of International Communication, Veolia Environment, Paris;
- John Cummins: Group Treasurer, The Royal Bank of Scotland Group plc, Edinburgh;
- Dayanath Jayasuriya: Attorney-at-Law and Visiting Professor of Law, University of the Free State, South Africa; and
- Arunma Oteh: Vice President, Corporate Management, African Development Bank Group, Tunis.

Pursuant to European Commission Directive 2007/18/EC, because IFFIm has a risk profile equivalent to the multilateral development banks enumerated in Annex VI, Part 1, point 20 of Directive 2006/48/EC, exposures to IFFIm shall be assigned a 0 per cent. risk weight by credit institutions in the European Union. Similarly, the Basel Committee on Banking Supervision has agreed that supervisory regulatory authorities may allow banks to apply a 0 per cent. risk weighting to their exposure to IFFIm as if it were a multilateral development bank. Prospective investors should seek advice in their

particular jurisdiction to ascertain the position with respect to such risk weighting prior to making any investment decision.

Description of Other Parties

Grantors

The governments of the Republic of France (acting through its Agence Française de Développement and the Ministre des Finances, de L'économie et de L'emploi in separate Grant Agreements), the Republic of Italy (acting through its Ministry of Economy and Finance), the Kingdom of Norway (acting through its Ministry of Foreign Affairs), the Government of the Republic of South Africa, the Kingdom of Spain (acting through its Ministry of Foreign Affairs), the Government of the Kingdom of Sweden and, for the United Kingdom, Her Britannic Majesty's Secretary of State (acting through the Department for International Development) have each entered into Grant Agreements with The GAVI Fund Affiliate. Additional grantors may in the future accede to the Finance Framework Agreement and enter into grant agreements that will, once assigned to IFFIm, provide a further source of funds for IFFIm.

Any country which is not a Grantor, provided that it is acceptable to, *inter alios*, the existing Grantors, IFFIm and The GAVI Fund Affiliate, may upon, *inter alia*, (i) entering into a grant agreement on terms approved by the Treasury Manager acting reasonably, (ii) signing a form of accession letter and (iii) providing legal opinions and such documentary conditions precedent as IFFIm may require from it, become an Additional Grantor (acting, if applicable, through an appropriate ministry or government agency), vested with all the authority, rights, powers, duties and obligations under the Finance Framework Agreement as if originally named as an Initial Grantor.

GAVI

GAVI is responsible for the operational activities related to the immunisation, health system strengthening and/or vaccine procurement programmes for which IFFIm provides funding. GAVI was created in 2000 to respond to, and to combat, declining immunisation rates in developing countries. It is a public-private partnership between certain permanent members (including the World Health Organization, the United Nations Children's Fund (formerly known as the United Nations International Children's Emergency Fund, "UNICEF"), the World Bank and the Bill & Melinda Gates Foundation), representatives of governments of industrialised nations and developing countries on a rotating basis, and representatives from the fields of vaccination, health and research. GAVI aims to accelerate access to vaccines, new vaccine development and ensure the financial stability of immunisation and related health system strengthening programmes. GAVI has implemented an innovative performance-based grants programme that rewards countries for increasing immunisation coverage. Since 2000, GAVI has committed more than U.S.\$3.5 billion to more than 70 of the world's poorest countries.

In the last seven years, approximately 176 million additional children have been reached with new and underused vaccines, including those for Hepatitis B, *Haemophilus Influenza* type b and yellow fever. In addition, 36.8 million children have also been reached with basic vaccines against diphtheria, tetanus and pertussis. GAVI estimates that its work has helped to prevent approximately 2.9 million deaths during the past seven years. With the incremental funds from IFFIm, it is anticipated that an additional five million child deaths and more than five million adult deaths will be averted.

Since its creation, the following donors have made direct contributions to support GAVI immunisation efforts in more than 70 of the world's poorest countries: Australia, Canada, Denmark, the European Union, France, Germany, Ireland, Luxembourg, the Netherlands, Norway, Sweden, the United Kingdom, United States and the Bill & Melinda Gates Foundation.

The GAVI Fund

The GAVI Fund is a non-profit 501(c)(3) public charity organised as a corporation under the laws of the State of Washington, USA. It was established on 26 October 1999 with an initial grant from the Bill & Melinda Gates Foundation to address the needs for vaccines and immunisation in the world's poorest countries, being those with a per capita gross national income of less than U.S.\$1,000 (based on 2003 estimates). The GAVI Fund has a board of directors, of which Graça Machel is the Board Chair and Nelson Mandela is the Board Chair Emeritus. Its offices are at 1776 Eye Street, NW, Suite 600, Washington D.C. 20006, USA.

Governance of GAVI and the GAVI Fund

GAVI and the GAVI Fund have commissioned a series of reports to develop options for refining their governance arrangements, currently split into two parallel organisations (GAVI and the GAVI Fund) with separate programmatic and fiduciary responsibilities, into a single governance body.

At a joint meeting on 26 February 2008, the Boards of GAVI and the GAVI Fund agreed in principle to centralise governance and operations of the two entities within GAVI. The joint Boards also decided to reorganise GAVI as a foundation under Swiss law. GAVI Foundation is a charitable entity organised under the laws of Switzerland, established on 14 July 2006 and registered at the Registry of Commerce of the Canton of Geneva as a foundation on 19 July 2006. GAVI is applying for recognition of GAVI Foundation under the Swiss Host State Act which entered into force on 1 January 2008. If so recognised, GAVI Foundation would benefit from broad privileges and immunities within Switzerland. It is expected that following the completion of any such reorganisation, the GAVI Fund would cease to be a member of IFFIm and GAVI Foundation would become the sole member of IFFIm. This reorganisation will require an amendment to the IFFIm governing documents (the Finance Framework Agreement and the Procedures Memorandum) as the process for approving programmes within GAVI and requesting funding from IFFIm will change modestly.

The GAVI Fund Affiliate

The GAVI Fund Affiliate was incorporated as a private company limited by guarantee without share capital, under the Companies Act on 26 May 2006 for an indefinite duration. The GAVI Fund Affiliate is registered with the Registrar of Companies for England and Wales under registered number 5830438. The GAVI Fund Affiliate is also registered with the UK Charity Commission as a charity with registered number 1115297, and has its registered office at Beaufort House, Tenth Floor, 15 St. Botolph Street, London EC3A 7EE. The sole member of The GAVI Fund Affiliate is the GAVI Fund.

The GAVI Fund Affiliate has appointed a four member board of directors. The directors and their principal activity outside the company, are:

- Stephen M Zinser, Chief Investment Officer of European Credit Management Limited, London;
- Wayne Berson, Partner and National Director of Not-for-Profit Services at BDO Seidman LLP, Washington D.C. (also appointed to the board of directors of the GAVI Fund in July 2005);
- Bo Stenson, formerly Principal Officer and Acting Deputy Executive Secretary of the GAVI Alliance Secretariat, Uppsala, Sweden;
- Dr. André Prost, formerly Director of Government and Private Sector Relations at the World Health Organisation and having held prior positions at the World Health Organisation and the World Bank, Loisia, France.

Treasury Manager

The International Bank for Reconstruction and Development has been appointed to act as Treasury Manager of IFFIm. The duties of the Treasury Manager include, among others: assessing IFFIm's ability to finance any proposed immunisation and/or vaccine procurement programme presented for IFFIm's consideration by The GAVI Fund Affiliate; assessing on a periodic basis the funding required by IFFIm to meet its expected obligations in respect of programmes previously approved by it, as well as in respect of outstanding Notes; providing account administration services; recommending funding, risk management, investment management and liquidity policies for IFFIm and, upon approval of such policies, executing all of IFFIm's financial transactions contemplated thereunder; and advising IFFIm on all aspects of the issuance of Notes under the Programme.

Key Transaction Agreements and Structure Overview

IFFIm, the Grantors, the GAVI Fund, The GAVI Fund Affiliate and the Treasury Manager have entered into or became party to the Finance Framework Agreement to regulate their rights and obligations as between one another. The parties to the Finance Framework Agreement have also agreed therein to follow the procedures set out in the Procedures Memorandum when considering for

approval GAVI immunisation and/or vaccine procurement programmes. IFFIm and the Treasury Manager have entered into the Treasury Management Agreement pursuant to which the Treasury Manager agrees to provide certain services to IFFIm. The overview of the structure which is set out in the remaining part of this section is based on, *inter alia*, the key terms of these documents and the Grant Agreements entered into prior to the date of this Prospectus, which can be viewed in full by a prospective investor as described in “General Information” at paragraph 10, on page 104.

The Grant Agreements

Each Grantor has, prior to the date of this Prospectus, entered into a Grant Agreement with The GAVI Fund Affiliate. Each Grantor has represented and warranted to IFFIm and the other parties to the Finance Framework Agreement that the Grant Agreement to which it is a party constitutes valid and binding obligations of such Grantor.

Pursuant to each Grant Agreement, the relevant Grantor agrees to make scheduled Grant Payments to The GAVI Fund Affiliate, pursuant to a schedule contained in the relevant Grant Agreement. Each Grant Agreement is substantively identical to the others (save for the quantum and timing of the scheduled Grant Payments and certain other limited exceptions, as summarised herein), and the key terms are summarised below in the section entitled “Summary of Grant Agreements” at page 76. Each Grant Agreement is governed by English law, save for the Grant Agreement entered into by the Kingdom of Spain, which is governed by Spanish law, and the Grant Agreement entered into by the Republic of Italy, which is governed by Italian law.

Pursuant to the Finance Framework Agreement, The GAVI Fund Affiliate has confirmed that it has established a funding policy pursuant to which it will request IFFIm to accept an assignment of all Grant Agreements which have been entered into by The GAVI Fund Affiliate (including, for the avoidance of doubt, any Grant Agreements entered into with future additional Grantors after the date of this Prospectus). If at any time The GAVI Fund Affiliate considers changing such funding policy, it is required to give as much notice as reasonably possible to IFFIm, the Treasury Manager and the Grantors that such a change is being considered by it and it is required to consult with the other parties to the Finance Framework Agreement in good faith prior to implementing any such change.

In consideration of IFFIm’s agreement to assess immunisation and/or vaccine procurement programmes submitted to IFFIm for approval and, to the extent any such programmes are approved by IFFIm, to use all reasonable endeavours to fund such programmes in accordance with the Finance Framework Agreement, The GAVI Fund Affiliate has assigned to IFFIm all of its rights, title, benefit and interest in, to and under each Grant Agreement entered into by each Grantor prior to the date of this Prospectus, including the right to receive each Grant Payment committed to thereunder, and IFFIm has agreed to perform all of The GAVI Fund Affiliate’s obligations under such Grant Agreements. Therefore, each Grantor is obliged to make each such Grant Payment on its due date directly to IFFIm, subject to the Grant Payment Condition (as defined below).

In respect of any Grant Agreement entered into by The GAVI Fund Affiliate after the date of this Prospectus with a new grantor, or any further Grant Agreement entered into by a Grantor, IFFIm has agreed that it will consider a written request by The GAVI Fund Affiliate to accept an assignment or transfer from The GAVI Fund Affiliate of all of its rights, title, benefit, interest and obligations in, to and under such Grant Agreement, including the rights to receive each Grant Payment thereunder.

Grant Payments

The Grantors’ commitments under the Grant Agreements entered into prior to the date of this Prospectus are as follows:

GRANTOR	TOTAL COMMITMENT
Republic of France	€1,239,960,000 ⁽¹⁾
Republic of Italy	€473,450,000
Kingdom of Norway	U.S.\$27,000,000
Republic of South Africa	U.S.\$20,000,000

Kingdom of Spain	€189,500,000
Kingdom of Sweden	SEK 276,150,000
United Kingdom	£1,380,000,000

Notes:

- (1) The Republic of France acting through its Agence Française de Développement granted an initial commitment of €372,800,000 pursuant to its Grant Agreement dated 28 September 2006. Acting through the Ministre des Finances, de L'Economie et de L'Emploi, the Republic of France has granted a further commitment of €867,160,000 pursuant to a Grant Agreement dated 7 December 2007.

The Grant Payments are to be paid on the dates set out in the following schedules (shown in the currency in which the Grant Payment will be made):

GRANT PAYMENT DATE	GRANTOR							
	Republic of France ¹ (EUR)	Republic of France ² (EUR)	Republic of Italy (EUR)	Kingdom of Norway (USD)	Republic of South Africa (USD)	Kingdom of Spain (EUR)	Kingdom of Sweden (SEK)	United Kingdom (GBP)
31 October 2006				2,700,000		9,475,000		
28 November 2006			3,000,000					
20 December 2006				2,700,000				
1 March 2007				5,400,000				
15 March 2007					1,000,000			
31 March 2007	20,000,000		6,000,000				18,410,000	
15 April 2007								4,710,000
15 October 2007								4,710,000
31 October 2007						9,475,000		
15 February 2008					1,000,000			
1 March 2008				5,400,000				
31 March 2008	20,600,000	20,000,000	25,850,000				18,410,000	
15 April 2008								8,730,000
15 October 2008								8,730,000
31 October 2008						9,475,000		
15 February 2009					1,000,000			
1 March 2009				5,400,000				
31 March 2009	21,300,000	21,690,000	25,800,000				18,410,000	
15 April 2009								12,920,000
15 October 2009								12,920,000
31 October 2009						9,475,000		
15 February 2010					1,000,000			
1 March 2010				5,400,000				
31 March 2010	21,900,000	23,520,000	25,800,000				18,410,000	
15 April 2010								16,960,000
15 October 2010								16,960,000
31 October 2010						9,475,000		
15 February 2011					1,000,000			
31 March 2011	22,600,000	25,500,000	25,800,000				18,410,000	
15 April 2011								21,070,000
15 October 2011								21,070,000
31 October 2011						9,475,000		
15 February 2012					1,000,000			

	GRANTOR							United Kingdom (GBP)
	Republic of France ¹ (EUR)	Republic of France ² (EUR)	Republic of Italy (EUR)	Kingdom of Norway (USD)	Republic of South Africa (USD)	Kingdom of Spain (EUR)	Kingdom of Sweden (SEK)	
GRANT PAYMENT DATE								
31 March 2012	23,200,000	27,650,000	25,800,000				18,410,000	
15 April 2012								25,220,000
15 October 2012								25,220,000
31 October 2012						9,475,000		
15 February 2013					1,000,000			
31 March 2013	23,900,000	29,980,000	25,800,000				18,410,000	
15 April 2013								29,410,000
15 October 2013								29,410,000
31 October 2013						9,475,000		
15 February 2014					1,000,000			
31 March 2014	24,700,000	32,510,000	25,800,000				18,410,000	
15 April 2014								33,750,000
15 October 2014								33,750,000
31 October 2014						9,475,000		
15 February 2015					1,000,000			
31 March 2015	25,400,000	35,250,000	25,800,000				18,410,000	
15 April 2015								38,300,000
15 October 2015								38,300,000
31 October 2015						9,475,000		
15 February 2016					1,000,000			
31 March 2016	26,200,000	38,220,000	25,800,000				18,410,000	
15 April 2016								42,090,000
15 October 2016								42,090,000
31 October 2016						9,475,000		
15 February 2017					1,000,000			
31 March 2017	26,900,000	41,440,000	25,800,000				18,410,000	
15 April 2017								45,380,000
15 October 2017								45,380,000
31 October 2017						9,475,000		
15 February 2018					1,000,000			
31 March 2018	27,800,000	44,940,000	25,800,000				18,410,000	
15 April 2018								48,940,000
15 October 2018								48,940,000
31 October 2018						9,475,000		
15 February 2019					1,000,000			
31 March 2019	28,600,000	48,730,000	25,800,000				18,410,000	
15 April 2019								52,790,000
15 October 2019								52,790,000
31 October 2019						9,475,000		
15 February 2020					1,000,000			
31 March 2020	29,400,000	52,840,000	25,800,000				18,410,000	
15 April 2020								56,910,000
15 October 2020								56,910,000
31 October 2020						9,475,000		
15 February 2021					1,000,000			

GRANT PAYMENT DATE	GRANTOR							United Kingdom (GBP)
	Republic of France ¹ (EUR)	Republic of France ² (EUR)	Republic of Italy (EUR)	Kingdom of Norway (USD)	Republic of South Africa (USD)	Kingdom of Spain (EUR)	Kingdom of Sweden (SEK)	
31 March 2021	30,300,000	57,290,000	25,800,000				18,410,000	
15 April 2021								61,320,000
15 October 2021								61,320,000
31 October 2021						9,475,000		
15 February 2022					1,000,000			
31 March 2022		62,120,000	25,800,000					
15 April 2022								53,960,000
15 October 2022								53,960,000
31 October 2022						9,475,000		
15 February 2023					1,000,000			
31 March 2023		67,360,000	25,800,000					
15 April 2023								45,200,000
15 October 2023								45,200,000
31 October 2023						9,475,000		
15 February 2024					1,000,000			
31 March 2024		73,040,000	25,800,000					
15 April 2024								37,390,000
15 October 2024								37,390,000
31 October 2024						9,475,000		
15 February 2025					1,000,000			
31 March 2025		79,200,000	25,800,000					
15 April 2025								30,660,000
15 October 2025								30,660,000
31 October 2025						9,475,000		
15 February 2026					1,000,000			
31 March 2026		85,880,000						
15 April 2026								24,290,000
15 October 2026								24,290,000
Total	372,800,000	867,160,000	473,450,000	27,000,000	20,000,000	189,500,000	276,150,000	1,380,000,000

Notes:

- (1) The Republic of France, acting through its Agence Française de Développement.
- (2) The Republic of France, acting through the Ministre des Finances, de L'Economie et de L'Emploi.

IFFIm has selected a single operating currency, being U.S. dollars. IFFIm, on the advice of the Treasury Manager, has entered into appropriate hedging agreements to limit, *inter alia*, the future impact of changes in currency and interest rates on the value of each Grant Agreement, the interest rate risks in respect of IFFIm's initial bond issuance in 2006, and currency and interest rate risks in respect of IFFIm's second bond issuance in 2008. IFFIm may also, from time to time and on the advice of the Treasury Manager, enter into further hedging transactions to limit currency, interest rate and other risks, as applicable, in respect of, *inter alia*, further Notes issued under the Programme, any other liabilities it incurs or any additional Grant Payments to be received by IFFIm under Grant Agreements assigned to it by The GAVI Fund Affiliate after the date of this Prospectus.

The Treasury Manager currently serves as IFFIm's sole hedging counterparty. Under the Treasury Management Agreement between IFFIm and the Treasury Manager, IFFIm may request the Treasury Manager to negotiate hedging agreements between IFFIm and hedging counterparties other

than the Treasury Manager. Any such additional counterparties must be financial institutions which are approved by the Treasury Manager.

IFFIm also has established liquidity and investment policies based on recommendations made by the Treasury Manager. Under the liquidity policy, it will maintain a prudential minimum level of liquidity equivalent to its contracted debt service payments for the next twelve month period. Under the investment policy, IFFIm's liquidity will be invested in high-grade fixed-income instruments with interest rates matching those of the liabilities funding the portfolio.

Grant Payment Conditionality

IFFIm has established a Reference Portfolio (as set out below) containing all of the GAVI eligible countries that are also members of the IMF. All countries are accorded a Country Weighting of 1 per cent. except for Vietnam, which has a Country Weighting of 3 per cent., and Bangladesh, Congo DR, Ethiopia, India, Indonesia, Nigeria and Pakistan, which each have a Country Weighting of 5 per cent. These countries have been accorded a larger Country Weighting in the Reference Portfolio to reflect the expected larger value of programmes funded by IFFIm in those countries. The Country Weighting of each country in the Reference Portfolio may be used from time to time, as described below, to determine a reduction in the amount of Grant Payments due from the Grantors.

Under the terms of the Grant Agreements, a Grant Payment due from each Grantor will be reduced if, on or prior to the date which is 25 IBRD Business Days prior to the due date for such Grant Payment, the IMF has declared that any Specified Country in the Reference Portfolio is in Protracted Arrears in meeting any of its IMF Financial Obligations. In such circumstances, the Grant Payment Amount then due from the Grantors will be reduced by the Reduction Amount determined by the Treasury Manager according to the following formula:

$$A = B \times C$$

Where A is the Reduction Amount in respect of the Specified Country;

B is the Grant Payment Amount due and payable on the relevant date (ignoring any applicable Reduction Amount or Reduction Amounts); and

C is the Country Weighting applicable to the Specified Country in the Reference Portfolio set out below:

Specified Country	Country Weighting	Total Share
Afghanistan, Angola, Armenia, Azerbaijan, Benin, Bhutan, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Comoros, Congo, Republic of Côte d'Ivoire, Djibouti, Eritrea, The Gambia, Georgia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Kenya, Kiribati, Kyrgyzstan, Lao PDR, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Papua New Guinea, Rwanda, São Tomé & Príncipe, Senegal, Sierra Leone, Solomon Islands, Somalia, Sri Lanka, Sudan, Tajikistan, Tanzania, Timor-Leste, Togo, Uganda, Ukraine, Uzbekistan, Yemen Republic, Zambia, Zimbabwe	1%	62%
Vietnam	3%	3%
Bangladesh, Congo DR, Ethiopia, India, Indonesia, Nigeria, Pakistan	5%	35%
Total		100%

The Reference Portfolio will remain static throughout the life of the Programme. However, in the event of any secession from or consolidation of a Specified Country, and provided that any

successor states are also members of the IMF, the Reference Portfolio and the Country Weightings will be adjusted accordingly.

If a Specified Country which has been in Protracted Arrears is subsequently no longer in Protracted Arrears, Grant Payments falling due after the date which is 25 IBRD Business Days after the date upon which the Specified Country ceases to be in Protracted Arrears shall not be so reduced by the Reduction Amount with respect to that Specified Country.

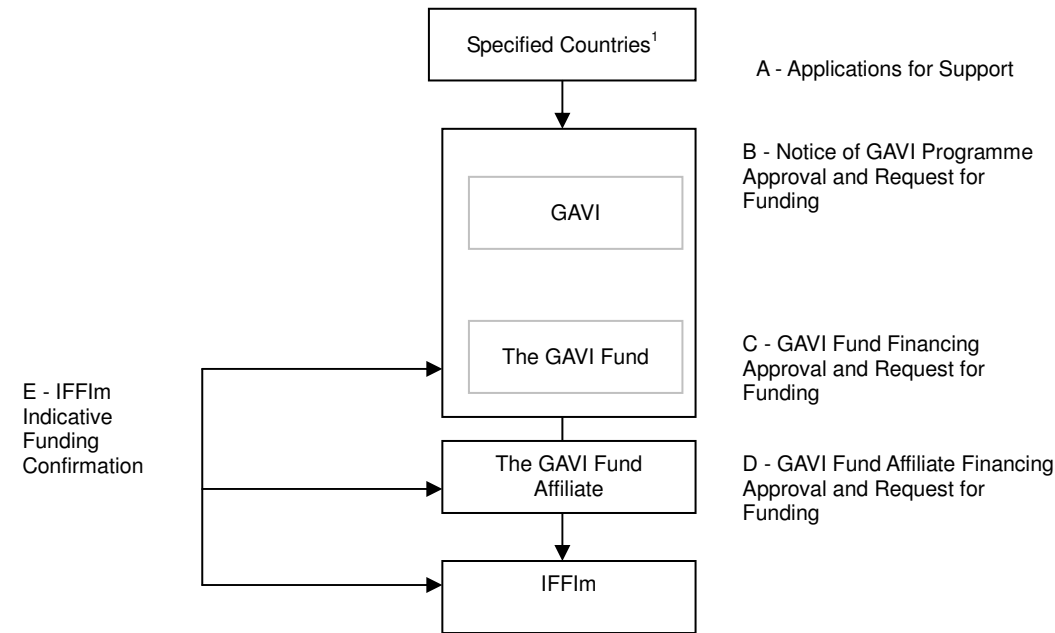
If one or more Specified Countries falls into Protracted Arrears and the Grant Payments are subsequently reduced, the funds available to IFFIm for the purposes of repaying principal and paying interest on the Notes will be reduced. In order to mitigate the impact of one or more Specified Countries falling into Protracted Arrears on IFFIm’s ability to meet its obligations under the Notes, IFFIm maintains the IFFIm Gearing Ratio Limit. The Treasury Manager, on behalf of IFFIm, is obliged to monitor compliance with this limit and to ensure that additional programmes are not approved by IFFIm for funding which would, in the determination of the Treasury Manager, lead to it being breached.

Prospective investors should note that, as at the date of this Prospectus, the following Specified Countries are in Protracted Arrears: Somalia, Sudan and Zimbabwe. Should some or all of them remain in Protracted Arrears as at the Relevant Date for any Grant Payment, then the amount of such Grant Payment will be reduced in the manner described above.

The Activities of IFFIm — Part 1. Programme Approval Procedure

From time to time, IFFIm receives requests from The GAVI Fund Affiliate to approve funding for immunisation and/or vaccine procurement programmes, for the benefit of any of the 70 Specified Countries included in the Reference Portfolio. IFFIm, having considered, *inter alia*, whether such funding would meet its charitable objectives and would not contravene its Memorandum and Articles of Association, and whether such funding would meet certain financial parameters, may approve such programmes. The programmes are originated as follows:

The Programme Approval Procedure



Note:

(1) GAVI may also propose programmes which are non-country specific.

A Applications for Support

Applications for financial support for immunisation, related health system strengthening and vaccine procurement programmes are made by Specified Countries. Such applications are made using a standard GAVI proposal form, and are to be accompanied by required supporting documents.

There are also certain programmes considered by GAVI which do not relate to a specific country. These may, for example, be programmes to create emergency stockpiles of vaccines or for campaigns against disease outbreaks threatening multiple countries.

B GAVI Programme Approval

All applications are screened by GAVI for basic completeness and eligibility for support, and then reviewed by representatives of the World Health Organization and by an Independent Review Committee ("IRC"), made up of experts in the field of vaccines and immunisation. The IRC may recommend to the GAVI board that a particular application be approved, conditionally or unconditionally, or rejected. The GAVI board then considers each application in the light of the IRC's recommendation and report, and considers whether to issue an approval and application for funding.

Though focused generally on supporting country-specific programmes (including the strengthening of health system services), GAVI also provides support on the basis of Non-Country Specific Applications in order to address immunisation objectives and needs which cannot be met through the country-specific support process. Non-country specific programmes may also be able to benefit from funding by IFFIm. Examples include the increase of vaccine security and affordability in multiple countries by means of emergency stockpiles and other collective purchase mechanisms, provision of technical assistance to facilitate rapid scale-up of immunisation services in multiple countries and expanded use of safe and cost-effective vaccines (such as, for example, in relation to mass immunisation campaigns for measles mortality reduction in African countries).

Non-Country Specific Applications may be solicited or commissioned by the GAVI board. In the past such applications have been prepared and submitted to GAVI by international, national and regional organisations, non-governmental organisations, research institutions, foundations, and national agencies, as well as by consortiums of such entities.

Non-Country Specific Applications are normally evaluated by an ad-hoc group constituted by the executive secretary of GAVI, or by an IRC. The GAVI board decides whether to approve each such application on the basis of the report presented by the evaluation group or IRC, and its consideration as to whether the project is substantially likely to advance the objectives of GAVI.

After completion of these procedures, the board of GAVI may approve an application and issue to the GAVI Fund a request for funding in the form of a "Notice of GAVI Programme Approval and Request for Funding", being a standard form document appended to the Procedures Memorandum, together with appropriate supporting documentation.

C GAVI Fund Financing Approval and Request for Funding

The GAVI Fund considers each Notice of GAVI Programme Approval and Request for Funding and reviews its internal comprehensive resource and cash management plan to determine whether the proposed budgeted amount fits within GAVI Fund budgetary constraints, or whether the GAVI Fund may request funding, via The GAVI Fund Affiliate, from IFFIm disbursements (considering the relative financial efficiencies of funding from IFFIm disbursements, as against other sources of funding available to the GAVI Fund).

Thereafter, if the GAVI Fund decides to make a request to The GAVI Fund Affiliate for funding through disbursements from IFFIm for the relevant programme after ensuring that the programme is consistent with its status as a public charity and with its articles of incorporation and by-laws, it issues to The GAVI Fund Affiliate a request for funding (which is in the form of a "Notice of GAVI Fund Financing Approval and Request for Funding", being a standard form document appended to the Procedures Memorandum).

D GAVI Fund Affiliate Financing Approval and Request for Funding

The GAVI Fund Affiliate considers each GAVI Fund Financing Approval and Request for Funding presented to it in light of, *inter alia*, its charitable status, the provisions of its Memorandum and Articles of Association, and its funding policy. If it decides to approve a GAVI Fund Financing Approval and Request for Funding, it issues to IFFIm a request for funding (which is in the form of a “GAVI Fund Affiliate Financing Approval and Request for Funding”, being a standard form document appended to the Procedures Memorandum).

E IFFIm Indicative Funding Confirmation

IFFIm considers each GAVI Fund Affiliate Financing Approval and Request for Funding presented to it in light of, *inter alia*, its charitable status and the provisions of its Memorandum and Articles of Association. It also considers, in consultation with the Treasury Manager, various parameters upon its borrowing, including the maximum cumulative amount of programmes which it may agree to approve for funding in any one financial year, as set out in the Finance Framework Agreement, its funding strategy, its liquidity policy, its risk management policy and the IFFIm Gearing Ratio Limit.

If IFFIm decides to approve a GAVI Fund Affiliate Financing Approval and Request for Funding, it issues an IFFIm Indicative Funding Confirmation (being a standard form document appended to the Procedures Memorandum), and the programme so approved will become, and be known as, an Approved Programme.

IFFIm is subject to a limit on the value of programmes which may become Approved Programmes in any one year under the Finance Framework Agreement. The maximum cumulative value of proposed programmes which, subject to, *inter alia*, the application of the IFFIm Gearing Ratio Limit, IFFIm’s funding strategy, liquidity and risk management policies, may be approved such that they become Approved Programmes during any calendar year (being the IFFIm Programme Capacity for the relevant year, or (in the case of 2006-2007) period, from 2006 to 2015 (inclusive)) is as follows:

Calendar year/period	Maximum amount of new Approved Programmes (U.S.\$)	Cumulative maximum amount of Approved Programmes (U.S.\$)
2006-2007	1,050 million	1,050 million
2008	500 million	1,550 million
2009	450 million	2,000 million
2010	425 million	2,425 million
2011	400 million	2,825 million
2012	350 million	3,175 million
2013	325 million	3,500 million
2014	300 million	3,800 million
2015	200 million	4,000 million

If the cumulative value of Approved Programmes approved in any calendar year, or (in the case of 2006-2007) period, is below the maximum amount, the difference will be added to the capacity for the subsequent calendar year.

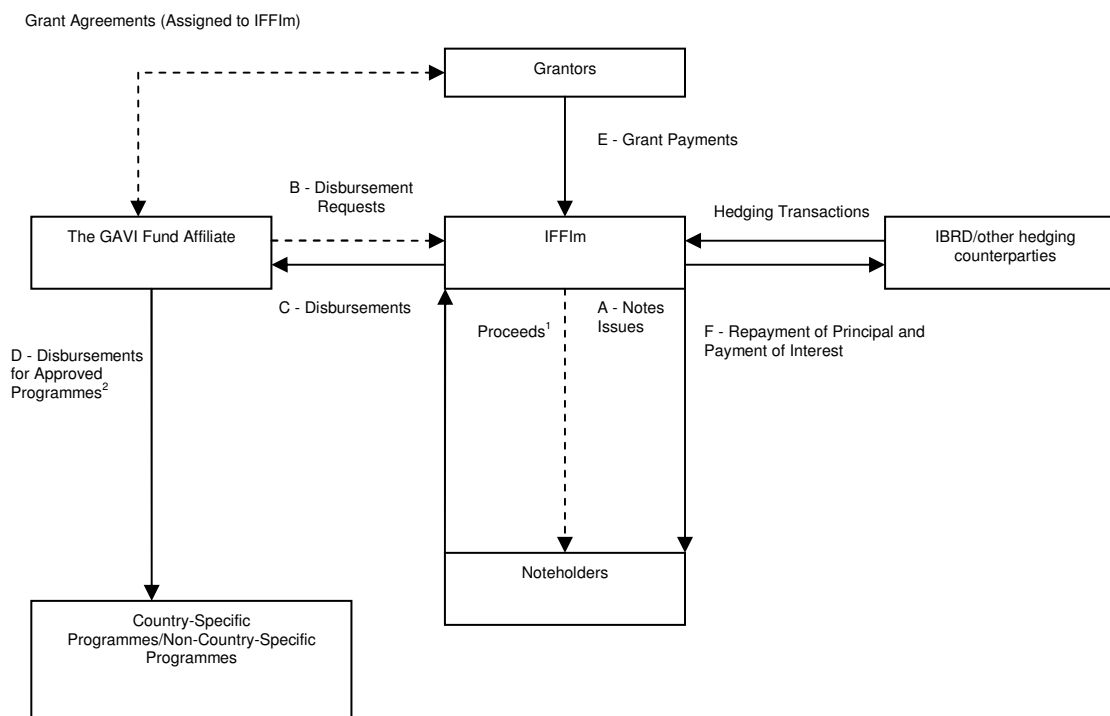
A further schedule may be established between, *inter alios*, IFFIm, the Treasury Manager and the Grantors for the years following 2015, by no later than 1 January 2016. If the relevant parties agree, it is intended that the first such schedule will address IFFIm Programme Capacity for the years 2016 to 2025, and a further schedule may be agreed thereafter, if required.

Prospective investors should also note that IFFIm, under the Finance Framework Agreement, is not permitted to approve any programme for funding unless it is rated “AAA” or the equivalent

highest rating category by at least two of Fitch Ratings Limited, Moody's Investors Service Limited and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

The diagram below illustrates, *inter alia*, the cashflow between IFFIm, the Grantors and the other main parties.

The Activities of IFFIm — Part 2. Programme Funding



Notes:

- (1) Proceeds flow to the IFFIm Account held with, and maintained by, the Treasury Manager.
- (2) In certain cases, funds may be disbursed by The GAVI Fund Affiliate to an account administered by the GAVI Fund, which will in turn make the distribution to the relevant Approved Programme.

A Issuance of Notes under the Programme

Prior to the first day of each Relevant Funding Period, the Treasury Manager assesses, on behalf of IFFIm, the aggregate of IFFIm's payment obligations during the forthcoming Relevant Funding Period, being the IFFIm Financial Requirements for such period. These include, *inter alia*, IFFIm's obligations to fund disbursements under Approved Programmes, to make repayments of principal and payments of interest on outstanding Notes under the Programme, to make payments due in respect of or in connection with any Derivatives Transactions entered into by it, and to meet fees and pay applicable expenses.

The Treasury Manager also assesses the aggregate of all funds available to IFFIm prior to the first day of each such Relevant Funding Period, including, *inter alia*, funds held in its bank accounts, any payments due to it in respect of IFFIm's liquid asset investments (if any), and the amounts due to be paid to it by Grantors under the Grant Agreements in the Relevant Funding Period, together being the IFFIm Aggregate Available Funds.

The amount of funding required by IFFIm for each Relevant Funding Period is therefore the amount by which the IFFIm Financial Requirements exceed the IFFIm Aggregate Available Funds, being the IFFIm Required Funding.

In making the assessment of the IFFIm Required Funding for a Relevant Funding Period, the Treasury Manager also calculates whether the raising of funds to meet the IFFIm Required Funding would cause IFFIm to breach the IFFIm Gearing Ratio Limit, or act in a manner inconsistent with the funding and other strategies of IFFIm, in which case it holds over any Disbursement Requests from

The GAVI Fund Affiliate until such time as the funding of such Approved Programmes would not lead to a breach of the IFFIm Gearing Ratio Limit or an inconsistency with such strategies.

Following the assessments by the Treasury Manager described above, the Treasury Manager effects the issuance of Notes under the Programme, or borrows funds under Loans as necessary to meet the IFFIm Required Funding, or the IFFIm Required Funding as reduced by the amount necessary to account for any Disbursement Requests held over as described above, for such Relevant Funding Period. The proceeds of each issuance are held in the IFFIm Account maintained with IBRD pursuant to the Treasury Management Agreement pending payment pursuant to a Disbursement Request from The GAVI Fund Affiliate (subject to such proceeds being able to be used by IFFIm in the interim, *inter alia*, to meet principal and interest payment obligations under the Notes and any Loans, to meet payments due in respect of Derivative Transactions, and to meet expenses and pay applicable fees).

Based on the current Grant Payments, it is expected that IFFIm may raise up to U.S.\$4 billion (net of refinancing of Notes or Loans) over the period from 2006 until 2015 (inclusive). The annual funding volume, choice of instrument and method of offering will vary depending on the need for funds for Approved Programmes in Specified Countries.

IFFIm and its Treasury Manager intend to seek the best overall value for IFFIm and the Grant Payments on a sustained basis, and to ensure reliable and predictable funding to countries for immunisation and/or vaccine procurement programmes. To achieve this, IFFIm will issue Notes to institutional and/or retail investors through financial intermediaries, and will carry out a variety of transactions ranging from larger, more liquid issues of Notes with broad placement, to smaller Note issues targeted to specific investor groups.

B/C Disbursement Requests and Disbursement to The GAVI Fund Affiliate

From time to time, when The GAVI Fund Affiliate requires a payment in respect of an Approved Programme (see above), it submits to IFFIm a Disbursement Request, containing details, *inter alia*, of the amount requested for disbursement and the Approved Programme to which it relates.

During any Relevant Funding Period, provided that the Treasury Manager is satisfied that funds held in the IFFIm Account and other financial resources of IFFIm will be sufficient to meet the aggregate anticipated requirements of IFFIm during such Relevant Funding Period, the Treasury Manager (on behalf of IFFIm), subject to the provisions of the Finance Framework Agreement, promptly transfers from the IFFIm Account to the GAVI Fund Affiliate Account amounts necessary to meet (i) any Disbursement Request submitted with respect to any previous Relevant Funding Period that has not previously been satisfied in full and thereafter (ii) any Disbursement Request submitted by The GAVI Fund Affiliate to IFFIm on or before the last business day of the preceding Relevant Funding Period.

D Disbursements to Approved Programmes

The GAVI Fund Affiliate arranges for the Account Bank to make the necessary disbursements for the relevant Approved Programmes as soon as reasonably practicable after receipt of relevant funds into the GAVI Fund Affiliate Account. In certain cases, funds may be disbursed by The GAVI Fund Affiliate to an account administered by the GAVI Fund, which in turn makes the distribution to the relevant Approved Programme.

E/F Payment of Principal and Interest on the Notes

IFFIm applies the proceeds of the Grant Payments received by it from the Grantors under the Grant Agreements assigned to it, *inter alia*, to make repayments of principal and payments of interest on any outstanding Notes issued by it under the Programme.

Programme Monitoring

GAVI financial support for Approved Programmes is given subject to strict performance monitoring by GAVI that is designed to track the progress achieved in the previous year, to declare

planned targets for the following year and to verify the sustainability of existing financing sources. IFFIm is under no obligation to monitor Approved Programmes.

The Activities of IFFIm — Part 3. Miscellaneous

Restrictions

Investors should note that the Finance Framework Agreement contains certain covenants of IFFIm, and of The GAVI Fund Affiliate, which restrict their activities. IFFIm and The GAVI Fund Affiliate each agree, *inter alia*, to use all reasonable endeavours to maintain their status as a registered charity, to maintain their residence and management in the United Kingdom, not to engage in other business beyond that contemplated in the Finance Framework Agreement, Procedures Memorandum and related documents, not to incur indebtedness for borrowed money other than as permitted under such agreements, not to have any subsidiaries, not to own or acquire any real property and not to transfer, assign or otherwise dispose of in any manner whatsoever (whether absolutely or by way of security) any of its rights, title, benefit or interest assigned to it under the Deeds of Assignment, or create any mortgage, charge or other security or right of recourse in respect thereof, save to the extent permitted in accordance with the relevant Grant Agreement.

Relevant Events and Suspension of Operations

The Finance Framework Agreement contains provisions permitting the Majority Grantors to oblige IFFIm to suspend, temporarily or permanently, the disbursement of funds to The GAVI Fund Affiliate in certain circumstances, each known as a Relevant Event. These include (but are not limited to) either IFFIm or The GAVI Fund Affiliate ceasing to be a registered charity under the laws of England and Wales, the insolvency of either company, and GAVI's strategic goals for the advancement of immunisation not being met in a materially adverse way, as such goals are set out in the Procedures Memorandum.

During a temporary suspension of operations at the request of the Majority Grantors, no funds may be disbursed by IFFIm to The GAVI Fund Affiliate in respect of any Approved Programmes if the Majority Grantors have notified IFFIm and the Treasury Manager that disbursements to such Approved Programme are to be suspended pending remedy of the applicable Relevant Event. However, during any temporary suspension of operations, IFFIm will continue to make disbursements as necessary to service payments of principal and interest on the Notes and any Loans, make payments due in respect of Derivatives Transactions, and meet expenses and pay fees. A period of up to 60 days is permitted for the parties to use all reasonable endeavours to remedy a Relevant Event which has resulted in a temporary suspension of operations.

Following the elapse of such a period, and if the Relevant Event cannot be remedied to the satisfaction of the Majority Grantors, then they may decide to permanently suspend IFFIm's operations. In that event, IFFIm shall (save as permitted in the Finance Framework Agreement) suspend permanently its operations in respect of disbursements from its bank account, and forthwith cease all activities, except those incidental to the orderly realisation, conservation, and preservation of its assets and settlement of its obligations. As a result, no new GAVI programmes will then be approved to become Approved Programmes and IFFIm will cease disbursements to The GAVI Fund Affiliate in respect of Approved Programmes.

A temporary or permanent suspension of operations does not change, reduce, suspend or alter in any way the Grantors' obligations to make the scheduled payments under their Grant Agreements, which must continue until such time as the Treasury Manager has notified the Grantors that all outstanding Notes, and any other debts owed by IFFIm, have been met in full. Following a notice of permanent suspension, IFFIm may not issue any further Notes or borrow further Loans, except as necessary to refinance Notes and Loans that mature or are otherwise redeemed.

Once IFFIm and the Treasury Manager are satisfied that all creditors of IFFIm (including holders of Notes) have been fully discharged, any funds remaining to the credit of the IFFIm Account shall be applied, following consultation, towards the charitable purposes of IFFIm in accordance with the provisions of IFFIm's Memorandum and Articles of Association and provisions of applicable law.

Any of the Grantors may notify the other parties to the Finance Framework Agreement that:

- (a) (i) it has become, or (ii) it is likely to become, required to make additional payments in accordance with the terms of a Grant Agreement in order to ensure that Grant Payments are made without deduction or withholding on account of tax in that Grantor's jurisdiction or to meet an indemnity obligation in respect of tax; or
- (b) any unanticipated liability to taxation (i) has arisen, or (ii) is likely to arise, under any applicable jurisdiction in relation to the activities of The GAVI Fund Affiliate or IFFIm; or
- (c) a material adverse change in the national or international accounting or regulatory treatment of such Grantor's commitments under a Grant Agreement (i) has occurred or (ii) is likely to occur.

If any such notification is given, the parties to the Finance Framework Agreement shall enter into negotiations in good faith with a view to agreeing a restructuring of the transactions described in the Transaction Documents and any amendments to the Transaction Documents which are necessary as a result of such restructuring, provided that no such restructuring shall take effect (A) unless and until each of the Applicable Rating Agencies has confirmed in writing that the rating of IFFIm's outstanding Notes and/or Loans will not be adversely affected by such amendments or (B) if in the reasonable opinion of the Treasury Manager, such restructuring would (i) impair IFFIm's ability to meet its anticipated disbursements and debt service requirements in respect of Notes and Loans outstanding at the time of that Grantor's request or to meet its other commitments, expenses, liabilities or other requirements of the type specified in the Finance Framework Agreement; or (ii) materially impair the overall financial efficiency of IFFIm.

If, however, the parties are unable to agree amendments to the Transaction Documents, then the Majority Grantors may determine that a permanent suspension of operations of IFFIm should occur, notwithstanding that no Relevant Event has occurred.

If such notification is a notification referred to in (a)(i), (b)(i) or (c)(i) above then, notwithstanding that no Relevant Event has occurred, the Majority Grantors may temporarily suspend the operations of IFFIm prior to entering into any such negotiations, on the basis that such temporary suspension shall begin on the date of such notification by the Majority Grantors to each of the other parties hereto and shall end on (and include) the date on which either (i) a permanent suspension of operations has occurred or (ii) the restructuring and amendments referred to shall have come into effect.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Prospectus and the terms of the Programme. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole and any relevant Pricing Supplement by any prospective investor.

Issuer:	International Finance Facility for Immunisation Company. IFFIm was incorporated as a private company limited by guarantee, without share capital, under the Companies Act on 26 June 2006 for an indefinite duration. IFFIm is registered with the Registrar of Companies for England and Wales under registered number 5857343. IFFIm is also registered with the Charity Commission for England and Wales as a charity with registered number 1115413.
Description:	Global Debt Issuance Programme.
Size:	There will not be a limit on the aggregate nominal amount of Notes outstanding at any one time.
Arranger:	Goldman Sachs International.
Dealers:	The persons appointed as such by IFFIm from time to time either in respect of one or more Tranches or in respect of the Programme. References in this Prospectus to "Dealers" are to each person who is from time to time appointed as a Dealer pursuant to the terms of the Dealer Agreement referred to below in respect of a Tranche of Notes.
Treasury Manager:	International Bank for Reconstruction and Development.
Trustee:	Citicorp Trustee Company Limited.
Principal Paying and Transfer Agent:	Citibank, N.A., London Branch.
Registrar:	Citibank, N.A., London Branch.
Exchange Agent:	Citibank, N.A., London Branch.
Paying and Transfer Agent:	Dexia Banque Internationale à Luxembourg.
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg.
Recourse against IFFIm:	As set out in the Note Trust Deed, the liability of IFFIm to pay any amount due under the Notes, Coupons and Receipts shall be limited to the net proceeds of the realisation of all the assets of IFFIm and to the extent of the Noteholders', Couponholders' and Receiptholders' entitlements pursuant to the Note Trust Deed. If such amount is insufficient to pay all IFFIm's obligations under the Notes, Coupons and Receipts and under the Note Trust Deed in full for any reason, IFFIm shall have no obligation to make up the insufficiency. Any insufficiency shall be borne by Noteholders, Couponholders and Receiptholders (as defined in the Note Trust Deed) <i>pro rata</i> and <i>pari passu</i> . See the sections of this Prospectus entitled " <i>Risk Factors — IFFIm has limited assets</i> " and " <i>Risk Factors — The Notes are corporate obligations only of IFFIm</i> " below.

Method of Issue:	Notes may be issued on a syndicated or non-syndicated basis. The Notes may be issued in several series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Pricing Supplement.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Form of Notes:	The Notes may be issued in bearer form only, in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in registered form only. Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a Temporary Regulation S Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “<i>Summary of the Programme — Selling Restrictions</i>”), otherwise such Tranche will be represented by a Permanent Regulation S Global Note, unless otherwise required by Regulation S. If the Global Notes representing a Series of Bearer Notes are stated in the applicable Pricing Supplement to be issued in NGN form, they will be delivered on or prior to the original issue date of the Tranche to which they relate to the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global Notes which are not issued in NGN form, but instead in CGN form will be deposited on the issue date with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, or with an alternative clearing and settlement system as disclosed in the relevant Pricing Supplement.

	Registered Notes will be represented by Certificates. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”. Regulation S Registered Notes will initially be represented by a Regulation S Global Certificate which may be deposited on the issue date with, and registered in the name of a nominee for, the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg. Rule 144A Registered Notes will initially be represented by a Rule 144A Global Certificate which may be deposited on the issue date either (a) with the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such Common Depositary, or (b) with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC. See also “<i>Summary of Provisions Relating to the Notes while in Global Form</i>” below.
Clearing Systems:	Clearstream, Luxembourg, Euroclear, DTC and/or, in relation to any Tranche, such other clearing system as may be agreed between IFFIm, the Principal Paying and Transfer Agent, the Trustee and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, if the Global Note is intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, or is otherwise stated in the applicable Pricing Supplement to be issued in NGN form, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the Global Note is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, and is not otherwise stated in the applicable Pricing Supplement to be issued in NGN form, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg (or, in the case of Rule 144A Registered Notes represented by a Rule 144A Global Certificate, with (a) the Common Depositary on behalf of Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for such Common Depositary, or (b) a custodian for, and registered in the name of Cede & Co. as nominee for, DTC). Global Notes or Global Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by IFFIm, the Principal Paying and Transfer Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between IFFIm and the relevant Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity.
Specified Denominations:	The Notes will be issued in such denominations as may be agreed between IFFIm and the relevant Dealer and as specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and regulatory requirements and in accordance with usual market practice, and save that, unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year will have a minimum denomination of £100,000 (or its equivalent in other currencies). Certificates in definitive form ("Individual Certificates") will only be available, in the case of Notes initially represented by a Regulation S Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Rule 144A Global Certificate and sold pursuant to Rule 144A, in a minimum aggregate holding per investor of U.S.\$100,000 (or its equivalent rounded upwards as agreed between IFFIm and the relevant Dealer(s)) or such other amount as may be agreed between IFFIm and the relevant Dealer(s).
Fixed Rate Notes:	Fixed Rate Notes will bear fixed interest payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin; or (iii) on such other basis as may be agreed between IFFIm and the relevant Dealer. Interest periods will be specified in the relevant Pricing Supplement. The applicable margin (if any) relating to such floating rate will be agreed between IFFIm and the relevant Dealer for each Series of Floating Rate Notes.
Zero Coupon Notes:	Zero Coupon Notes (as defined in " <i>Terms and Conditions of the Notes</i> ") will be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “ <i>Terms and Conditions of the Notes</i> ”) will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes (as defined in “ <i>Terms and Conditions of the Notes</i> ”) or of interest in respect of Index Linked Interest Notes (as defined in “ <i>Terms and Conditions of the Notes</i> ”) will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption:	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then applicable laws and regulations, Notes which have a maturity of less than one year must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments:	The Pricing Supplement issued in respect of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that IFFIm, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and a supplement to the prospectus.
Optional Redemption:	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of IFFIm (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes:	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of IFFIm all as described in “ <i>Terms and Conditions of the Notes — Status of the Notes</i> ”.
Negative Pledge:	The terms of the Notes will contain a negative pledge, as further described in Condition 4.
Default (including Cross Default):	The terms of the Notes will contain a cross-default provision in respect of bonds, notes or similar obligations, including all loan facilities, issued, assumed or guaranteed by IFFIm.

	If IFFIm defaults on payments under the Notes and such default continues for 90 days, or under the cross-default provision set out in Condition 10(b), or the IFFIm Gearing Ratio exceeds 100 per cent. for 150 consecutive days, payment on the Notes may be accelerated after notice of such default is delivered to IFFIm if such default is continuing 30 days after delivery of such notice. See "<i>Terms and Conditions of the Notes — Events of Default</i>".
Early Redemption:	Save as described under "Optional Redemption" above, Notes will be redeemable at the option of IFFIm prior to maturity only for tax reasons. See "<i>Terms and Conditions of the Notes — Redemption, Purchase and Options</i>".
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the United Kingdom, subject to certain exceptions, all as described in "<i>Terms and Conditions of the Notes — Taxation</i>".
Listing and Admission to Trading:	Application has been made to the CSSF to approve this document as a simplified prospectus. Unless the relevant Pricing Supplement indicates otherwise, application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange, and references to listing shall be construed accordingly. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.
Ratings:	Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Redenomination, Renominalisation and/or Consolidation:	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.
Pricing Supplement:	The specific terms of each Tranche will be set forth in a Pricing Supplement which, where applicable, will be annexed to the relevant Global Note or Global Certificate. For the purposes of the Luxembourg Prospectus Law, insofar as it applies to exempt issuers under Article 1(2)(e) of the Prospectus Directive, all references in this document to "Pricing Supplement" should be read and construed as references to "Final Terms".
Selling Restrictions:	United States, the United Kingdom and Japan. See "<i>Subscription and Sale</i>" below. IFFIm is Category 2 for the purposes of Regulation S.

	Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.
Risk Factors:	The Notes are the obligations of IFFIm only, and not of any other person. IFFIm’s ability to make payments is dependent primarily upon its receipt of Grant Payments. IFFIm is a special purpose vehicle with no revenue-generating operations of its own. Investors should see further the section entitled “<i>Risk Factors</i>” below.
Governing Law:	English law, save as otherwise disclosed in the Pricing Supplement in respect of any particular Notes.

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to the Notes. Each of the risks described below could have a material adverse effect on the business, operations, financial condition or prospects of IFFIm, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks described below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks which IFFIm faces. IFFIm has described only those risks relating to its operations that it considers to be material. There may be additional risks that it currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects stated above.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Risk Factors relating to IFFIm and the Financial Structure

The Notes are the obligations of IFFIm only

The Notes will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 4), unsecured obligations of IFFIm only and will not be guaranteed by, or be the responsibility of, any other person, including the Grantors. Neither the GAVI Fund nor The GAVI Fund Affiliate, nor GAVI nor any member of GAVI, have any obligation, contingent or otherwise, to pay any amounts under the Notes.

Furthermore, no person other than IFFIm will accept any liability whatsoever to Noteholders in respect of any failure by IFFIm to pay any amount due under the Notes.

IFFIm's ability to make payments

The ability of IFFIm to make payments of principal and interest under the Notes will depend primarily on receipt by IFFIm of the Grant Payments under the Grant Agreements. IFFIm will not have any other significant sources of funds available to meet its obligations under the Notes.

It should be noted that all Grant Payments are made subject to the Grant Payment Condition. Therefore, if any one or more Specified Countries forming part of the Reference Portfolio is in Protracted Arrears, then each Grant Payment due for payment will be reduced by an amount equal to the Reduction Amount for each such Specified Country.

If, as a result of such reductions, Grant Payments due from Grantors do not provide IFFIm with sufficient funds to enable it to make required payments on any Notes, the holders of such Notes may receive less interest and/or principal than would otherwise be due and payable to them.

Recourse against IFFIm for principal and interest due under the Notes is limited

The liability of IFFIm to pay any amount due under the Notes, Coupons and Receipts shall be limited to the net proceeds of the realisation of all the assets of IFFIm and to the extent of the Noteholders', Couponholders' and Receiptholders' entitlements pursuant to the Note Trust Deed. If such amount is insufficient to pay all IFFIm's obligations under the Notes, Coupons and Receipts and under the Note Trust Deed in full for any reason, IFFIm shall have no obligation to make up the insufficiency. Any insufficiency shall be borne by Noteholders, Couponholders and Receiptholders *pro rata* and *pari passu*.

The Notes are corporate obligations only of IFFIm

No recourse under any obligation, covenant or agreement of IFFIm under the Notes, the IFFIm Financing Documents or the Transaction Documents shall be made against any director or member of IFFIm as such, it being understood that the obligations of IFFIm under the Notes, the IFFIm Financing Documents and the other Transaction Documents are corporate obligations of IFFIm, and no personal

liability shall attach to, or be incurred by, the directors or members of IFFIm as such, under or by reason of any such obligations, covenants and agreements of IFFIm.

IFFIm has limited assets

IFFIm's principal assets will consist of (i) its rights under the Grant Agreements (including the right to receive Grant Payments thereunder pursuant to the Deeds of Assignment), (ii) its rights under the other Transaction Documents to which it is a party, (iii) the funds standing to the credit from time to time of the IFFIm Account and any investments made on its behalf by the Treasury Manager, and (iv) its rights under Derivatives Transactions.

Upon acceleration of any Notes, sufficient proceeds may not be realised from such assets to permit all repayments of principal and payments of interest on the Notes outstanding at such time to be made.

However, the terms of the Finance Framework Agreement place limitations upon the aggregate value of Approved Programmes, and prevent approvals of further programmes where IFFIm's credit rating has been downgraded below AAA or equivalent by at least two Applicable Rating Agencies, or where to do so would, in the determination of the Treasury Manager, cause IFFIm to be in breach of the IFFIm Gearing Ratio Limit.

IFFIm bears no responsibility for performance by the Grantors

Neither IFFIm nor the Trustee gives or has given (or has received from The GAVI Fund Affiliate) any representation or warranty in respect of, or shall at any time have any responsibility, liability or obligation in respect of, the performance and observance by any Grantor of its obligations under the relevant Grant Agreement entered into by such Grantor, the recoverability of any sum due or to become due from any Grantor under any Grant Agreement, or any other act, default or omission of any Grantor under or in respect of any Grant Agreement, the Finance Framework Agreement, or any other Transaction Document. Neither IFFIm nor the Trustee shall at any time have any responsibility for, or obligation or liability in respect of, the financial condition, creditworthiness, affairs, status or nature of any Grantor.

Financial servicing of the Notes is dependent upon performance by the Grantors

The financial servicing and performance of the terms of the Notes depend primarily upon performance by each Grantor of its obligations under the Grant Agreement to which it is a party, and its covenant to make payments thereunder.

In connection with this risk, prospective investors should note that each Grantor has represented and warranted to IFFIm and the other parties to the Finance Framework Agreement that the Grant Agreement to which it is a party constitutes valid and binding obligations of such Grantor.

Prospective investors should also note that no proprietary or other legal interest in IFFIm's rights under or in respect of any Grant Agreement which has been assigned to it exists for the benefit of the Noteholders. No Noteholder will have any entitlement to enforce any Grant Agreement or have direct recourse to a Grantor.

Certain payments to be made by a Grantor under a Grant Agreement may require additional or annual parliamentary approval before they can be made

The obligations of each Grantor to make Grant Payments under its Grant Agreement constitute its valid, binding and enforceable obligations. Each Grantor has obtained the necessary approvals, including parliamentary and ministerial approvals, for the payment of its Grant Payments and its other payment obligations under its Grant Agreement, subject to the following exceptions:

(1) A Grantor may require additional parliamentary or ministerial approval prior to satisfying a payment obligation arising under the gross-up provision, the tax indemnity provision or the general indemnity provision of its Grant Agreement. An approval of this nature may not be obtainable until the amount and nature of the payment is known. Other than in respect of the Republic of Italy (as to which see further below), a failure to obtain such approval will not affect the valid, binding and enforceable nature of such payment obligations.

With respect to the Republic of Italy, the Italian Parliament authorised participation in the International Finance Facility for Immunisation project, and allocated EUR 504 million for the Ministry of Economy and Finance to make the total aggregate amount of its Grant Payments under its Grant Agreement, under Law No. 266 of 23 December 2005 (the “2006 Budget Law”). Any payment obligation assumed by the Italian Ministry of Economy and Finance under its Grant Agreement which (when aggregated with the total scheduled Grant Payments) exceeds the amount set out in the 2006 Budget Law will require the prior adoption of a further parliamentary law or ministerial provision in respect of such excess amount in order to constitute a legal, valid, binding and enforceable obligation of the Ministry of Economy and Finance on behalf of the Republic of Italy.

(2) In the Kingdom of Spain, the Spanish Council of Ministers must approve its Grant Payments on an annual basis.

(3) In the United Kingdom, the Department for International Development (as Grantor under the United Kingdom’s Grant Agreement) relies on the Appropriation Act, passed annually, for its annual budgetary allocation (from which, amongst other things, it will make the Grant Payments due from it in the relevant year).

(4) In the Republic of Italy, an ad hoc order of payment will need to be adopted before each Grant Payment is effected.

None of the approval mechanisms referred to in (1) to (4) above affects the valid, binding or enforceable nature of the undertakings of the relevant Grantors to make their scheduled Grant Payments.

Intervention by the UK Charity Commission

IFFIm and The GAVI Fund Affiliate are regulated by the UK Charity Commission. The UK Charity Commission has power under the Charities Act 1993 (as amended from time to time) to institute inquiries and investigations into charities and, pending the outcome of any such inquiry and investigation, it may, among other things:

- remove or suspend a charity trustee, officer, agent or employee of the charity from his office or employment and, where applicable, from his membership of the charity;
- establish a scheme for the administration of the charity;
- vest the charity’s property in the official custodian;
- appoint additional charity trustees;
- order any debtor of the charity not to make any payment to the charity without the approval of the UK Charity Commission;
- order any person holding the charity’s property not to part with it without the permission of the UK Charity Commission;
- restrict the transactions that may be entered into or payments made by a charity without the approval of the UK Charity Commission;
- appoint a receiver and manager in respect of the property and affairs of the charity;
- order the charity trustees, any officer or employee of the charity or the charity itself to take any action which the UK Charity Commission considers to be expedient in the interests of the charity; and/or
- enter premises to take and seize documents or information if such search and seizure is authorised by the Justice of Peace.

The UK Charity Commission may also (without inquiry or investigation under way), if it is satisfied that a person or persons in possession or control of any property held by or on trust for a charity is or are unwilling to apply it properly for the purposes of the charity and that it is necessary or desirable to make an order for the purpose of securing a proper application of that property for the

purposes of the charity, order the person or persons concerned to apply the property in such manner as is specified in the order, subject to certain conditions.

Any such action by the UK Charity Commission may adversely affect the ability of IFFIm to make payments in respect of the Notes.

The effectiveness of IFFIm's hedging strategy is dependent on performance of hedging counterparties

IFFIm's ability to effectively hedge currency, interest rate, and other risks, and thus to meet its obligations under the Notes, depends on the performance and creditworthiness of its hedging counterparties from time to time.

Under the hedging agreement between IFFIm and the Treasury Manager, neither party is required to post collateral with the other as long as such party is rated AAA or equivalent by specified credit rating agencies. The Treasury Manager is currently rated AAA, and thus is not currently obliged to post collateral in support of its obligations under the hedging transactions between it and IFFIm.

Accordingly, IFFIm may incur exposure to the Treasury Manager, depending on currency and interest rate movements in respect of outstanding transactions.

Furthermore, under the Treasury Management Agreement, IFFIm acknowledges that the Treasury Manager intends to hedge its exposure resulting from its transactions with IFFIm by entering into offsetting transactions with market counterparties. In the event that the Treasury Manager is unable to enter into such offsetting transactions with counterparties that meet its credit standards or is otherwise unable effectively to hedge its financial risks, the Treasury Manager is not obliged to enter into hedging transactions with IFFIm.

IFFIm is dependent on the Treasury Manager for its financial operations

IFFIm has no employees and has undertaken that it will not have any employees in the future. IFFIm's financial operations will be handled by the Treasury Manager. IFFIm and the IBRD have entered into the Treasury Management Agreement, under which IBRD will serve as the Treasury Manager for IFFIm and will provide the services described therein. This agreement runs for a term of five years and is renewable upon mutual agreement thereafter for additional terms of five years each. IFFIm has undertaken to use all reasonable endeavours to maintain a treasury manager at all times, which is expected to be a Multilateral Development Bank, but there can be no assurance that, if required, IFFIm would be able to engage a Multilateral Development Bank to provide the services currently provided by the IBRD. IFFIm has the right to terminate its agreement with the Treasury Manager upon 90 days' notice.

Prospective investors should also note that the Treasury Manager has the right to resign from its appointment upon notice to IFFIm, provided that no such resignation shall take effect until the earlier of the appointment of a new Treasury Manager by IFFIm or a period of 12 months having elapsed from the date of such notice of resignation. If IBRD resigns as Treasury Manager, and IFFIm is unable to engage a Multilateral Development Bank or other suitable replacement to provide the Treasury Management Services, there can be no certainty as to how IFFIm's financial operations will be managed, and IFFIm may not be able to meet its obligations under the Notes and the other Transaction Documents.

Risk Factors relating to the Notes

A wide range of Notes may be issued under the Programme. Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the

information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Notes subject to optional redemption by IFFIm

A right of early redemption of Notes by IFFIm (such as that in Condition 6(d)) is likely to limit their market value. During any period when IFFIm may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

IFFIm may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at the time.

Index Linked Notes and Dual Currency Notes

IFFIm may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, IFFIm may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly paid Notes

IFFIm may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that IFFIm may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. IFFIm's ability to convert the interest rate will affect the secondary market for, and the market value of such Notes since IFFIm may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If IFFIm converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable to investors than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If IFFIm converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Modification, authorisation and waivers, and substitution

The Conditions of the Notes and the Note Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes provide that the Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Note Trust Deed or the Conditions, that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven, and (ii) any other modification to the Note Trust Deed or the Conditions, or any waiver, authorisation or determination in respect of any such provision that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders (except as mentioned in the Note Trust Deed), and (iii) the substitution of another person

as principal debtor under any Notes in place of IFFIm, in the circumstances described in Condition 12(c) of the Notes subject, *inter alia*, to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced thereby.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual, or certain other persons, resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither IFFIm nor any Paying and Transfer Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying and Transfer Agent, IFFIm will be required, pursuant to Condition 7(f) of the Notes, to maintain a Paying and Transfer Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

IFFIm will pay principal and interest on the Notes in the currency specified in respect thereof in the applicable Pricing Supplement (the "Specified Currency"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the assigning rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the Conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any). Either (i) the full text of these Conditions together with the relevant provisions of the Pricing Supplement or (ii) these Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall also be endorsed on such Bearer Notes or on the Certificates relating to Registered Notes. The following Conditions, subject to completion and amendment, and as supplemented or varied as aforesaid, shall also apply to the Notes in global form, save that, in respect of Notes in global form, the Conditions shall be further amended by the provisions of the relevant Global Note or Global Certificate, as further described below under "Summary of Provisions Relating to the Notes while in Global Form".

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Note Trust Deed. Those definitions will be endorsed on the Definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a trust deed dated 3 November 2006 (as supplemented by the First Supplemental Note Trust Deed dated 17 December 2007 and the Second Supplemental Note Trust Deed dated 4 August 2008 and as further amended or supplemented as at the Issue Date, the "Note Trust Deed") and made between IFFIm and Citicorp Trustee Company Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees thereunder) as trustee for the holders of the Notes. These Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated 3 November 2006 has been entered into in relation to the Notes between IFFIm, the Trustee, Citibank, N.A. as initial principal paying and transfer agent and the other agents named in it. The principal paying and transfer agent, the paying and transfer agents, the registrar, the exchange agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Principal Paying and Transfer Agent", the "Paying and Transfer Agents" (which expression shall, where the context so requires, include the Principal Paying and Transfer Agent), the "Registrar", the "Exchange Agent" and the "Calculation Agent(s)" and collectively as the "Agents". Copies of, *inter alia*, the Note Trust Deed and the Agency Agreement are available for inspection during usual business hours at the registered office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Principal Paying and Transfer Agent.

The Noteholders (as defined below), the Couponholders and the Receiptholders (as defined in the Note Trust Deed) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Note Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Note Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Notes. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any additional amounts that may be payable under Condition 8 or any undertaking given in addition to or in substitution for it under the Note Trust Deed.

1. Form, Specified Denomination and Title

The Notes are issued in bearer form (being Bearer Notes, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (being Registered Notes) or in bearer form exchangeable for Registered Notes (being Exchangeable Bearer Notes) in each case in the Specified Denomination(s) specified hereon.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes. Registered Notes will not be exchangeable for Bearer Notes.

A Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis specified hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to default interest), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

The following legend will appear on all Bearer Notes that have a maturity of more than one year (including unilateral rollovers and extensions) and on all Receipts and Coupons (including Talons) relating to such Notes that are issued pursuant to U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “D Rules”):

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principle in respect of Notes, Receipts or Coupons.

Registered Notes are represented by Certificates. Registered Notes issued to a relevant Dealer and sold in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by a Rule 144A Global Certificate. Notes sold in the United States or to U.S. persons will be only in registered form.

Registered Notes which are sold in an “offshore transaction” within the meaning of Regulation S under the Securities Act will initially be represented by a Regulation S Global Certificate. Bearer Notes will be represented on issue by a Temporary Regulation S Global Note or a Permanent Regulation S Global Note which, if stated in the Pricing Supplement to be in NGN form, will be delivered on or prior to the original issue date of the Tranche to which they relate to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the Register that the Registrar will maintain in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and any Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be) and “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any

Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

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

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Regulation S Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Paying and Transfer Agent; provided, however, that, where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred, in whole or in part, upon the surrender (at the specified office of the Registrar or any Paying and Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by IFFIm), duly completed and executed and any other evidence as the Registrar or Paying and Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding to the Registrar or any Paying and Transfer Agent. All transfers of Notes and entries on the Registrar will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by IFFIm, with the prior written approval of, *inter alia*, the Registrar, the Principal Paying and Transfer Agent and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Partial Redemption in respect of Registered Notes

In the case of a partial redemption of a holding of Registered Notes represented by a Certificate, a new Certificate, if required, shall be issued to the holder in respect of the balance of the holding not redeemed.

(d) Delivery of New Certificates

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of a duly completed request for exchange or form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Paying and Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such

address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Paying and Transfer Agent or the Registrar the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Paying and Transfer Agent or the Registrar (as the case may be).

(e) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer or partial redemption shall be effected without charge by or on behalf of IFFIm, the Registrar or the Paying and Transfer Agents, but upon payment by IFFIm of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Paying and Transfer Agent may require).

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, or (ii) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status of the Notes

- (a) The Notes (including any related Receipts, Coupons or Talons) are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of IFFIm, at all times ranking *pari passu* and without any preference among themselves.
- (b) The payment obligations of IFFIm under the Notes and the Receipts and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with its payment obligations in respect of all other unsecured and unsubordinated Indebtedness for Borrowed Money of IFFIm, present and future. IFFIm shall not be liable to make any payment in respect of the Notes other than as expressly provided herein and in the Note Trust Deed.

4. Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the Note Trust Deed), IFFIm will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Indebtedness for Borrowed Money which it is permitted to incur under the Transaction Documents, or any guarantee or indemnity in respect of any Indebtedness for Borrowed Money which it is permitted to incur under the Transaction Documents, unless at the same time or prior thereto (i) the Notes and the Coupons are secured equally and rateably therewith to the satisfaction of the Trustee or (ii) other arrangements are made which are approved by an Extraordinary Resolution (as defined in the Note Trust Deed) of the Noteholders.

5. Interest and other Calculations

(a) Interest on Fixed Rate Notes

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

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

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

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either specified hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified hereon, Interest Payment Date shall mean each date which falls the number of months or other period specified hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.
 - (A) **ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, subject as provided in Condition 5(g). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

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

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

Unless otherwise stated hereon, the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below and Condition 5(g), be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page, or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are

providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and IFFIm suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(d) Dual Currency Notes

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

(e) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 5(l)).

(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the countries of such currency.

(h) Calculations

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

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

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or at such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Trustee, IFFIm, each of the Paying and Transfer Agents, the Registrar, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Determination or Calculation by Trustee

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Instalment Amount, Final Redemption Amount or Early Redemption Amount, the Trustee shall do so (or shall (at the expense of IFFIm) appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(k) Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Calculation Agent or the Trustee, will (in the absence of wilful default, bad faith and manifest error) be binding on IFFIm, the Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to IFFIm or the Noteholders shall attach to the Calculation Agent, or, if applicable, the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(I) Definitions

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

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET2 system is operating (a "TARGET2 Business Day"); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

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

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest 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 Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Interest 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 Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Interest 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 Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and in which case D2 will be 30.

“Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Instalment Amount” means the amount (if any) specified as such hereon.

“Instalment Date” means the date (if any) specified as such hereon.

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

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

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

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

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

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

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

(m) Calculation Agent

IFFIm shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Note Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to determine the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Early Redemption Amount and the Trustee has made such calculation or determination under Condition 5(j), as the case may be, or the Calculation Agent fails to comply with any other requirement, IFFIm shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6. Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise specified hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note prior to the Maturity Date and the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the “Amortised Face Amount” (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is specified hereon, shall be such

rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

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

- (ii) **Other Notes:** The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) Redemption for Taxation and other Reasons

The Notes may be redeemed at the option of IFFIm in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Note or a Dual Currency Note) or at any time (if this Note is neither a Floating Rate Note, an Index Linked Note nor a Dual Currency Note), on giving not less than 30 nor more than 60 days' irrevocable notice in accordance with Condition 15, to the Noteholders at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) IFFIm satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 8 or that it has or will be obliged to account to any taxing authority for any amount (other than any tax withheld or deducted from interest payable on the Notes) calculated by reference to any amounts payable in respect of the Notes, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment is announced or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Series comprising the Notes and (ii) such obligation cannot be avoided by IFFIm 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 IFFIm would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, IFFIm shall deliver to the Trustee a certificate signed by two directors of IFFIm stating that the obligation referred to in (i) above cannot be avoided by IFFIm taking reasonable measures available to it, and an opinion of independent legal advisers of recognised standing to the effect that IFFIm has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions

precedent set out in (i) and (ii) above in which event it shall be conclusive and binding on Noteholders and Couponholders.

In the event of the Notes becoming due for redemption, the Early Redemption Amount may be less than the principal amount of the Notes being redeemed.

(d) Redemption at the Option of IFFIm

If Call Option is specified hereon, IFFIm may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Trustee and, in accordance with Condition 15, to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by lot in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on the Luxembourg Stock Exchange or any other stock exchange and the rules of the relevant stock exchange so require, IFFIm shall, once in each year in which there has been a partial redemption of the Notes, cause to be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper of general circulation in Luxembourg or as specified by such other stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of Noteholders

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

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying and Transfer Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Paying and Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying and Transfer Agent or the Registrar (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in Clause 6.4 of the Agency Agreement) without the prior consent of IFFIm.

(f) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) Purchases

IFFIm may purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) Cancellation

All Notes purchased by or on behalf of IFFIm shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to or to the order of the Principal Paying and Transfer Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, shall, together with all Notes redeemed by IFFIm, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of IFFIm in respect of any such Notes shall be discharged.

7. Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying and Transfer Agent outside the United States and its possessions by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency (to the extent such bank is outside the United States) or in the case of euro in a city in which banks have access to the TARGET2 System.

(b) Registered Notes

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Certificates at the specified office of any of the Paying and Transfer Agents or of the Registrar and in the manner provided in sub-paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof or in the case of Registered Notes to be cleared through DTC, on the fifteenth DTC business day before the due date for payment thereof (the "Record Date"). For the purpose of this Condition 7(b), "DTC business day" means any day on which DTC is open for business. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Paying and Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) Payments through DTC

Registered Notes, if specified in the applicable Pricing Supplement, will be issued in the form of one or more Rule 144A Global Certificates and may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with Conditions 7(b)(i) and 7(b)(ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Principal Paying and Transfer Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Principal Paying and Transfer Agent or its agent to DTC or DTC's nominee with respect to Registered Notes held by DTC or DTC's nominee will be received from IFFIm by the Principal Paying and Transfer Agent who will make payments in such Specified Currency by wire transfer of same day funds to, in the case of Notes registered in the name of DTC's nominee, such nominee, or otherwise the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments or principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Principal Paying and Transfer Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will cause the Exchange Agent to deliver such U.S. dollar amount in same day funds to DTC's nominee for payment through the DTC settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(d) Payments in the United States

Notwithstanding Condition 7(a), if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying and Transfer Agent in New York City in the same manner as aforesaid if (i) IFFIm shall have appointed Paying and Transfer Agents with specified offices outside the United States with the reasonable expectation that such Paying and Transfer Agents would be able to make payment of the amounts on the Notes outside the United States in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the sole opinion of IFFIm, any adverse tax consequence to IFFIm.

(e) Payments subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) Appointment of Agents

The Principal Paying and Transfer Agent, the Paying and Transfer Agents, the Registrar and the Calculation Agent initially appointed by IFFIm and their respective specified offices are listed below. The Principal Paying and Transfer Agent, the Paying and Transfer Agents, the Registrar and the Calculation Agent act solely as agents of IFFIm and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. IFFIm reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Principal Paying and Transfer Agent, any other Paying and Transfer Agent, the Registrar or the Calculation Agent(s) and to appoint additional or other Paying and Transfer Agents or

Calculation Agent(s), provided that IFFIm shall at all times maintain (i) a Principal Paying and Transfer Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Paying and Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) a Paying and Transfer Agent in a jurisdiction (which shall be Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange) within continental Europe other than the jurisdiction in which IFFIm is incorporated, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee and (vii) a Paying and Transfer Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any other law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, IFFIm shall forthwith appoint a Paying and Transfer Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(d) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(g) Unmatured Coupons and Receipts and unexchanged Talons

- (i) Upon the due date for redemption of Bearer Notes which are Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), they should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount or Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note which is a Floating Rate Note, Dual Currency Note or Index Linked Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as IFFIm may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be

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

(h) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying and Transfer Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(i) Non-Business Days

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

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET2 Business Day.

8. Taxation

All payments of principal and interest by or on behalf of IFFIm in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, IFFIm shall pay such additional amounts as shall result in receipt by the Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note, Receipt or Coupon or who would be able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption but fails to do so; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined in Condition 5(l)) except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day, assuming that day to have been a business day (as defined in Condition 7(i) above); or
- (c) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the

ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any agreement between the European Community and any other jurisdiction providing for equivalent measures; or

- (d) **Presentation in the UK:** presented (or in respect of which the Definitive Note or Certificate representing it is presented) for payment in the United Kingdom; or
- (e) **Payment by another Paying and Transfer Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying and Transfer Agent in a Member State of the European Union.

9. Prescription

Claims against IFFIm for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them, subject to the provisions of Condition 7(g).

10. Events of Default

If any one or more of the following events (each an “Event of Default”) occurs, and the Trustee gives written notice to IFFIm of such Event of Default, then, upon or at any time after the 30th calendar day following the date of such notice, and provided that such event is then continuing, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (as defined in the Note Trust Deed) shall (provided that the Trustee shall have been indemnified and/or secured to its satisfaction), give notice to IFFIm that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together with accrued interest:

(a) Payment Default

If IFFIm defaults in the payment of any sum due in respect of the Notes, or any of them, and such default continues for 90 calendar days;

(b) Cross-Default

If (i) any Indebtedness for Borrowed Money of IFFIm becomes due and repayable prematurely by reason of an event of default (however described); (ii) IFFIm fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; or (iii) default is made by IFFIm in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, on the due date for payment as extended by any originally applicable grace period contained in the instrument pursuant to which such guarantee or indemnity is given; and

(c) IFFIm Gearing Ratio Default

If on any day the IFFIm Gearing Ratio exceeds 100 per cent. and remains above 100 per cent. on each of the 150 calendar days following such day. A certificate of any director as to the IFFIm Gearing Ratio at any point in time shall be conclusive and binding on all parties.

The liability of IFFIm to pay any amount due under the Notes, Coupons and Receipts shall be limited to the net proceeds of the realisation of all the assets of IFFIm and to the extent of the Noteholders', Couponholders' and Receiptholders' entitlements pursuant to the Note Trust Deed. If such amount is insufficient to pay all IFFIm's obligations under the Notes, Coupons and Receipts and under the Note Trust Deed in

full for any reason, IFFIm shall have no obligation to make up the insufficiency. Any insufficiency shall be borne by Noteholders, Couponholders and Receiptholders *pro rata* and *pari passu*.

IFFIm has undertaken in the Note Trust Deed that, within 14 days of its annual audited financial statements being made available to its members and also within 14 days after any request by the Trustee, it will send to the Trustee a certificate of IFFIm signed by any director, to the effect that, to the best of the knowledge, information and belief of IFFIm (having made all reasonable enquiries), as at a date not more than five days prior to the date of the certificate no Event of Default or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default has occurred or, if such an event has occurred, giving details of it.

11. Enforcement

Only the Trustee may pursue the remedies available under the Note Trust Deed to enforce the rights of the Noteholders and Couponholders, but it shall not be bound to take any such proceedings or to take any other action in relation to the Note Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured to its satisfaction, and none of the Noteholders or Couponholders is entitled to proceed directly against IFFIm unless the Trustee, having become bound to proceed in accordance with the terms of the Note Trust Deed, fails to do so within a reasonable period and such failure is continuing.

12. Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Note Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Note Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify the provisions of the Note Trust Deed concerning this exception, (ix) to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of IFFIm or any other entity, (x) to approve the substitution of any entity for IFFIm (or any previous substitute) as principal debtor under this Note Trust Deed, or (xi) to modify Condition 4, in which case, subject to the Conditions and without prejudice to any powers conferred on other persons by the Note Trust Deed, the necessary quorum shall be two or more persons holding or representing not less than 75 per

cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification, Waiver, Authorisation or Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Note Trust Deed or the Conditions, that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or an error which, in the opinion of the Trustee, is proven, and (ii) any other modification to the Note Trust Deed or the Conditions, or any waiver, authorisation or determination in respect of any such provision that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders (except as mentioned in the Note Trust Deed). Any such modification, authorisation, waiver or determination shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Note Trust Deed contains provisions permitting the Trustee to agree, without the consent of the Noteholders or the Couponholders, to the substitution of any other person in place of IFFIm, or of any previous substituted company, as principal debtor under the Note Trust Deed and the Notes, Receipts and Coupons, subject to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution, and certain other conditions set out in the Note Trust Deed being complied with (including that such substitutions shall not result in or downgrading of the rating formally assigned to the Notes).

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from IFFIm any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

13. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority requirements, at the specified office of the Principal Paying and Transfer Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying and Transfer Agent, as the case may be, as may from time to time be designated by IFFIm for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to IFFIm on demand the amount payable by IFFIm in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as IFFIm may reasonably require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

IFFIm may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes, in the case of Bearer Notes

represented by interests in a Temporary Bearer Global Note exchangeable for interests in a Permanent Bearer Global Note or definitive Bearer Notes upon certification of non-U.S. beneficial ownership, following exchange of interests in the Temporary Bearer Global Note into interests in the Permanent Bearer Global Note or definitive Bearer Notes. References in these Conditions to “Notes” shall be construed accordingly. The Note Trust Deed contains provisions for convening a single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

15. Notices

Notices to the holders of Registered Notes shall be mailed by first class post to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and so long as the Notes are listed on the Luxembourg Stock Exchange, published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be *Luxemburger Wort*). Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times) and so long as the Notes are listed on the Luxembourg Stock Exchange, published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be *Luxemburger Wort*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe approved by the Trustee. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. Indemnification and Obligations of the Trustee

The Note Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is not obliged or required to take any action under the Note Trust Deed which may involve it in incurring any personal liability or expense unless indemnified and/or secured to its satisfaction. The Trustee and any affiliate are entitled to enter into business transactions with IFFIm without accounting to the Noteholders for profit resulting therefrom.

The Trustee is not responsible for supervising the performance by any other person duly appointed under the Note Trust Deed of its obligations to IFFIm.

The Note Trust Deed provides that in acting as Trustee under the Note Trust Deed the Trustee shall not assume any duty or responsibility to any person other than the Noteholders and shall have regard solely to the interests of the Noteholders.

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law and Jurisdiction

(a) Governing Law

The Note Trust Deed, the Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law, unless (in relation to the Notes, Receipts, Coupons and Talons) as otherwise set out in the Pricing Supplement applicable to any Notes.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons may be brought in such courts. IFFIm has in the Note Trust Deed irrevocably submitted to the jurisdiction of such courts.

CLEARING AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of IFFIm, the Arranger nor any Dealer will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Book-Entry Ownership

Bearer Notes

Bearer Notes have been accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book-entry systems. In respect of Bearer Notes, a Temporary Regulation S Global Note and/or a Permanent Regulation S Global Note in bearer form without coupons may be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System (as defined herein) as agreed between IFFIm and the relevant dealer. Transfers of interests in such Temporary Regulation S Global Notes or Permanent Regulation S Global Notes will be made in accordance with the normal euromarket debt securities operating procedures of Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code.

Registered Notes

Registered Notes have been accepted for clearance through the Euroclear and/or Clearstream, Luxembourg book-entry systems, with such Notes to be represented by a Regulation S Global Certificate or (in the case of Rule 144A Registered Notes) a Rule 144A Global Certificate. Each Regulation S Global Certificate or (in the case of Rule 144A Registered Notes) Rule 144A Global Certificate deposited with a nominee for Euroclear and/or Clearstream, Luxembourg will have an ISIN and a Common Code.

IFFIm and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Rule 144A Global Certificate. Each such Rule 144A Global Certificate will have a CUSIP number. Each Rule 144A Global Certificate and Regulation S Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out in “*Transfer Restrictions*”. In certain circumstances, as described below in “*Transfers of Registered Notes*”, transfers of interests in a Rule 144A Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the custodian with whom the Rule 144A Global Certificates are deposited, and DTC, will electronically record the nominal amount of the Rule 144A Registered Notes held within the DTC system. Investors in Notes of such Tranche may hold their beneficial interests in a Regulation S Global Certificate only through Euroclear or Clearstream, Luxembourg. Investors may hold their beneficial interests in a Rule 144A Global Certificate directly through DTC if they are participants in the DTC system or indirectly through organisations which are participants in such system. Rule 144A Registered Notes issued by IFFIm will be cleared through DTC.

Payments of the principal of and interest on each Rule 144A Global Certificate registered in the name of DTC’s nominee will be made, if denominated in U.S. dollars in accordance with Conditions 7(b)(i) and 7(b)(ii), and if denominated in a Specified Currency other than U.S. dollars, will be made or procured to be made to or to the order of its nominee as the registered owner of such Rule 144A Global Certificate. IFFIm expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Rule 144A Global Certificate as

shown on the records of DTC or the nominee. IFFIm also expects that payments by DTC participants to owners of beneficial interests in such Rule 144A Global Certificate held through such DTC participants to be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of IFFIm nor any Paying and Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Rule 144A Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of a Regulation S Global Certificate and/or (in the case of Rule 144 Registered Notes) a Rule 144A Global Certificate. Individual Certificates will only be available, in the case of Notes initially represented by a Regulation S Global Certificate, in amounts specified in the applicable Pricing Supplement, and, in the case of Notes initially represented by a Rule 144A Global Certificate, in a minimum aggregate holding per investor of U.S.\$100,000 (or its equivalent rounded upwards as agreed between IFFIm and the relevant Dealer(s)), or such other amount as may be agreed between IFFIm and the relevant Dealer(s).

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear, Clearstream, Luxembourg and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Rule 144A Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in a Regulation S Global Certificate may only be held through Euroclear or Clearstream, Luxembourg. In the case of Registered Notes to be cleared through Euroclear, Clearstream, Luxembourg and/or DTC, transfers may be made at any time by a holder of an interest in a Regulation S Global Certificate to a transferee who wishes to take delivery of such interest through the Rule 144A Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period (as used in "*Subscription and Sale*") relating to the Notes represented by such Regulation S Global Certificate will only be made upon receipt by the Registrar or any Paying and Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Regulation S Global Certificate will only be made upon request through Euroclear or Clearstream, Luxembourg by the holder of an interest in the Regulation S Global Certificate to the Principal Paying and Transfer Agent of details of that account at either Euroclear or Clearstream, Luxembourg or DTC to be credited with the relevant interest in the Rule 144A Global Certificate. Transfers at any time by a holder of any interest in the Rule 144A Global Certificate to a transferee who takes delivery of such interest through a Regulation S Global Certificate will only be made upon delivery to the Registrar or any Paying and Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S or Rule 144 under the Securities Act, as applicable, and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and/or DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and in "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Principal Paying and Transfer Agent.

Cross-market transfers between accountholders in Euroclear or Clearstream, Luxembourg and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Certificates will be effected through the Principal Paying and Transfer Agent, the Custodian and the Registrar receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers are expected to be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Principal Paying and Transfer Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free of delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “*Transfer Restrictions*”.

IFFIm understands that DTC will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Rule 144A Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Rule 144A Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Rule 144A Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described in “*Summary of Provisions Relating to the Notes while in Global Form*”, DTC will surrender the relevant Rule 144A Global Certificates for exchange for Individual Certificates (which will, in the case of Rule 144A Registered Notes, bear the legend applicable to transfers pursuant to Rule 144A).

IFFIm understands that DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream, Luxembourg and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of Euroclear, Clearstream, Luxembourg and DTC, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of IFFIm, nor any Paying and Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream, Luxembourg or DTC or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Rule 144A Global Certificate is lodged with DTC or its custodian, Rule 144A Registered Notes represented by Individual Certificates will not be eligible for clearing or settlement through Euroclear, Clearstream, Luxembourg or DTC.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Euroclear and Clearstream, Luxembourg or for DTC will be permitted only (i) in the case of Rule 144A Global Certificates in the circumstances set forth in “*Summary of Provisions Relating to the Notes while in Global Form — Exchange — Rule 144A Global Certificates*” or (ii) in the case of Regulation S Global Certificates in the circumstances set forth in “*Summary of Provisions Relating to the Notes*”.

while in Global Form — Exchange — Regulation S Global Certificates". In such circumstances, IFFIm will cause sufficient Individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as IFFIm and the Registrar may require to complete, execute and deliver such Individual Certificates; and
- (ii) in the case of a Rule 144A Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made to a qualified institutional buyer in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Terms capitalised but not defined in this section bear the meanings given to them in the Note Trust Deed.

1 Initial Issue of Notes

If the Global Notes are stated in the relevant Pricing Supplement to be issued in NGN form, they will be delivered on or prior to the original issue date of the Tranche to the Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Certificates may be delivered on or prior to the original issue date of the Tranche to the Common Depositary.

For Bearer Notes, if the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depositary for Euroclear and Clearstream, Luxembourg, or (for Registered Notes) upon registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

For Rule 144A Registered Notes, upon the initial deposit of a Rule 144A Global Certificate in respect of and registration of Rule 144A Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC, DTC will credit each participant with a nominal amount of Rule 144A Registered Notes equal to the nominal amount thereof for which it has subscribed and paid.

If (for Bearer Notes) the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of such clearing system at that time.

Notes that are initially deposited with the Common Depositary or the Common Safekeeper, as the case may be, may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC, or any other permitted clearing system (each an "Alternative Clearing System") as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC, or any such Alternative Clearing System (as the case may be) for his share of each payment made by IFFIm to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against IFFIm in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of IFFIm will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Regulation S Global Notes

Each Temporary Regulation S Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*Summary of the Programme — Selling Restrictions*”), in whole, but not in part, for the Definitive Bearer Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a Permanent Regulation S Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Bearer Notes.

Each Temporary Regulation S Global Note that is also an Exchangeable Bearer Note will be exchangeable for Regulation S Registered Notes in accordance with the Conditions in addition to any Permanent Regulation S Global Note or Definitive Bearer Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Regulation S Registered Notes only.

3.2 Permanent Regulation S Global Notes

Each Permanent Regulation S Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as discussed under “*Partial Exchange of Permanent Regulation S Global Notes*” below, in part, for Definitive Bearer Notes or, if the Permanent Regulation S Global Note is also an Exchangeable Bearer Note, Regulation S Registered Notes:

- (i) if the Permanent Regulation S Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Principal Paying and Transfer Agent of its election to exchange the whole or part of the Permanent Regulation S Global Note for Regulation S Registered Notes; or
- (ii) if the Permanent Regulation S Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (iii) if IFFIm has or will become subject to adverse tax consequences as a result of change in the domicile of IFFIm that would not occur were the exchange to be effected.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

3.3 Regulation S Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Regulation S Global Certificate on issue, the following will apply in respect of exchanges of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Exchanges of the holding of Notes represented by any Regulation S Global Certificate into Individual Certificates may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if IFFIm has or will become subject to adverse tax consequences as a result of change in the domicile of IFFIm that would not occur were the exchange to be effected,

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the holder has given the Registrar not less than 30 days' notice at its specified office of the holder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Regulation S Global Certificate prior to the expiration of the Distribution Compliance Period (as used in "*Subscription and Sale*") shall bear the legend applicable to such Notes as set out in "*Transfer Restrictions*".

3.4 Rule 144A Global Certificates

If the Pricing Supplement states that the Rule 144A Registered Notes are to be represented by a Rule 144A Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg, DTC or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Exchanges of the holding of Notes represented by any Rule 144A Global Certificate into Individual Certificates may only be made in part:

- (i) if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System (except for DTC), and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (ii) if such Notes are held on behalf of a custodian for DTC and if DTC notifies IFFIm that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Rule 144A Global Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or is at any time no longer eligible to act as such, and IFFIm is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (iii) if IFFIm has or will become subject to adverse tax consequences as a result of change in the domicile of IFFIm that would not occur were the exchange to be effected,

provided that, in the case of the first transfer of part of a holding pursuant to (i) and (ii) above, the holder has given the Registrar not less than 30 days' notice at its specified office of the holder's intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Rule 144A Global Certificate shall bear the legend applicable to such Notes as set out in "*Transfer Restrictions*".

3.5 Partial Exchange of Permanent Regulation S Global Notes

For so long as a Permanent Regulation S Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Regulation S Global Note will be exchangeable in part on one or more occasions (1) for Regulation S Registered Notes if the Permanent Regulation S Global Note is an Exchangeable

Bearer Note and the part submitted for exchange is to be exchanged for Regulation S Registered Notes, or (2) for Definitive Bearer Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.6 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying and Transfer Agent. In exchange for any Global Note, or the part thereof to be exchanged, IFFIm will (i) in the case of a Temporary Regulation S Global Note exchangeable for a Permanent Regulation S Global Note, deliver, or procure the delivery of, a Permanent Regulation S Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Regulation S Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Regulation S Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Bearer Notes or Regulation S Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Bearer Notes and/or Regulation S Certificates, as the case may be or (iii) if the Global Note is an NGN, procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. Definitive Bearer Notes will be security printed and Regulation S Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the schedules to the Note Trust Deed. On exchange in full of each Permanent Regulation S Global Note, IFFIm will, if the holder so requests, procure that it is cancelled and returned to the holder, and that the relevant Definitive Bearer Notes and/or Regulation S Certificates are sent to the holders thereof.

3.7 Exchange Date

“Exchange Date” means, in relation to a Temporary Regulation S Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Regulation S Global Note, a day falling not less than 60 days, or in the case of an exchange for Regulation S Registered Notes five days, after (a) (in respect of an exchange pursuant to (i) or (iii) (as the case may be) under paragraph 3.2 above) that on which the notice requiring exchange is given or (b) the 15th consecutive day on which a clearing system is closed for business as described in (ii) under paragraph 3.2 above, and in each case, on which banks are open for business in the city in which the specified office of the Principal Paying and Transfer Agent is located and, except in the case of exchange pursuant to (b) above, in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System, are located.

4 Amendment to Conditions

The Temporary Regulation S Global Notes, Permanent Regulation S Global Notes and Global Certificates will contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Temporary Regulation S Global Note unless, upon due presentation of the Temporary Regulation S Global Note for exchange for an interest in a Permanent Regulation S Global Note or for Definitive Bearer Notes or Regulation S Registered Notes payment is improperly withheld or refused. Payments on any Temporary Regulation S Global Note issued in compliance with the D Rules before the Exchange Date will only be made to the extent that there has been certification as to non-U.S. beneficial ownership dated no earlier than the due date for such payment. All payments in respect of CGNs represented by

a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Principal Paying and Transfer Agent or such other Paying and Transfer Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 7(f)(vii) and Condition 8(e) will apply to the Definitive Notes only. If the Global Note is a NGN, IFFIm shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Each payment so made will discharge IFFIm's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

4.2 Prescription

Claims against IFFIm in respect of Notes that are represented by a Permanent Regulation S Global Note or Global Certificate will become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 5(c)).

4.3 Meetings

At any meeting of Noteholders, the holder of a Permanent Regulation S Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Note represented by a Permanent Regulation S Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Regulation S Global Note.

4.5 Purchase

Notes represented by a Permanent Regulation S Global Note may only be purchased by IFFIm if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 NGN nominal amount

Where the Global Note is an NGN, IFFIm shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and, upon any such entry being made, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.7 Issuer's Option

Any option of IFFIm provided for in the Conditions of any Notes while such Notes are represented by a Permanent Regulation S Global Note shall be exercised by IFFIm giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of IFFIm is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be

governed by the standard procedures of Euroclear, Clearstream, Luxembourg, DTC or any other applicable clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg, DTC or any other applicable clearing system as either a pool factor or a reduction in nominal amount, at their discretion) or the relevant clearing system (as the case may be).

4.8 Noteholders' Option

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Regulation S Global Note may be exercised by the holder of the Permanent Regulation S Global Note giving notice to the Principal Paying and Transfer Agent within the time limits relating to the deposit of Notes with a Paying and Transfer Agent, substantially in the form of notice available from any Paying and Transfer Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised and shall state the principal amount of Notes in respect of which the option is exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Principal Paying and Transfer Agent, or to a Paying and Transfer Agent acting on behalf of the Principal Paying and Transfer Agent, for notation. Where the Global Note is a NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.9 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or the relevant Global Certificate.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that, so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*).

5 Partly Paid Notes

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

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used by IFFIm to fund its general operations and will primarily, and subject to the provisions of, *inter alia*, the Finance Framework Agreement, be transferred by IFFIm from time to time to The GAVI Fund Affiliate following receipt by IFFIm of a duly completed Disbursement Request. Funds transferred to The GAVI Fund Affiliate will be applied to fund Approved Programmes.

IFFIm

IFFIm was incorporated as a private company limited by guarantee, without share capital, under the Companies Act in England and Wales on 26 June 2006 for an indefinite duration under the name of International Finance Facility for Immunisation Company.

IFFIm is registered with the Registrar of Companies for England and Wales under registered number 5857343. IFFIm is also registered with the Charity Commission for England and Wales as a charity with registered number 1115413.

IFFIm's registered office is at 2 Lamb's Passage, London EC1Y 8BB. IFFIm may be contacted on + 41 22 909 6504.

The members of IFFIm are the GAVI Fund and GAVI Foundation.

Management of IFFIm

The directors of IFFIm, and their principal activity outside IFFIm are:

Name	Position	Other Principal Activities
Alan R. Gillespie CBE, PhD	Chairman of the board of directors	Chairman, Ulster Bank Group, Northern Ireland, a member of the Royal Bank of Scotland Group
Michèle Boccoz	Director	Director of International Communication, Veolia Environment, Paris
John Cummins	Director	Group Treasurer, The Royal Bank of Scotland Group plc, Edinburgh
Dayanath Jayasuriya	Director	Attorney-at-Law and Visiting Professor of Law, University of the Free State, South Africa
Arunma Oteh	Director	Vice President, Corporate Management, African Development Bank Group, Tunis

The GAVI Fund and GAVI Foundation, as members of IFFIm, currently have the power to appoint directors at annual general meeting, however, following the adoption of new Articles of Association in or around September 2008 to implement the relevant provisions of the Companies Act 2006 (the "**New Articles**"), IFFIm will no longer be required to hold annual general meetings and the members of IFFIm will have the power to appoint directors by ordinary resolution. The directors of IFFIm may appoint any person to be a director to fill a casual vacancy. Under the current articles of association, such director shall hold office until the next following annual general meeting and shall be eligible for re-election at such meeting. Under the New Articles, that director shall hold office until removed using the relevant procedure as set out in the New Articles.

IFFIm's Articles of Association contain provisions for directors ceasing to hold office in certain circumstances, including (but not limited to) a director ceasing to be a director by virtue of any provision of the Companies Act, a director's incapacity due to illness or injury, and resignation of a director by notice (provided that at least three directors remain in office following the effective date of such resignation). The Articles of Association of IFFIm also contain additional provisions for the appointment of further directors, and the retirement of existing directors.

The members of IFFIm have undertaken, and each further member will be required to undertake, to contribute to IFFIm's assets if it should be wound up while he/she is a member, or within one year after he/she ceases to be a member, for the payment of IFFIm's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up of IFFIm, and for the adjustment of the right of the contributories among themselves, such amount as may be required, not exceeding £10.

The business address of each of the directors is the same as the registered office of IFFIm.

IFFIm's Business and Objects

IFFIm's primary activities are to (i) act as issuer of Notes under the Programme and (ii) enter into the Transaction Documents to which it is a party and to perform its obligations pursuant to each of them. Since its date of incorporation, IFFIm has not carried on any other business or activities other than those incidental to its registration and other matters described or contemplated in this Prospectus.

The objects of IFFIm, as set out at paragraph 3 of its Memorandum of Association, are to promote the effective use of the resources of The GAVI Fund Affiliate and other charities and independent organisations established for purposes that benefit the community as a whole, or a significant section of the community, and which are not permitted by their constitution to make a profit for private distribution, in each case supported by or associated with GAVI for the relief of sickness and the promotion, protection and preservation of good health among people in developing countries for the benefit of the public, by providing certain services and facilities, which will assist such charities and organisations (including The GAVI Fund Affiliate) to raise funds.

As previously disclosed on page 8 under "*The International Finance Facility for Immunisation—IFFIm*", the relevant EU Directive provides that supervisory regulatory authorities may allow banks to apply a 0 per cent. risk weighting to their exposure to IFFIm, as if it were a Multilateral Development Bank.

Principal Activities of IFFIm

Funding

On 14 November 2006, IFFIm issued its inaugural series of Notes under the Programme in a principal amount of U.S.\$1,000,000,000. The inaugural Notes carry a fixed coupon of 5.00 per cent. and are due 14 November 2011.

On 18 March 2008, IFFIm issued its second series of Notes under the Programme in a principal amount of ZAR1,700,000,000 to the Japanese retail investor market. These Notes carry a fixed coupon of 9.90 per cent. and are due 18 March 2010.

Disbursements to the GAVI Fund Affiliate and Approved Programmes

In 2006, IFFIm Indicative Funding Confirmations were issued approving aggregate disbursements to The GAVI Fund Affiliate of approximately U.S.\$861 million of which approximately U.S.\$525 million was actually disbursed in 2006. During 2007, IFFIm Indicative Funding Confirmations were issued approving aggregate disbursements to The GAVI Fund Affiliate of approximately U.S.\$186 million and approximately U.S.\$428 million was actually disbursed. During 2008, as at the date of this Prospectus, IFFIm Indicative Funding Confirmations were issued approving aggregate disbursements to The GAVI Fund Affiliate of approximately U.S.\$444 million of which approximately U.S.\$198 million was actually disbursed. As at the date of this Prospectus, the total amount of IFFIm Indicative Funding Confirmations which have been issued to The GAVI Fund Affiliate approving aggregate disbursements is approximately U.S.\$1,491 million of which approximately U.S.\$1,151 million has actually been disbursed. The following are summaries of the immunisation and vaccine procurement programmes approved by IFFIm during 2006, 2007 and 2008, until the date of this Prospectus:

Non-Country Specific Programmes

Yellow Fever: GAVI supported stockpiles, such as the yellow fever vaccine stockpile, represent innovative mechanisms to ensure that scarce or new vaccines or medicines are available ready for deployment as soon as an outbreak is identified. Another application of the stockpile is to secure supply for routine immunisation programmes. For example, with just three manufacturers of yellow fever vaccine worldwide, supply is limited.

Measles: IFFIm-derived resources support GAVI's measles mortality reduction programme by providing one-time only "catch-up" supplementary immunisation activities ("SIAs") to children in Specified Countries and by providing follow-up SIAs every 3-4 years.

Maternal and neonatal tetanus: This programme supports efforts to eliminate maternal and neonatal tetanus in Specified Countries. Activities include immunising women in high-risk areas against tetanus toxoid and an establishment of a system of quarterly “pulse” immunisation.

Polio: This programme supports intensified eradication activities to interrupt wild and/or vaccine-derived poliovirus transmission, sustaining polio surveillance and laboratory activities, improving social mobilisation and enhancing technical assistance and surveillance in polio infected and “at-risk” countries.

Pentavalent Procurement Payment: A deposit payment for pentavalent vaccine was approved and funded in 2006. This provides for the pre-funding of a procurement account being used by UNICEF to purchase pentavalent (a combined vaccine against diphtheria, tetanus, pertussis, hepatitis B and *Haemophilus influenzae* type b) liquid vaccine over a three year period (2007-2009). As pentavalent vaccine is purchased over that period, UNICEF draws down on the IFFIm funds made available for this programme pursuant to its procurement arrangements with the GAVI Fund. The deposit payment is being used to stimulate increased demand for such combination vaccines which are not currently produced in sufficient quantities, specifically the new “5-in-1” (pentavalent) vaccine. The availability of IFFIm funding over the next decade is supporting security of supply of pentavalent vaccine in the future. This is intended to provide an incentive to new manufacturers to enter the market in the coming years to further reduce the price.

Country Specific Programmes: These are GAVI's traditional core programmes, and are briefly described below:

Immunisation Services Support (“ISS”), is financial support provided to national governments for the development of their immunisation services.

New Vaccine Support (“NVS”), provides vaccines and associated injection equipment to countries that meet certain immunisation coverage criteria, as well as the specific conditions for the type of vaccine requested. These conditions relate to the use of a specific antigen in relation to the disease burden it is designed to prevent. The vaccines currently supported by GAVI are: Hepatitis B, *Haemophilus influenza* type b, Yellow Fever, Pneumococcal Vaccine, Rotavirus vaccine, and Measles second dose vaccine.

Injection Safety Support (“INS”), is to provide first-time safe injection and waste disposal supplies for routine immunisation to those countries that have not yet received them.

Health System Strengthening (“HSS”): The objective of GAVI health system strengthening support is to achieve and sustain increased immunisation coverage, through strengthening the capacity of the health system to provide immunisation and other health services. Countries are encouraged to use GAVI health system strengthening funding to target the “bottlenecks” or barriers in the health system that make it difficult to improve the provision of, and demand for, immunisation and other child and maternal health services.

Hedging

In accordance with IFFIm's risk management strategy, donor pledges and borrowings have been hedged into U.S. dollars on a floating rate basis.

Financial Information

The auditor of IFFIm for the financial years ending 31 December 2006 and 31 December 2007 was Deloitte & Touche LLP, Hill House, 1 Little New Street, London EC4A 3TR.

Pursuant to a written resolution of the members of IFFIm, KPMG LLP has been appointed as auditor of IFFIm with effect from 24 July 2008 for the financial year ending 31 December 2008. KPMG LLP is a member of the Institute of Chartered Accountants in England and Wales.

IFFIm, as a public sector issuer, is exempted from certain of the periodic financial reporting obligations set out in Rule 4 of the Financial Services Authority's Disclosure and Transparency Rules, including the obligation to produce half-yearly financial reports.

SUMMARY OF GRANT AGREEMENTS

The following is a summary of the terms of the Grant Agreements entered into as of the date of this Prospectus between the Grantors and The GAVI Fund Affiliate, and which have been assigned to IFFIm pursuant to the Deeds of Assignment. This summary is qualified in its entirety by the specific terms of each Grant Agreement, which are available as described in the section entitled "General Information" on page 104, and should be read and construed in accordance therewith.

Parties

- (1) The relevant Grantor; and
- (2) The GAVI Fund Affiliate.

Grant Payments

Subject to the Grant Payment Condition, the relevant Grantor irrevocably and unconditionally undertakes to pay to the Beneficiary (being The GAVI Fund Affiliate or, following an assignment to IFFIm pursuant to a Deed of Assignment, IFFIm) the Grant Payments, in the amounts and on the dates set out in a schedule to the relevant Grant Agreement.

If a Grantor does not make a Grant Payment on a due date, then the Beneficiary shall be entitled to pursue all rights available to it.

Grant Payment Condition

Each Grant Payment is subject to the condition that if, based on publicly available information released by the IMF as of the Relevant Date for that Grant Payment, any one or more Specified Countries forming part of the Reference Portfolio is in Protracted Arrears in meeting any of its IMF Financial Obligations, the Grant Payment will automatically be reduced by an amount equal to the aggregate of the Reduction Amounts, as determined by the Treasury Manager, for each such Specified Country.

No Reduction Amount will apply to any Grant Payment to be paid by a Grantor on any Grant Payment Date in respect of any Specified Country forming part of the Reference Portfolio unless the Specified Country is in Protracted Arrears in meeting any of its IMF Financial Obligations based on publicly available information released by the IMF as of the Relevant Date for that Grant Payment (notwithstanding the fact that any such Specified Country may previously have been in Protracted Arrears).

Termination of Obligations

In the event that (1) The GAVI Fund Affiliate fully transfers, by way of absolute assignment or transfer, all of its rights, title, benefit, interest and obligations under a Grant Agreement to IFFIm, and (2) the relevant Grantor receives notification under the Finance Framework Agreement from the Treasury Manager that all of IFFIm's obligations to its creditors (including all Noteholders) have been fully discharged or provided for, then that Grantor's payment obligations under the relevant Grant Agreement shall be terminated.

Assignment

The GAVI Fund Affiliate may transfer to IFFIm, by way of absolute assignment or transfer, all of its rights, title, benefit, interest and obligations under the relevant Grant Agreement, including with respect to the relevant Grant Payments. The GAVI Fund Affiliate shall give notice, in or substantially in the form set out in the Grant Agreement, to the Grantor of such assignment or transfer. The Grantor shall acknowledge in writing, addressed to The GAVI Fund Affiliate and IFFIm, its receipt of notice of any such assignment or transfer. Upon such assignment or transfer to IFFIm, all references to the Beneficiary in the Grant Agreement shall be deemed to mean IFFIm, and the rights, title, benefit, interest and obligations thereunder (including with respect to the Grant Payments thereunder) assigned or transferred to IFFIm shall not be capable of being further assigned, transferred or otherwise disposed of in any manner whatsoever (whether absolutely or by way of security) without the prior written consent of the Grantor.

The Grantor may transfer any of its rights, title, interest and obligations to any appropriate ministry or government agency of the relevant Grantor of the same or higher credit standing provided that such transfer is notified to the Beneficiary.

Tax Gross-up

Each Grant Agreement contains gross-up provisions providing that, should any tax be deductible from any Grant Payment due to a change in applicable law of the jurisdiction of the Grantor following the date of the relevant Grant Agreement, then the relevant Grantor is required to pay such additional amounts as may be required to ensure that the Grant Payment is made in full.

An indemnity is also provided on terms that a Grantor shall (within 40 days of demand) pay an amount equal to the loss, liability or cost which the Beneficiary will or has (directly or indirectly) suffered for or on account of tax due to a change in applicable law in respect of the relevant Grant Agreement, subject to certain exceptions.

Indemnity

Each Grant Agreement also provides for the relevant Grantor to indemnify the Beneficiary against any reasonable cost, loss or liability incurred by the Beneficiary as a result of failure, or delay, to pay any sum due from that Grantor pursuant to the relevant Grant Agreement.

Undertakings

The relevant Grantor undertakes to obtain and maintain all authorisations required to enable it to perform its obligations under the relevant Grant Agreement or to ensure the legality, validity, enforceability or admissibility in evidence of the relevant Grant Agreement in the relevant jurisdiction of the Grantor, and to notify the Beneficiary of any breach of its representations and warranties under the Finance Framework Agreement.

Governing Law

Each Grant Agreement is governed by English law (save for the Grant Agreements entered into by the Republic of Italy and the Kingdom of Spain, which are governed by Italian law and Spanish law, respectively).

Each Grantor which enjoys immunity from jurisdiction or service of process has given a waiver of such immunity. However, each Grantor enjoys a form of immunity from execution, attachment or similar enforcement proceedings against its assets, and none of the Grantors has waived any such immunity.

TAXATION

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom law and HM Revenue & Customs practice relating only to United Kingdom withholding tax treatment of payments of interest in respect of Notes and are not intended to be exhaustive. They apply only to persons who are absolute beneficial owners of Notes, and do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders may be subject to tax in a jurisdiction other than the United Kingdom. If you are in any doubt as to your own tax position you should consult an independent professional adviser immediately.

Interest on the Notes

The Notes issued will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange, within the meaning of section 1005 of the Income Tax Act 2007. On the basis of HM Revenue & Customs’ published interpretation of the relevant legislation, securities which are officially listed by a competent authority in a country which is a Member State for the time being of the European Union or which is part of the European Economic Area and which are admitted to trading on a recognised stock exchange in that country will satisfy this requirement.

In Luxembourg, the Commission de Surveillance du Secteur Financier is a competent authority and the Luxembourg Stock Exchange is a recognised stock exchange. So long as this remains the case, securities will be treated as listed on the Luxembourg Stock Exchange, and will therefore constitute quoted Eurobonds, so long as they are both listed by the Commission de Surveillance du Secteur Financier and admitted to trading on the Luxembourg Stock Exchange.

Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the savings rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If the draft UK Finance Bill 2008 is enacted in its current form, with effect from the date on which the Finance Bill receives Royal Assent, the rate of withholding tax referred to in the preceding paragraph will be the basic rate (currently 20%).

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2009. Such information may include the name and address of the beneficial owner of

the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EC Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State of the European Union (each a "Member State") is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual, or certain other persons, resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate from the tax authority of the Member State in which the beneficial owner is resident. The Directive does not preclude Member States from levying other types of withholding tax.

United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

* * * * *

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Pricing Supplement will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). This summary assumes the Notes will be treated as debt for U.S. federal income tax purposes. This summary applies only to the holders of Registered Notes.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organised in or under the laws of the United States or any state or political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial

decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Payments of Interest

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by IFFIm on the Notes and OID, if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States, for purposes of the foreign tax credit limitation. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“OID”). The following summary does not discuss Notes that are characterised as contingent payment debt instruments for U.S. federal income tax purposes. In the event IFFIm issues contingent payment debt instruments, the applicable Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “Short-Term Note”), will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “instalment obligation”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods),

or a variable rate (in the circumstances described below under “Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purpose of determining whether a Note has OID, IFFIm will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note. If a Note has *de minimis* OID, a U.S. Holder must include the *de minimis* amount in income (generally as capital gain) as stated principal payments are made on the Note, unless the holder makes the election described below under “Original Issue Discount — Election to Treat all Interest as Original Issue Discount”. A U.S. Holder can determine the includible amount with respect to each such payment by multiplying the total amount of the Note’s *de minimis* OID by a fraction equal to the amount of the principal payment made, divided by the stated principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note (“accrued OID”). The daily portion is determined by allocating to each day in any “accrual period” a *pro rata* portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “Market Discount Note”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price”, exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note’s stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note’s maturity (or, in the case of a Note that is an instalment obligation, the Note’s weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes “*de minimis* market discount”. For this purpose, the “revised issue price” of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary

income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Internal Revenue Service (the "IRS"). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "Notes Purchased at a Premium") or acquisition premium. If a U.S. Holder makes this election for the Note, then, generally, when the constant-yield method is applied the issue price of the Note will equal its cost, the issue date of the Note will be the date of the acquisition, and no payments on the Note will be treated as payments of qualified stated interest. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. However, if the Note has amortisable bond premium, the U.S. Holder will be deemed to have made an election to apply amortisable bond premium against interest for all debt instruments with amortisable bond premium, other than debt instruments, the interest on which is excludible from gross income, held as of the beginning of the taxable year to which the election applies, or any taxable year thereafter. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes

Notes that provide for interest at variable rates ("Variable Interest Rate Notes") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate.

Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of IFFIm (or a related party) or that is unique to the circumstances of IFFIm (or a related party), such as dividends, profits or the value of IFFIm’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of IFFIm). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of IFFIm) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially

converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be more fully described in the applicable Pricing Supplement.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Fungible Issue

IFFIm may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “Original Issue Discount — Election to Treat All Interest as Original Issue Discount”. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise capital loss when the Note matures.

Substitution of IFFIm as Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of IFFIm under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder’s tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Purchase, Sale and Retirement of Notes

A U.S. Holder’s tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “Original Issue Discount — Market Discount” or “Original Issue Discount — Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source for purposes of the U.S. foreign tax credit limitation.

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Sale or Retirement

As discussed above under "Purchase, Sale and Retirement of Notes", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury

Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

Payment of interest and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against its U.S. federal income tax liability and may entitle it to a refund, provided that the required information is furnished to the IRS.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a reportable transaction for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Accordingly, if a U.S. Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to penalties. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a Dealer Agreement dated 3 November 2006 (as amended on 17 December 2007 and further amended or supplemented from time to time) (the “Dealer Agreement”) between IFFIm and the Arranger, the Notes will be offered from time to time to one or more Dealers appointed by IFFIm for that purpose. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by IFFIm through the Dealers, acting as agents of IFFIm. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

IFFIm will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. IFFIm has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of, and any continuing responsibilities relating to, the Programme.

The Dealer Agreement provides that IFFIm will indemnify the Dealers and the Arranger against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to IFFIm.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S, to qualified institutional buyers (as defined in Rule 144A, each a “QIB”) in reliance on Rule 144A, or in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Notes in bearer form will be issued in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D) (the “D Rules”), or in accordance with the provisions of United States Treasury Regulations Section 1.163-5(c)(2)(i)(C) (the “C Rules”), as specified in the applicable Pricing Supplement.

In respect of Notes issued in accordance with the D Rules, each Dealer has represented and agreed that:

- (i) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (y) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period;
- (ii) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if such Dealer is a United States person, it has represented that it is acquiring the Notes for purposes of resale in connection with their original issuance and if such Dealer retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6);
- (iv) with respect to each affiliate that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the restricted period, such Dealer either (x) repeats and confirms the agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate’s behalf or (y) agrees that it will obtain from such affiliate for the benefit of the Issuer the agreements contained in sub-clauses (i), (ii) and (iii) and

- (v) Such Dealer will obtain for the benefit of IFFIm the representations and agreements contained in sub-clauses (i), (ii), (iii) and (iv) from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i) (D) (4), for the offer and sale during the restricted period of Notes.

Terms used in the above paragraph have the meanings given to them by the U. S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

Notes issued pursuant to the D Rules and any receipts or coupons appertaining thereto will bear the following legend:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATION PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

In respect of Notes issued in accordance with the C Rules, Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented and agreed that, in connection with the original issuance of Notes, it has not offered, sold or delivered and will not offer, sell or deliver, directly or indirectly, Notes issued in accordance with the C Rules within the United States or its possessions and it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of Notes. Terms used in this paragraph have the meaning given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the C Rules.

Each dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell Notes in bearer form in the United States or for the account or benefit of US persons (as defined in Regulation S).

In connection with sales of any Notes which are offered or sold outside the United States in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as provided below, it will not offer, sell or, in the case of bearer Notes, deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying and Transfer Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Lead Manager (as defined in the Dealer Agreement) shall notify such Dealer when all such Dealers have so certified) (such period, the “Distribution Compliance Period”), within the United States or to, or for the account or benefit of, U.S. persons. Each dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each Dealer to which it sells Notes during the Distribution Compliance Period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. In addition, the Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Registered Notes within the United States only to QIBs in reliance on Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is US\$100,000 (or the approximate equivalent thereof in any other currency). Purchasers of Notes in the United States offered or sold in reliance on Rule 144A are hereby notified that the Dealer may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, any offer or sale of Notes of such Tranche within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of

the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Any issuance of Index Linked Notes, Dual Currency Notes or Commodity Linked Notes shall be subject to such additional U.S. selling restrictions as IFFIm and the relevant Dealer or Dealers may agree as a term of the issuance and purchase of such Notes, such additional selling restrictions to be set forth in the applicable Pricing Supplement.

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by IFFIm;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to IFFIm; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has represented, warranted and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of, any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified in relation to a specific Tranche by the agreement of IFFIm and the Relevant Dealer or, if more than one, the Lead Manager on behalf of the Relevant Dealers. In addition, IFFIm may, with the prior agreement of the Arranger, from time to time amend these selling restrictions (other than those relating to the United States of America) in relation to the Programme as a whole by giving notice to the Arranger. Any such amendment shall take effect 30 days after notice of such amendment is given to the Arranger or, if earlier, the date by which the Arranger has confirmed its agreement to such amendment. Any such amendment in relation to a specific Tranche shall be set out in the Subscription Agreement in relation to such Tranche, in the case of a Syndicated Issue, or in the Purchase Information, in the case of a non-Syndicated Issue.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes outside Luxembourg, or possession or distribution of the Prospectus or any other offering material or any Pricing Supplement, in any other country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Pricing Supplement at its own expense and neither IFFIm nor any other Dealer shall have responsibility therefor.

TRANSFER RESTRICTIONS

Rule 144A Registered Notes

Each purchaser of Rule 144A Registered Notes within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is (a) a QIB, (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (ii) It (i) understands that the Notes have not been and will not be registered under the Securities Act or any applicable U.S. state securities laws, and that the Notes or any beneficial interest in the Notes may not be offered, sold, pledged or otherwise transferred except (a) to IFFIm or any of its affiliates, (b) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (e) pursuant to any other available exemption from the registration requirements of the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, (ii) will, and will require each subsequent holder of the Notes to, notify any purchaser of such Notes from it of the resale restriction referred to in (i) above and (iii) understands that no representation can be made as of the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes.
- (iii) It understands that each such Note, unless IFFIm determines otherwise in compliance with applicable law, will bear a legend to the following effect:

“THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO IFFIm OR ANY OF ITS AFFILIATES, (2) SO LONG AS THIS NOTE IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”), TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (5) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THE SECURITIES EVIDENCED HEREBY. THE HOLDER HEREOF, BY PURCHASING THIS NOTE, AGREES TO DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.”
- (iv) It understands that IFFIm, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations

and agreements. If it is acquiring any Notes for the account of one or more QIBs it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- (v) It agrees to deliver to each person to whom Notes are transferred notice of any restrictions on transfer of such Notes.
- (vi) It understands that Rule 144A Registered Notes will be represented by one or more Rule 144A Global Certificates. Before any interest in a Rule 144A Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Certificate, it will be required to provide a Paying and Transfer Agent with a written certification as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the applicable distribution compliance period (within the meaning of Regulation S), by accepting delivery of this Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person as defined in Regulation S and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of IFFIm or a person acting on behalf of such an affiliate.
- (ii) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period with respect to such Notes, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any state of the United States.
- (iii) It understands that such Notes, unless otherwise determined by IFFIm in accordance with applicable law, will bear a legend to the following:

“THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”
- (iv) It understands that IFFIm, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (v) It understands that Regulation S Registered Notes will be represented by one or more Regulation S Global Certificates. Prior to the expiration of the Distribution Compliance Period with respect to such Notes, before any interest in the Regulation S Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Certificate, it will be

required to provide a Paying and Transfer Agent with a written certification as to compliance with applicable securities laws.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject to the deletion of non-applicable provisions, will be substantially as set out below:

Pricing Supplement dated [•]

International Finance Facility for Immunisation Company
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the
Global Debt Issuance Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [•] [and the supplemental Prospectus dated [•]] which [together] constitute[s] a simplified base prospectus solely for the purposes of the Luxembourg Law of 10 July 2005 on prospectuses for securities (the “Luxembourg Prospectus Law”) insofar as it applies to exempt issuers under Article 1(2)(e) of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with such Prospectus [as so supplemented]. Full information on IFFIm and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, London E14 5LB, at Citibank, N.A., Citigroup Centre, Canada Square, London E14 5LB, and copies may be obtained from www.bourse.lu.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the [Prospectus] dated [original date] [and the supplemental Prospectus dated [•] which [together]. This document constitutes the Pricing Supplement relating to the issue of Notes described herein and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus dated [•]], which [together] constitute[s] a simplified base prospectus solely for the purposes of the Luxembourg Law of 10 July 2005 on prospectuses for securities (“Luxembourg Prospectus Law”) insofar as it applies to exempt issuers under Article 1(2)(e) of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Prospectus] dated [original date] [and the supplemental Prospectus dated [•] and are attached hereto. Full information on IFFIm and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the [Prospectuses] dated [original date] and [current date] [and the supplemental Prospectuses dated [•] and [•]]. The [Prospectuses] [and the supplemental Prospectuses] are available for viewing at Citicorp Trustee Company Limited, Citigroup Centre, Canada Square, London E14 5LB, at Citibank, N.A., Citigroup Centre, Canada Square, London E14 5LB, and copies may be obtained from www.bourse.lu.

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

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1 Issuer: International Finance Facility for Immunisation Company

2 [(i)] Series Number: [•]

[(ii)] Tranche Number: [•]

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]

3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	[•]
	[(i)] Series:	[•]
	[(ii)] Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	Specified Denominations:	[•] [•]
7	[(i)] Issue Date:	[•]
	[(ii)] Interest Commencement Date:	[•]
8	Maturity Date:	<i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[•] per cent. Fixed Rate] [[<i>specify reference rate</i>] +/- [•] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (<i>specify</i>)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (<i>specify</i>)]
11	Change of Interest or Redemption/Payment Basis:	<i>[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]</i>
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	[(i)] Status of the Notes:	Senior
	[(ii)] [Date [Board] approval for issuance of Notes obtained:	[•] <i>(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes</i>
14	Method of distribution:	[Syndicated/Non-syndicated]
15	Listing:	[Luxembourg/other/none]
16	Admission to trading:	[Application has been made for the Notes to be admitted to trading on [•] with effect from [•] [Not Applicable]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions	[Applicable/Not Applicable]
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		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
(ii)	Interest Payment Date(s):	[•] in each year
(iii)	Fixed Coupon Amount[(s)]:	[•] per [•] in Nominal Amount
(iv)	Broken Amount(s):	<i>[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]</i>
(v)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
(vi)	Determination Dates:	[•] in each year <i>(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))</i>
(vii)	Yield:	[•] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
(viii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
18	Floating Rate Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Period(s):	[•]
(ii)	Specified Interest Payment Dates:	[•]
(iii)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/other <i>(give details)</i>]
(iv)	Business Centre(s):	[•]
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i>]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[•]
(vii)	Screen Rate Determination:	
–	Reference Rate:	[LIBOR/LIBID/LIMEAN/EURIBOR/Other]

	–	Interest Determination Date(s):	[•]
	–	Relevant Screen Page: [•]	[•]
(viii)		ISDA Determination:	
	–	Floating Rate Option:	[•]
	–	Designated Maturity:	[•]
	–	Reset Date:	[•]
(ix)		Other Determination agreed with relevant Dealer:	[•]
(x)		Margin(s):	[+/-][•] per cent. per annum
(xi)		Minimum Rate of Interest:	[•] per cent. per annum
(xii)		Maximum Rate of Interest:	[•] per cent. per annum
(xiii)		Day Count Fraction:	[•]
(xiv)		Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
19		Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Amortisation Yield:	[•] per cent. per annum
	(ii)	Any other formula/basis of determining amount payable:	[•]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[•]
20		Index Linked Interest Note/other variable-linked interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Index/Formula/other variable:	<i>[give or annex details]</i>
	(ii)	Calculation Agent responsible for calculating the interest due:	[•]
	(iii)	Provisions for determining Coupon where calculated by reference to Index	[•]

	and/or Formula and/or other variable:	
(iv)	Interest Determination Date(s):	[•]
(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
(vi)	Interest Period(s):	[•]
(vii)	Specified Interest Payment Dates:	[•]
(viii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
(ix)	Business Centre(s):	[•]
(x)	Minimum Rate of Interest:	[•] per cent. per annum
(xi)	Maximum Rate of Interest:	[•] per cent. per annum
(xii)	Day Count Fraction:	[•]
21	Dual Currency Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Rate of Exchange/method of calculating Rate of Exchange:	[give details]
(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[Need to include a description of market disruption or settlement disruption events and adjustment provisions]
(iv)	Person at whose option Specified Currency(ies) is/are payable:	[•]

PROVISIONS RELATING TO REDEMPTION

22	Call Option	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Optional Redemption Date(s):	[•]

	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] specified denomination
	(iii)	If redeemable in part:	
	(a)	Minimum Redemption Amount:	[•]
	(b)	Maximum Redemption Amount:	[•]
	(iv)	Notice period:	[•]
23	Put Option		[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Note of [•] specified denomination
	(iii)	Notice period:	[•]
24	Final Redemption Amount of each Note		[[•] per Note of [•] specified denomination/other/ see Appendix]
		In cases where the Final Redemption Amount is Index Linked or other variable-linked:	
	(i)	Index/Formula/variable:	<i>[give or annex details]</i>
	(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[•]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv)	Determination Date(s):	[•]
	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	<i>[Need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>
	(vi)	Payment Date:	[•]

(vii) Minimum Final Redemption Amount: [•]

(viii) Maximum Final Redemption Amount: [•]

25 **Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26 Form of Notes: [Bearer Notes/Exchangeable Bearer Notes/Registered Notes] [*Delete as appropriate*]

(i) New Global Note (NGN): [Yes] [No]

(ii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not Applicable]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]

(iii) Notes represented on issue by: [Temporary Regulation S Global Note exchangeable for a Permanent Regulation S Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Regulation S Global Note]

[Temporary Regulation S Global Note exchangeable for Definitive Notes on [•] days' notice]

[If the Global Note is exchangeable for Definitive Notes at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).]

[Permanent Regulation S Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Regulation S Global Note]

[Regulation S Global Certificate]
[Rule 144A Global Certificate]

	(iv) Applicable TEFRA Exemption:	[C Rules/D Rules/Not Applicable (<i>Applicable only for Registered Notes or Notes with a maturity of one year or less (including unilateral rollovers and extensions)</i>)]
27	Clearing System(s):	[Euroclear Bank S.A./N.V.] [Clearstream Banking, <i>société anonyme</i>] [The Depository Trust Company] [Other]
28	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/ <i>give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs, 18(iv) and 20(ix) relate</i>]
29	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i>]
30	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of IFFIm to forfeit the Notes and interest due on late payment]:	[Not Applicable/ <i>give details</i>]
31	Details relating to Instalment Notes: amount of each Instalment Amount, Instalment Date on which each payment is to be made:	[Not Applicable/ <i>give details</i>]
32	Redenomination, renominatisation and consolidation provisions:	[Not Applicable] [<i>If redenomination is applicable, specify the terms of the redenomination in an annex to the Pricing Supplement</i>)]
33	Estimated net proceeds:	[•]
34	Governing law of Notes (if other than English law):	[•] [Not Applicable]
35	Ratings:	[Not Applicable] [S&P: [•]] [Moody's: [•]] [Fitch: [•]] [Other: [•]]
36	Other agreed final terms:	[Not Applicable/ <i>give details</i>]
37	Additional taxation considerations:	[Not Applicable/ <i>give details</i>]

OPERATIONAL INFORMATION

38	ISIN Code:	[•]
39	Common Code:	[•]
	CUSIP:	[•]/Not Applicable

40 Names and addresses of additional Paying Agents (if any): [•]

DISTRIBUTION

41 (i) If syndicated, names of Managers: [Not Applicable/*give names*]

(ii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

42 If non-syndicated, name of Dealer: [Not Applicable/*give name*]

43 Additional/modified selling restrictions: [Not Applicable/*give details*]

[LISTING AND ADMISSION TO TRADING APPLICATION

The Pricing Supplement comprises the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Global Debt Issuance Programme of IFFIm.]

RESPONSIBILITY

IFFIm accepts responsibility for the information contained in this Pricing Supplement. [[•] has been extracted from [•]. IFFIm confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed by a [director] [duly authorised signatory] of IFFIm] [Signed by a duly authorised officer of the International Bank for Reconstruction and Development, duly authorised to do so on behalf of IFFIm]:

By: _____
[Director] [Duly authorised]

GENERAL INFORMATION

- (1) Application has been made to the CSSF to approve this document as a simplified prospectus under the Luxembourg Prospectus Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Luxembourg Stock Exchange.
- (2) IFFIm has obtained all necessary consents, approvals and authorisations in the United Kingdom in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of directors of IFFIm passed on 15 September 2006, by a resolution of a committee of the board of directors of IFFIm passed on 27 September 2006, and by a resolution of the board of directors of IFFIm passed on 2 November 2006.
- (3) The update of the Programme was authorised by a resolution of the board of directors of IFFIm passed on 17 July 2008.
- (4) There has been no significant change in the financial position of IFFIm since 31 December 2007 and no material adverse change in the financial position or prospects of IFFIm since 31 December 2007.
- (5) IFFIm is not involved in any governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this document, a significant effect on its financial position or profitability nor is IFFIm aware that any such proceedings are pending or threatened.
- (6) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (7) Notes have been accepted for clearance and settlement through the Euroclear and Clearstream, Luxembourg clearing systems (which are the entities in charge of keeping the records). In addition, IFFIm may make an application with respect to any Rule 144A Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of Rule 144A Registered Notes issued by IFFIm will be confirmed in the applicable Pricing Supplement. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Pricing Supplement.
- (8) The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.
- (9) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.
- (10) For so long as any Notes are listed on the Luxembourg Stock Exchange, or any Notes remain outstanding under the Programme (whichever is the later), the following documents will be available for inspection, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Principal Paying and Transfer Agent and the Trustee:
 - (i) the Note Trust Deed, as amended from time to time (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Dealer Agreement, as amended from time to time;
 - (iii) the Finance Framework Agreement as amended from time to time;
 - (iv) the Procedures Memorandum as amended from time to time;

- (v) each Grant Agreement as amended from time to time;
- (vi) the Treasury Management Agreement as amended from time to time;
- (vii) the Memorandum and Articles of Association of IFFIm;
- (viii) the report of the trustees and the audited financial statements of IFFIm for the period ended 31 December 2006 and 31 December 2007;
- (ix) each Pricing Supplement;
- (x) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus (the full version of which will also be available for inspection on IFFIm's website (<http://www.iff-immunisation.org>) to persons who are resident within the territory of a Member State of the European Union and who agree that they have read, understood and agree to be bound by the restrictions and conditions set forth on the relevant web page);
- (xi) a copy of the subscription agreement for Notes issued on a syndicated basis that are listed on the Luxembourg Stock Exchange's regulated market; and
- (xii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

The Prospectus and each Pricing Supplement for Notes that are listed on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

GLOSSARY OF DEFINED TERMS

“Accession Date” has the meaning given to it in Schedule 1 to the Finance Framework Agreement.

“Account Bank” means IBRD in its capacity as account administrator under the GAVI Fund Affiliate Account Agreement or any replacement bank as may be agreed to from time to time in accordance with the GAVI Fund Affiliate Account Agreement.

“Additional Grantor” means any person who has become vested with all the authority, rights, powers, duties and obligations arising after the Accession Date as if originally named as an Initial Grantor under the Finance Framework Agreement pursuant to Clause 17 of the Finance Framework Agreement.

“Agency Agreement” means an agency agreement dated 3 November 2006 (as amended on 17 December 2007 and further amended or supplemented from time to time) and made between IFFIm, the Trustee, Citibank, N.A. as initial principal paying and transfer agent and the other agents named in it

“Applicable Rating Agencies” means each of Fitch, Moody’s and S&P.

“Approved Programme” means any programme which is proposed by The GAVI Fund Affiliate under a GAVI Fund Affiliate Financing Approval and Request for Funding and which is approved by IFFIm in accordance with the procedures set out in the Procedures Memorandum and the Finance Framework Agreement, as such procedures are from time to time amended.

“Arranger” means Goldman Sachs International as arranger of the Note Programme and references to the Arranger include any additional or replacement arranger appointed, and exclude any Arranger whose appointment has terminated, pursuant to the dealer agreement under the Note Programme.

“Companies Act” means the Companies Act 1985 (as amended by the Companies Act 2006 and as further amended from time to time).

“Deed of Assignment” means a deed between The GAVI Fund Affiliate and IFFIm pursuant to which The GAVI Fund Affiliate shall assign or transfer its rights, title, benefit, interest and obligations under one or more Grant Agreements including with respect to Grant Payments thereunder.

“Derivatives Transactions” means any derivatives transactions entered into by IFFIm (having regard to advice given by the Treasury Manager) for the purpose of hedging any currency, interest rate, basis risk or other exposure in relation to its present and future assets and/or liabilities as described in the IFFIm Risk Management Strategy.

“Disbursement Request” means a duly completed disbursement request from The GAVI Fund Affiliate to IFFIm requesting an IFFIm Disbursement in respect of an Approved Programme, substantially in the form set out in Schedule 4 to the Finance Framework Agreement.

“Finance Framework Agreement” means the Finance Framework Agreement relating to the International Finance Facility for Immunisation dated 28 September 2006 and entered into between the Initial Grantors, IFFIm, the GAVI Fund, The GAVI Fund Affiliate and the Treasury Manager and to which Additional Grantors may accede from time to time.

“Fitch” means Fitch Ratings Limited or any successor to the rating agency business of Fitch Ratings Limited.

“GAVI” means the GAVI Alliance.

“GAVI Foundation” means a charitable entity organised as a foundation under the laws of Switzerland (Federal Number CH-660-1699006-1) with registered address at Route de Chêne 30, Geneva, Switzerland.

“GAVI Fund” means a non-profit corporation registered in the State of Washington of the United States of America (incorporation number 601989024), with offices at 1776 Eye Street, NW, Suite 600, Washington D.C. 20006, USA.

“GAVI Fund Affiliate Account” means the account in the name of The GAVI Fund Affiliate maintained with the Account Bank pursuant to the GAVI Fund Affiliate Account Agreement or any replacement account opened and maintained with another bank in accordance with the GAVI Fund Affiliate Account Agreement.

“GAVI Fund Affiliate Account Agreement” means the agreement for the establishment, maintenance and operation of the GAVI Fund Affiliate Account entered into between The GAVI Fund Affiliate and the Account Bank.

“GAVI Fund Affiliate Financing Approval and Request for Funding” means an application from The GAVI Fund Affiliate addressed to IFFIm substantially in the form set out in Part 6 of the Procedures Memorandum as amended from time to time.

“GAVI Fund Financing Approval and Request for Funding” means an application from the GAVI Fund addressed to The GAVI Fund Affiliate, substantially in the form set out in Part 6 of the Procedures Memorandum.

“GAVI Programme Approval” means a notice from GAVI addressed to the GAVI Fund, substantially in the form set out in Part 6 of the Procedures Memorandum.

“Grant Agreement” means, in relation to each Grantor, any grant agreement entered into by such Grantor with The GAVI Fund Affiliate.

“Grant Payment Administration Agreement” means the agreement entered into between a Grantor, IFFIm and the Treasury Manager setting out the procedures for payment of amounts payable in connection with a Grantor’s Grant Agreement, account information details, as well as the other administrative and logistical information.

“Grant Payment Amount” means, in respect of any Grant Payment Date and a Grantor, the amount of the Grant Payment due in accordance with that Grantor’s Grant Agreement on such date as set out in its Grant Payment Schedule.

“Grant Payment Condition” means the condition to payment set out in Clause 2.2 (Condition to Payment) of each Grant Agreement.

“Grant Payment Date” means, in relation to a Grant Payment of a Grantor the date on which that Grant Payment becomes due and payable, in accordance with its Grant Agreement, as set out in each Grant Payment Schedule.

“Grant Payment Schedule” means, in relation to a Grantor, the schedule annexed to its Grant Agreement specifying the amount of each of its Grant Payments and the Grant Payment Date of each such Grant Payment.

“Grant Payments” means, in relation to a Grantor, the payments which that Grantor undertakes to make to the Beneficiary (as defined in its Grant Agreement), in the amounts set out in Schedule 1 to its Grant Agreement.

“Grantors” means the Initial Grantors together with any Additional Grantors, and “Grantor” means any one of them.

“IBRD” means the International Bank for Reconstruction and Development.

“IBRD Business Day” means a day (other than a Saturday or Sunday) on which the International Bank for Reconstruction and Development is open for general business.

“ICC” means the applicable Interagency Coordinating Committee.

“IFFIm” means International Finance Facility for Immunisation Company, a company incorporated under the laws of England and Wales with registered number 5857343 and charity number 1115413 whose registered address is at 2 Lamb’s Passage, London EC1Y 8BB, United Kingdom.

“IFFIm Account” means the account in the name of IFFIm maintained with the Treasury Manager pursuant to the Treasury Management Agreement or any other replacement account opened and maintained with another bank in accordance with the Treasury Management Agreement.

“IFFIm Aggregate Available Funds” means, in respect of any Relevant Funding Period, the aggregate funds available to IFFIm to meet IFFIm Financial Requirements during that Relevant Funding Period determined by the Treasury Manager in accordance with Clause 6 of the Finance Framework Agreement.

“IFFIm Disbursements” means funds disbursed by IFFIm to The GAVI Fund Affiliate for Approved Programmes.

“IFFIm Financial Requirements” has the meaning given to it in Clause 6.3 of the Finance Framework Agreement.

“IFFIm Financing Documents” means each of this Prospectus, the Note Trust Deed, the Notes (including each Note in global form), the Agency Agreement, the Dealer Agreement, any agreement concluded by IFFIm with any counterparty in respect of a Derivatives Transaction and each Loan Agreement.

“IFFIm Gearing Ratio” means, from time to time, the amount of net financial obligations of IFFIm (including in respect of Notes, Loans and Derivatives Transactions executed to hedge the Notes and Loans) less cash and liquid assets, expressed as a percentage of the net present value of IFFIm's financial assets, and taking into consideration the net present value of scheduled Grant Payments due from Grantors which have been assigned to IFFIm and the net present value of the Derivatives Transactions executed to hedge Grant Payments, all as determined from time to time by the Treasury Manager.

“IFFIm Gearing Ratio Limit” means, from time to time, the limit (agreed by the board of directors of IFFIm, having regard to the advice of the Treasury Manager) on the maximum amount of net financial obligations of IFFIm (including in respect of Notes, Loans and Derivatives Transactions executed to hedge the Notes and Loans) less cash and liquid assets as a percentage of the net present value of IFFIm's financial assets, taking into consideration the net present value of scheduled Grant Payments due from Grantors which have been assigned to IFFIm and the net present value of the Derivatives Transactions executed to hedge Grant Payments.

“IFFIm Indicative Funding Confirmation” means a notice from IFFIm substantially in the form set out in Part 6 of the Procedures Memorandum.

“IFFIm Programme Capacity” has the meaning given to it in Clause 5.4 of the Finance Framework Agreement.

“IFFIm Required Funding” has the meaning given to it in Clause 6.5 of the Finance Framework Agreement.

“IFFIm Risk Management Strategy” means at any time the then current risk management strategy of IFFIm as agreed between IFFIm and the Treasury Manager in accordance with Part 6 of the Treasury Management Agreement.

“IMF” means the International Monetary Fund.

“IMF Financial Obligation” means any obligation of a Specified Country to make a payment of principal or interest due and payable to the IMF pursuant to any loan agreement or similar arrangement entered into by that Specified Country with the IMF.

“Indebtedness for Borrowed Money” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any (i) notes, bonds, debentures, debenture stock, loan stock or other securities; (ii) borrowed money; or (iii) any liability under or in respect of any acceptance or acceptance credit.

“Initial Grantors” means the Grantors whose names appear on page 1 of the Finance Framework Agreement.

“IRC” means Independent Review Committee.

“Lead Manager” means, in relation to a Syndicated Issue, the Relevant Dealer specified as such in the relative Subscription Agreement.

“Lenders” has the meaning given to it in a Loan Agreement.

“Loan Agreement” means a loan facility agreement between the relevant lenders and IFFIm as contemplated by the Finance Framework Agreement.

“Loan Facility” means a loan facility made available under a Loan Agreement.

“Loans” means Loans made under a Loan Facility.

“Majority Grantors” means a majority of the Grantors, representing three-quarters majority of the total Grant Payments (both paid and payable) as calculated by the Treasury Manager (as soon as reasonably practicable after request by any party) by reference to the aggregate Grant Payments (both paid and payable) for each Grantor in its USD equivalent value as of (i) for the Initial Grantors, the effective date of each respective Grant Agreement; and (ii) for any Additional Grantors, the date each Additional Grantor becomes a party to the Finance Framework Agreement pursuant to Clause 17 thereof.

“Memorandum and Articles of Association” means the memorandum and articles of association of a company registered in England and Wales.

“Moody’s” means Moody’s Investors Service, Limited, or any successor to the rating agency business of Moody’s Investors Service, Limited.

“Multilateral Development Bank” means an international financial institution established by international treaty whose members are sovereign governments.

“Non-Country Specific Application” has the meaning given to it in Section 2.2 of Part 2 of the Procedures Memorandum.

“Note Trust Deed” means a trust deed dated 3 November 2006 (as supplemented by a First Supplemental Note Trust Deed dated 17 December 2007 and a Second Supplemental Note Trust Deed dated 4 August 2008 and as further amended or supplemented from time to time) and made between IFFIm and the Trustee (which expression shall include all persons for the time being the trustee or trustees thereunder) as trustee for the holders of the Notes.

“Notice of GAVI Programme Approval and Request for Funding” means a notice from GAVI addressed to the GAVI Fund, substantially in the form set out in Part 6 of the Procedures Memorandum.

“Procedures Memorandum” means the procedures memorandum contained in a schedule to the Finance Framework Agreement setting out the administrative procedures and guidelines relating to (*inter alia*) the approval of Eligible Country Applications and Non-Country Specific Applications, and the Ongoing Programme Monitoring Procedures, as such document may be varied from time to time in accordance with Clause 26.2 of the Finance Framework Agreement.

“Protracted Arrears” means the failure by a Specified Country to meet any IMF Financial Obligation where such failure has continued for a period of six calendar months or more from the date upon which the relevant amount which is the subject of such IMF Financial Obligation was originally due and payable.

“Purchase Information” means, in relation to any Tranche that is not a Syndicated Issue, the terms of such Notes and of their issue agreed between IFFIm and the Relevant Dealer pursuant to the Settlements Memorandum contained in Schedule A to the Dealer Agreement.

“QIB” means a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended.

“Reduction Amount” means, in relation to any Grant Payment on any Grant Payment Date, the amount with respect to each relevant Specified Country determined by the Treasury Manager in accordance with the Reduction Amount Formula.

“Reduction Amount Formula” means the formula set out in Schedule 3 of each Grant Agreement.

“Reference Portfolio” means the portfolio of Specified Countries as set out in Schedule 2 to each Grant Agreement.

“Relevant Date” means, in respect of a Grant Payment, the date falling 25 IBRD Business Days prior to the Grant Payment Date for that Grant Payment.

“Relevant Dealer(s)” means, in relation to any Tranche, the Dealer or Dealers with or through whom an agreement to issue Notes has been concluded, or is being negotiated, by Film.

“Relevant Event” has the meaning given in Clause 14.1 of the Finance Framework Agreement.

“Relevant Funding Period” means each calendar quarter, provided that the first Relevant Funding Period shall be as agreed between the Treasury Manager and IFFIm.

“S&P” means Standard and Poor’s Rating Services, a division of the McGraw Hill Companies Inc., or any successor to the rating agency business of S&P.

“Specified Country” means any country forming part of the Reference Portfolio as set out in Schedule 2 to each Grant Agreement as such schedule may be updated from time to time to take into account any secession from and consolidation of such countries provided that any successor states are also members of the IMF.

“Subscription Agreement” means an agreement between two or more Relevant Dealers and IFFIm made pursuant to sub-Clause 2.2 of the Dealer Agreement.

“Syndicated Issue” means an issue of Notes pursuant to sub-Clause 2.2 of the Dealer Agreement.

“The GAVI Fund Affiliate” means the company incorporated under the laws of England and Wales with registered number 5830438 and charity number 1115297 whose registered address is at Beaufort House, Tenth Floor, 15 St Botolph Street, London EC3A 7EE, United Kingdom.

“Transaction Documents” means each of the Finance Framework Agreement, the Prospectus, each Loan Agreement, the Note Trust Deed, the Notes, each Deed of Assignment, the Agency Agreement, the Dealer Agreement, any agreement concluded by IFFIm with any counterparty in respect of a Derivatives Transaction, each Grant Agreement, each Grant Payment Administration Agreement, the Treasury Management Agreement and the GAVI Fund Affiliate Account Agreement, and any other document so designated by the Treasury Manager and “Transaction Document” means any one of them.

“Treasury Management Agreement” means the agreement dated 29 September 2006 for the provision of treasury management services entered into between the Treasury Manager and IFFIm.

“Treasury Management Services” has the meaning given to it in the Treasury Management Agreement.

“Treasury Manager” means the IBRD in its capacity as such, pursuant to the provisions of the Treasury Management Agreement, or any successor or replacement Multilateral Development Bank with a similar rating as the IBRD which has the ability to perform the Treasury Management Services under the Treasury Management Agreement as such successor or replacement may from time to time be appointed in accordance with the provisions of the Treasury Management Agreement.

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Citigroup Centre
Canada Square
London E14 5LB

Principal Paying and Transfer Agent

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB

Registrar

Citibank, N.A., London Branch
Citigroup Centre
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Paying and Transfer Agents

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Luxembourg Listing Agent

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To IFFIm

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