
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): March 13, 2009

Philip Morris International Inc.

(Exact name of registrant as specified in its charter)

Virginia
**(State or other jurisdiction
of incorporation)**

1-33708
(Commission File Number)

13-3435103
**(I.R.S. Employer
Identification No.)**

120 Park Avenue, New York, New York
(Address of principal executive offices)

10017-5592
(Zip Code)

Registrant's telephone number, including area code: (917) 663-2000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On March 13, 2009, Philip Morris International Inc. (the “Company”) entered into a Euro Medium Term Note Program (the “Program”). Under the Program, the Company may from time to time issue unsecured notes (the “Notes”), in an unlimited nominal aggregate amount, as may be authorized from time to time, with such terms, including currency, rate and maturity, as may be agreed by the Company and the Dealers (as defined below) at the time of sale of any Notes. In connection with the Program, the Company also entered into a Dealer Agreement (the “Dealer Agreement”), dated March 13, 2009, with the dealers named therein (the “Dealers”), an Issue and Paying Agency Agreement, dated March 13, 2009, by and among the Company, HSBC Private Bank (C.I.) Limited, Jersey Branch, as registrar, HSBC Bank PLC, as principal paying agent and HSBC Corporate Trustee Company (UK) Limited, as trustee (the “Agency Agreement”), and a Trust Deed, dated March 13, 2009, with HSBC Corporate Trustee Company (UK) Limited, as trustee (the “Trust Deed”). The terms of the Dealer Agreement, the Issue and Paying Agency Agreement and the Trust Deed will govern any issuance of Notes under the Program, subject to any amendments or supplements to such terms as may be agreed to at time of issuance. Copies of the Dealer Agreement, the Agency Agreement, and the Trust Deed are included in this Form 8-K as Exhibits 1.1, 4.1 and 4.2, respectively, and are incorporated herein by reference. The foregoing descriptions of the Dealer Agreement, the Agency Agreement and the Trust Deed do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements.

Notes issued under the Program will be issued pursuant to Regulation S under the Securities Act of 1933, as amended (the “Act”), will not be registered under the Act, and may not be offered or sold in the United States or to, or for the account or benefit of, a U.S. person without registration under, or an applicable exemption from, the requirements of the Act.

Certain of the Dealers and their affiliates have from time to time performed, and may in the future perform, various financial advisory, commercial and investment banking services for the Company, for which they received or will receive customary fees and expenses.

Item 9.01. Exhibits.**(c) Exhibits**

- 1.1 Dealer Agreement, dated March 13, 2009.
- 4.1 Issue and Paying Agency Agreement, dated March 13, 2009.
- 4.2 Trust Deed relating to Euro Medium Term Note Program, dated March 13, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILIP MORRIS INTERNATIONAL INC.

By: /s/ G. PENN HOLSENBECK

Name: G. Penn Holsenbeck

Title: Vice President & Corporate Secretary

DATE: March 19, 2009

INDEX EXHIBIT

Exhibit No.	Description
1.1	Dealer Agreement, dated March 13, 2009.
4.1	Issue and Paying Agency Agreement, dated March 13, 2009.
4.2	Trust Deed relating to Euro Medium Term Note Program, dated March 13, 2009.

PHILIP MORRIS INTERNATIONAL INC.

EURO MEDIUM TERM NOTE PROGRAMME

DEALER AGREEMENT

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BETWEEN

- (1) PHILIP MORRIS INTERNATIONAL INC. (the “**Issuer**”); and
- (2) BANCA IMI S.p.A., BANCO BILBAO VIZCAYA ARGENTARIA, S.A., BANCO SANTANDER, S.A., BARCLAYS BANK PLC, BNP PARIBAS, CITIGROUP GLOBAL MARKETS LIMITED, CREDIT SUISSE SECURITIES (EUROPE) LIMITED, DEUTSCHE BANK AG, LONDON BRANCH, GOLDMAN SACHS INTERNATIONAL, HSBC BANK PLC, ING BANK N.V., J.P. MORGAN SECURITIES LTD., THE ROYAL BANK OF SCOTLAND PLC AND SOCIÉTÉ GÉNÉRALE (the “**Dealers**” which expression shall include any institution(s) appointed as a Dealer in accordance with Clause 13.1.2 (*New Dealer*) or Clause 13.1.3 (*Dealer for a day*), and save as specified herein, exclude any institutions(s) whose appointment as a Dealer has been terminated in accordance with Clause 13.1.1 (*Termination*) or which has resigned in accordance with Clause 13.2 (*Resignation*) provided that where any such institution has been appointed as Dealer in relation to a particular Tranche (as defined below) the expression “Dealer” or “Dealers” shall only mean or include such institution in relation to such Tranche).

WHEREAS

- (A) The Issuer has established a programme (the “**Programme**”) for the issuance of notes (the “**Notes**”), in connection with which Programme the Issuer has entered into the Agency Agreement and has executed and delivered the Trust Deed referred to below.
- (B) The Issuer has made applications to the United Kingdom Financial Services Authority (the “**FSA**”) for Notes issued under the Programme to be admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the “**London Stock Exchange**”). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) In connection with the Programme, the Issuer has prepared a base prospectus dated 13 March 2009 which has been approved by the FSA as a base prospectus issued in compliance with Directive 2003/71/EC (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom.
- (D) Each Tranche of Notes will be issued either (1) pursuant to the Base Prospectus (as defined below) as amended and/or supplemented by a document specific to such

Tranche describing the final terms of the relevant Tranche (the “**Final Terms**”) or (2) in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”).

- (E) The parties wish to record the arrangements agreed between them in relation to the issue by the Issuer and the subscription by Dealers from time to time of Notes issued under the Programme.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 **Definitions**

All terms and expressions which have defined meanings in the Base Prospectus and the Trust Deed shall have the same meanings in this Agreement except where the context requires otherwise or unless otherwise stated. In addition, in this Agreement the following expressions have the following meanings:

this “**Agreement**” includes any amendment or supplement hereto (including any confirmation or agreement given or executed pursuant to Clause 13.1.2 (*New Dealer*) or Clause 13.1.3 (*Dealer for a day*) whereby an institution becomes a Dealer hereunder but excluding any Relevant Agreement) and the expressions “herein” and “hereto” shall be construed accordingly;

“**Base Prospectus**” means the base prospectus prepared in connection with the Programme, including documents incorporated by reference into it, as the same may be amended or supplemented from time to time *provided, however, that*:

- (a) in relation to each Tranche of Notes, the relevant Final Terms shall be deemed to be included in the Base Prospectus; and
- (b) for the purposes of Clause 4.2 (*Representations and warranties deemed repeated upon issue of Notes*), in the case of a Tranche of Notes which is the subject of Final Terms each reference in Clause 4.1 (*Representations and warranties*) to the Base Prospectus shall mean the Base Prospectus as the same may be amended or supplemented at the date of the Relevant Agreement without regard (subject as provided in (a) above) to any subsequent amendment or supplement to it unless the Mandated Dealer has agreed thereto in accordance with Clause 5.17 (*Supplement to Base Prospectus or any Drawdown Prospectus*);

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

“**Event of Default**” means one of those circumstances described in Condition 14 (*Events of Default*);

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

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

“Indemnified Person” means, in respect of the indemnity contained in Clause 6.1, each Dealer, or in respect of the indemnity contained in Clause 6.2, the Issuer and in each case their respective Related Parties;

“Loss” means any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any value added tax thereon);

“Mandated Dealer” means, in relation to a Relevant Agreement which is made between the Issuer and more than one Dealer, the institution specified as such or as the Lead Manager in the relevant Final Terms and/or in such Relevant Agreement; and, in relation to a Relevant Agreement which is made between the Issuer and a single Dealer, such Dealer;

“Programme Manual” means the programme manual (containing suggested forms and operating procedures for the Programme) dated 13 March 2009 and signed for the purposes of identification by the Issuer, the Trustee and the Principal Paying Agent, as the same may be amended or supplemented from time to time by agreement:

- (a) in the case of the Programme, between the Issuer, the Trustee, the Principal Paying Agent, the Registrar and the Arranger; or
- (b) in the case of a particular Tranche of Bearer Notes, between the Issuer, the Principal Paying Agent, the Trustee and the Mandated Dealer; or
- (c) in the case of a particular Tranche of Registered Notes, between the Issuer, the Trustee, the Registrar and the Mandated Dealer;

“Related Party” means, in respect of any person, any affiliate of that person or any officer, director, employee or agent of that person or any such affiliate or any person by whom any of them is controlled (where the words “affiliate” and “controlled” have the meanings given to them by the Securities Act and the regulations thereunder);

“Relevant Agreement” means an agreement in writing, concluded in accordance with Clause 2 (*Issuing Notes*), between the Issuer and any Dealer(s) for the issue by the Issuer and the subscription by such Dealer(s) (or on such other basis as may be agreed between the Issuer and the relevant Dealer(s) at the relevant time) of any Notes and shall include, without limitation, any agreement in the form or based on the form set out in Schedule 3 (*Pro Forma Subscription Agreement*);

“Relevant Dealer(s)” means, in relation to a Relevant Agreement, the Dealer(s) which is/are party to that Relevant Agreement;

“Securities Act” means the United States Securities Act of 1933, as amended;

“Stabilising Manager” means, in relation to any Tranche of Notes, the Dealer or Dealers specified as the Stabilising Manager(s) in the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus;

“**Terms and Conditions**” means, in relation to any Notes, the terms and conditions applicable to such Notes set out in the Base Prospectus as amended, supplemented and/or replaced by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus and any reference to a numbered “Condition” is to the correspondingly numbered provision thereof;

“**Transparency Directive**” means Directive 2004/109/EC;

“**Trust Deed**” means the trust deed made between the Issuer and the Trustee dated 13 March 2009; and

“**Trustee**” means HSBC Corporate Trustee Company (UK) Limited.

1.2 **Clauses and Schedules**

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

1.3 **Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.4 **Other agreements**

Save as provided in the definition of “Base Prospectus” above, all references in this Agreement to an agreement, instrument or other document (including the Agency Agreement, the Trust Deed and the Base Prospectus) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.

1.5 **Headings**

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

1.6 **Regulated markets**

Any reference in this Agreement to a regulated market shall be construed as a reference to a regulated market within the meaning given in the Prospectus Directive.

2. **ISSUING NOTES**

2.1 **Basis of agreements to issue; uncommitted facility**

The Issuer and the Dealers agree that any Notes which may from time to time be agreed between the Issuer and any Dealer(s) to be issued by the Issuer and subscribed by such Dealer(s) shall be issued and subscribed on the basis of, and in reliance upon, the representations, warranties, undertakings and indemnities made or given or provided to be made or given pursuant to the terms of this Agreement. Unless otherwise agreed, neither the Issuer nor any Dealer(s) is, are or shall be under any obligation to issue or subscribe any Notes.

2.2 Procedures

Prior to the conclusion of any Relevant Agreement the Mandated Dealer shall communicate the proposed terms of the Relevant Agreement, including without limitation full details of the Dealers' commissions, to the Issuer in writing and the Relevant Agreement shall be deemed to have been concluded when the Issuer confirms its acceptance of those terms to the Mandated Dealer in writing;

2.3 Upon the conclusion of any Relevant Agreement and subject as provided in Clause 3.1 (*Conditions precedent to first issue of Notes*):

2.3.1 *Preparation of Final Terms or Drawdown Prospectus*: the Issuer shall promptly confirm such terms to the Principal Paying Agent in writing (by fax), and either:

- (a) the Issuer or, if the Mandated Dealer so agrees with the Issuer, the Mandated Dealer will prepare or procure the preparation by the Principal Paying Agent of the Final Terms in relation to the relevant Notes for approval (such approval not to be unreasonably withheld or delayed) by the Mandated Dealer or, as the case may be, the Issuer and execution on behalf of the Issuer; or
- (b) the Issuer will prepare the Drawdown Prospectus in relation to the relevant Notes for approval (such approval not to be unreasonably withheld or delayed) by the Mandated Dealer;

2.3.2 *Issue of Notes*: the Issuer shall on the agreed Issue Date of the relevant Notes procure the issue of such Notes in the relevant form (subject to amendment and completion) scheduled to the Trust Deed and shall procure their delivery to or to the order of the Relevant Dealer(s);

2.3.3 *Payment of net proceeds*: the Relevant Dealer(s) shall for value on the agreed Issue Date of the relevant Notes procure the payment to the Issuer of the net proceeds of the issue of the Notes (namely, the agreed issue or sale price thereof plus any accrued interest and less any agreed commissions, concessions or other agreed deductibles);

2.3.4 *Single Dealer Drawdown*: where a single Dealer has agreed with the Issuer to subscribe a particular Tranche pursuant to this Clause 2, if requested by the Relevant Dealer in relation to such Tranche the Issuer and the Relevant Dealer shall enter into a subscription agreement based on the form set out in Schedule 3 (*Pro Forma Subscription Agreement*) or such other form as may be agreed between the Issuer and the Relevant Dealer;

- 2.3.5 *Syndicated Drawdown*: where more than one Dealer has agreed with the Issuer to subscribe a particular Tranche pursuant to this Clause 2, unless otherwise agreed between the Issuer and the Relevant Dealers:
- (a) the obligations of the Relevant Dealers so to subscribe the Notes shall be joint and several; and
 - (b) in relation to such Tranche the Issuer and the Relevant Dealers shall enter into a subscription agreement in the form or based on the form set out in Schedule 3 (*Pro Forma Subscription Agreement*) or such other form as may be agreed between the Issuer and the Relevant Dealers; and
- 2.3.6 *Programme Manual*: the procedures which the parties intend should apply to non-syndicated issues of Notes are set out in Schedule 1 (*Settlement Procedures for Non-Syndicated Issues of Notes*) to the Programme Manual. The procedures which the parties intend should apply to syndicated issues of Notes are set out in Schedule 2 (*Settlement Procedures for Syndicated Issues of Notes*) to the Programme Manual.

3. **CONDITIONS PRECEDENT**

3.1 **Conditions precedent to first issue of Notes**

Before any Notes may be issued under the Programme after the date of this Agreement, each Dealer must have received and found satisfactory all of the documents and confirmations described in Schedule 2 (*Initial Conditions Precedent*). Each Dealer will be deemed to have received and found satisfactory all of such documents and confirmations unless, within five London business days of receipt of such documents and confirmations, it notifies the Issuer and the other Dealers to the contrary. The obligations of the Dealers under Clause 2.3.3 (*Payment of net proceeds*) are conditional upon each Dealer having received and found satisfactory (or being deemed to have received and found satisfactory) all of the documents and confirmations described in Schedule 2 (*Initial Conditions Precedent*).

3.2 **Conditions precedent to any issue of Notes**

In respect of any issue of Notes under the Programme, the obligations of the Relevant Dealer(s) in the Relevant Agreement are conditional upon:

- 3.2.1 *Execution and delivery of Notes and Final Terms or Drawdown Prospectus*: the relevant Notes and the relevant Final Terms or, as the case may be, Drawdown Prospectus having been completed, executed (which execution may, in the case of Notes, be done in any way envisaged by clause 4 of the Agency Agreement) and delivered as appropriate by the Issuer in accordance with the terms of this Agreement, the Relevant Agreement, the Agency Agreement, the Trust Deed and the Programme Manual substantially in the respective forms agreed between the Issuer and the Relevant Dealer(s);
- 3.2.2 *No material adverse change*: since the date of the Relevant Agreement, there having been no adverse change, or any development reasonably likely to

involve an adverse change, in the consolidated condition (financial or other) results of operations or business affairs of the Issuer or any of its Subsidiaries that is material in the context of the issue of the relevant Notes and that is not set out in the Base Prospectus;

- 3.2.3 *Accuracy of representations and warranties:* the representations and warranties by the Issuer contained herein or in any Relevant Agreement being true and accurate on the date of the Relevant Agreement and on each date on which they are deemed to be repeated with reference in each case to the facts and circumstances then subsisting;
- 3.2.4 *No breach:* the Issuer not being in breach of this Agreement or the Relevant Agreement;
- 3.2.5 *Force majeure:* there having been, since the date of the Relevant Agreement and in the opinion of the Mandated Dealer, no such change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in its view, be likely either (a) if there is more than one Relevant Dealer, to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market, or (b) if there is only one Relevant Dealer, to materially change the circumstances prevailing at the date of the Relevant Agreement;
- 3.2.6 *No adverse change of rating:* since the date of the Relevant Agreement, no internationally recognised rating agency having, in respect of any debt securities of the Issuer, issued any notice (a) downgrading such securities or (b) indicating that it intends to downgrade, or is considering the possibility of downgrading, such securities;
- 3.2.7 *Listing and trading:* in the case of Notes which are to be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, the Mandated Dealer having received confirmation that the relevant Notes have, subject only to the execution, authentication and delivery of the relevant Global Note, been admitted to listing, trading and/or quotation by the relevant competent authority, stock exchange and/or quotation system;
- 3.2.8 *Certificate:* if there is more than one Relevant Dealer, a certificate dated as at the relevant Issue Date signed by a director or other equivalent senior officer of the Issuer to the effect that:
 - (a) the Base Prospectus or, as the case may be, the Drawdown Prospectus contains all material information relating to the assets and liabilities, financial position, profits and losses of the Issuer and nothing has happened or is expected to happen which would require the Base Prospectus or, as the case may be, the Drawdown Prospectus to be supplemented or updated;

- (b) the representations and warranties deemed to be made by the Issuer on the Issue Date pursuant to Clause 4.2 (*Representations and warranties deemed repeated upon issue of Notes*) are true and correct; and
- (c) the Issuer is in compliance with its undertakings under Clause 5 (*Undertakings by the Issuer*);

3.2.9 *Calculations or determinations*: any calculations or determinations which are required by the Terms and Conditions of the relevant Notes to be made prior to the date of issue of such Notes having been duly made;

3.2.10 *Legal opinions and comfort letters, etc.*: the Mandated Dealer having received such legal opinions and comfort letters as may be required to be delivered pursuant to Clauses 5.11 (*Legal opinions*) and 5.12 (*Auditors' comfort letters*) and such other opinions, documents, certificates, agreements or information specified in the Relevant Agreement as being conditions precedent to the purchase or subscription of the particular Tranche of Notes (in each case in a form satisfactory to the Mandated Dealer); and

3.2.11 *New Global Note form*: if the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus specify that the New Global Note form is applicable, the Mandated Dealer having received (in a form satisfactory to the Mandated Dealer):

- (a) if the New Global Note requires an ICSD to be Common Safekeeper, a duly executed or conformed copy of the authorisation from the Issuer to the relevant ICSD acting as Common Safekeeper to effectuate the relevant Global Note; and
- (b) if the New Global Note requires an ICSD to be Common Safekeeper, a duly executed or conformed copy of the election form pursuant to which the Principal Paying Agent has elected an ICSD as Common Safekeeper in accordance with clause 4.17 (*Election of Common Safekeeper*) of the Agency Agreement.

3.3 **Waiver of conditions precedent**

The Mandated Dealer may, in its discretion, waive any of the conditions contemplated in Clause 3.1 (*Conditions precedent to first issue of Notes*) and Clause 3.2 (*Conditions precedent to any issue of Notes*) by notice in writing to the Issuer, subject to the following provisions:

3.3.1 *Relevant Agreement*: any such waiver shall apply to such conditions only as they relate to the Notes the subject of the Relevant Agreement;

3.3.2 *Relevant Dealers*: where there is more than one Dealer party to the Relevant Agreement, any such waiver shall be given on behalf of the other Dealer(s) party to the Relevant Agreement in question;

3.3.3 *Specific waiver:* any condition so waived shall be deemed to have been satisfied as regards such Dealer(s) alone and only for the purposes specified in such waiver;

3.3.4 *Authority:* it may not waive the condition contained in Clause 3.2.3 (*Accuracy of representations and warranties*) so far as it relates to the representation and warranty contained in Clause 4.1.15 (*No issue in excess of authority*).

3.4 **Termination of Relevant Agreement**

If any of the conditions contemplated in Clause 3.1 (*Conditions precedent to first issue of Notes*) and Clause 3.2 (*Conditions precedent to any issue of Notes*) is not satisfied and, if not satisfied, is not waived by the Mandated Dealer on or before the Issue Date of any relevant Tranche, the Mandated Dealer shall, subject as mentioned below, be entitled to terminate the Relevant Agreement and, in that event, the parties to such Relevant Agreement shall be released and discharged from their respective obligations thereunder (except for any rights or liabilities which may have arisen in respect of that Tranche pursuant to Clauses 4, 5, 6 or 7 of this Agreement or any liability of the Issuer (under the terms of the Relevant Agreement) incurred prior to or in connection with such termination).

3.5 **Stabilisation**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms or, as the case may be, Drawdown Prospectus 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 obligation on the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) to 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 of Notes 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 of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Such stabilising shall be conducted in accordance with all applicable laws and rules. Any loss or profit sustained as a consequence of any such over-allotment or stabilising shall, as against the Issuer, be for the account of the Stabilising Manager(s).

4. **REPRESENTATIONS AND WARRANTIES BY THE ISSUER**

4.1 **Representations and warranties**

The Issuer represents and warrants to the Dealers on the date hereof as follows:

4.1.1 *Incorporation, capacity and authorisation:* the Issuer is:

- (a) duly incorporated;
- (b) validly existing;

- (c) in good standing under the laws of its jurisdiction of incorporation with, in all material respects, full power and capacity to own or lease its property and assets and to conduct its business as described in the Base Prospectus; and
- (d) is lawfully qualified to do business in those jurisdictions in which business is conducted by it;

4.1.2 *Capacity and authorisation:* the Issuer has full power and capacity:

- (a) to create and issue the Notes and to execute the Trust Deed; and
- (b) to execute this Agreement, the Agency Agreement and each Relevant Agreement,

and in each case to undertake and perform the obligations expressed to be assumed by it herein and therein, and the Issuer has taken all necessary corporate action to approve and authorise the same;

4.1.3 *No breach:* the creation, issue and sale of the Notes, the execution of this Agreement, the Agency Agreement, the Trust Deed and each Relevant Agreement and the undertaking and performance by the Issuer of the obligations expressed to be assumed by it herein and therein will not conflict with, or result in a breach of or default under:

- (a) the laws of its jurisdiction of incorporation;
- (b) any provision of its constitutive documents; or
- (c) any agreement or instrument to which it is a party or by which it is bound, which conflict, breach or default is material in the context of the Programme or any issue of Notes;

4.1.4 *Legal, valid, binding and enforceable:* this Agreement, the Agency Agreement and the Trust Deed constitute legal, valid, binding and enforceable obligations of the Issuer and:

- (a) upon due execution by or on behalf of the Issuer, each Relevant Agreement will constitute legal, valid, binding and enforceable obligations of the Issuer; and
- (b) upon due execution by or on behalf of the Issuer and due authentication and delivery, the Notes will constitute legal, valid, binding and enforceable obligations of the Issuer;

4.1.5 *Status of the Notes:* the Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured

obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application;

- 4.1.6 *Approvals:* all authorisations, consents, notifications and approvals required by any governmental or regulatory authority or stock exchange in respect of the Issuer for or in connection with the creation, issue and sale of the Notes, the execution of this Agreement, the Agency Agreement, the Trust Deed and each Relevant Agreement, the performance by the Issuer of the obligations expressed to be undertaken by it herein and therein and the distribution of the Base Prospectus in accordance with the provisions set out in Schedule 1 *Selling Restrictions*) either have been or, in the case of a Relevant Agreement or issue of a particular Tranche of Notes will, prior to the issue of such Notes, have been obtained and are or will, prior to the issue of such Notes, be in full force and effect;
- 4.1.7 *Taxation:* except as described in the Base Prospectus all payments of principal and interest in respect of the Notes, and all payments by the Issuer to persons who are non-residents of the United States of America or any political sub-division thereof under this Agreement, the Agency Agreement, the Trust Deed and each Relevant Agreement, may be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States of America or any political subdivision or authority thereof or therein having power to tax;
- 4.1.8 *Base Prospectus:* the Base Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they are made, not misleading;
- 4.1.9 *Financial statements:* the Issuer's most recently prepared consolidated audited financial statements and any consolidated unaudited financial statements published subsequently thereto were prepared in accordance with accounting principles generally accepted in the United States of America, consistently applied (except where changes are required by such accounting principles), and give (in conjunction with the notes thereto) a true and fair view of its and its Subsidiaries' financial condition (taken as a whole) as at the date(s) as of which they were prepared and the results of its and its Subsidiaries' operations (taken as a whole) during the periods then ended;
- 4.1.10 *General duty of disclosure:* the Base Prospectus contains all such information as is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes and the information in the section of the Base Prospectus under the heading "General Description of the Programme" is not misleading, inaccurate or inconsistent when read with the rest of the Base Prospectus;

- 4.1.11 *No material litigation*: save as set out in the Base Prospectus, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) which may have, or have had during the 12 months prior to the date of the Base Prospectus, an effect on the financial position or profitability of the Issuer and its Subsidiaries which is material in the context of the Programme or the issue of Notes thereunder;
- 4.1.12 *No material change*: save as set out in the Base Prospectus, since 31 December 2008 there has been no material adverse change in the prospects, and there has been no significant change in the financial or trading position, of the Issuer and its Subsidiaries which, in either case, is material in the context of the Programme or the issue of the Notes thereunder;
- 4.1.13 *No Event of Default*: there exists no event or circumstance which is or would (with the passing of time, the giving of notice or the making of any determination) become an Event of Default in relation to any outstanding Note (or, if the relevant Notes were then in issue) an Event of Default in relation to such Notes;
- 4.1.14 *OFAC sanctions target*: None of the Issuer or any of its Subsidiaries nor, to the knowledge of the Issuer, any director, officer, agent, employee or affiliate of the Issuer or any of its Subsidiaries is currently a target of any economic sanctions administered by the Office of Foreign Assets Control of the United States Department of Treasury; and
- 4.1.15 *No issue in excess of authority*: that the Issuer will not issue any Notes in a principal amount in excess of any authorisation by the board of directors of the Issuer in force at the time of issue of such Notes.

4.2 **Representations and warranties deemed repeated upon issue of Notes**

In respect of each Tranche of Notes agreed as contemplated herein to be issued and subscribed, each of the representations and warranties made by the Issuer in Clause 4.1 (*Representations and warranties*) shall be deemed to be repeated on the date on which the Relevant Agreement is made, on the Issue Date thereof and on each intervening date, in each case, with reference to the facts and circumstances then subsisting. For the purposes of this Clause 4.2, in the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in Clause 4.1 (*Representations and warranties*) to:

- 4.2.1 the Base Prospectus shall be deemed to be a reference to the relevant Drawdown Prospectus, unless any Relevant Dealer gives notice to the contrary to the Issuer before the issue of the relevant Notes; and
- 4.2.2 “in the context of the Programme” shall be deemed to be a reference to “in the context of the issue of the Notes”.

4.3 **Representations and warranties deemed repeated upon Programme amendment**

Each of the representations and warranties made by the Issuer in Clause 4.1 (*Representations and warranties*) shall be deemed to be repeated on each date on which a new Base Prospectus or a supplement to the Base Prospectus is published, with reference to the facts and circumstances then subsisting.

5. **UNDERTAKINGS BY THE ISSUER**

The Issuer undertakes to the Dealers as follows:

5.1 **Publication and delivery of Base Prospectus**

The Issuer shall procure that the Base Prospectus is made available to the public in accordance with the requirements of the Prospectus Directive and relevant implementing measures in the United Kingdom. In addition the Issuer shall deliver to the Dealers, without charge, on the date of this Agreement and hereafter from time to time as requested as many copies of the Base Prospectus as the Dealers may reasonably request.

5.2 **Change in matters represented**

The Issuer shall notify the Dealers as soon as practicable of anything which has or is reasonably likely to have rendered, or will or is reasonably likely to render, untrue or incorrect in any respect which is, in the context of the Programme or any issue of Notes, material any representation and warranty by the Issuer in this Agreement as if it had been made or given at such time with reference to the facts and circumstances then subsisting.

5.3 **Non-satisfaction of conditions precedent**

If, at any time after entering into a Relevant Agreement under Clause 2 (*Issuing Notes*) and before the issue of the relevant Notes, the Issuer becomes aware that the conditions specified in Clause 3.2 (*Conditions precedent to any issue of Notes*) will not be satisfied in relation to that issue, the Issuer shall forthwith notify the Relevant Dealer(s) to this effect giving reasonable details thereof.

5.4 **Updating of the Base Prospectus**

The Issuer shall update or amend the Base Prospectus (following consultation with the Arranger which will consult with the Dealers) by the publication of a supplement thereto or a new Base Prospectus in a form approved by the Dealers:

5.4.1 *Annual update*: on or before each anniversary of the date of the Base Prospectus; and

5.4.2 *Material change*: in the event that a significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus arises or is noted which is capable of affecting the assessment of any Notes which may be issued under the Programme.

The Issuer shall procure that any such supplement to the Base Prospectus or any such new Base Prospectus is made available to the public in accordance with the

requirements of the Prospectus Directive and relevant implementing measures in the United Kingdom. In addition the Issuer shall deliver to the Dealers, without charge, from time to time as requested as many copies of any such supplement to the Base Prospectus or any such new Base Prospectus as the Dealers may reasonably request.

5.5 **Drawdown Prospectus**

The Issuer shall procure that each (if any) Drawdown Prospectus is made available to the public in accordance with the requirements of the Prospectus Directive and relevant implementing measures in the United Kingdom. In addition the Issuer shall deliver to the relevant Mandated Dealer on behalf of the Relevant Dealer(s), without charge, from time to time as requested as many copies of the Drawdown Prospectus as the Relevant Dealer(s) may reasonably request. Without prejudice to its obligations under applicable law, the Issuer shall at the reasonable request of the relevant Mandated Dealer at any time prior to the later of completion (in the view of relevant Mandated Dealer) of the offer of the relevant Notes and, if an application will be made for the relevant Notes to be admitted to trading on a regulated market, such admission amend or supplement the Drawdown Prospectus to the satisfaction of the relevant Mandated Dealer and the relevant competent authority. The Issuer shall procure that any such amended Drawdown Prospectus or supplementary Drawdown Prospectus is made available to the public in accordance with the requirements of the Prospectus Directive and relevant implementing measures in the United Kingdom. In addition the Issuer shall deliver to the relevant Mandated Dealer on behalf of the Relevant Dealer(s), without charge, from time to time as requested as many copies of the relevant amended Drawdown Prospectus or supplementary Drawdown Prospectus as the Relevant Dealer(s) may reasonably request.

5.6 **Other information**

Without prejudice to the generality of the foregoing, the Issuer shall from time to time promptly furnish to each Dealer such information relating to the Issuer as such Dealer may reasonably request. For greater certainty, this Clause shall not require the Issuer to disclose any unpublished price-sensitive information to any Dealer.

5.7 **Listing and trading**

If, in relation to any issue of Notes, it is agreed between the Issuer and the Mandated Dealer to apply for such Notes to be admitted to listing, trading and/or quotation by one or more competent authorities, stock exchanges and/or quotation systems, the Issuer undertakes to use its reasonable endeavours to obtain and maintain the admission to listing, trading and/or quotation of such Notes by the relevant competent authority, stock exchange and/or quotation system until none of the Notes is outstanding; *provided, however, that* if it is impracticable or unduly burdensome to maintain such admission to listing, trading and/or quotation, the Issuer shall use its reasonable endeavours to obtain and maintain as aforesaid an admission to listing, trading and/or quotation for the Notes on such other competent authorities, stock exchanges and/or quotation systems as they may (with the approval of the Mandated Dealer) decide and the Issuer shall be responsible for any fees incurred in connection therewith.

5.8 **Amendment of Programme documents**

The Issuer undertakes that it will not, except with the consent of the Dealers (such consent not to be unreasonably withheld or delayed), terminate the Agency Agreement or the Trust Deed or effect or permit to become effective any amendment to any such agreement or deed which, in the case of an amendment, would or might adversely affect the interests of any holder of Notes issued before the date of such amendment.

5.9 **Change of Agents**

The Issuer undertakes that it will not, except with the consent of the Arranger (such consent not to be unreasonably withheld or delayed), appoint a different Principal Paying Agent, Registrar, Paying Agent(s) or Transfer Agent(s) under the Agency Agreement and that it will promptly notify each of the Dealers of any change in the Principal Paying Agent, Registrar, Paying Agent(s) or Transfer Agent(s) under the Agency Agreement.

5.10 **Authorised representative**

The Issuer will notify the Dealers promptly in writing if any of the persons named in the list referred to in paragraph 3 of Schedule 2 (*Initial Conditions Precedent*) ceases to be authorised to take action on behalf of the Issuer or if any additional person becomes so authorised together, in the case of an additional authorised person, with evidence satisfactory to the Dealers that such person has been so authorised.

5.11 **Legal opinions**

The Issuer will, in each of the circumstances described in 5.11.1 to 5.11.4 below, procure the delivery to the Dealers (or the Relevant Dealer(s), as the case may be) of legal opinions (either from legal counsel which originally provided such legal opinions or from such legal counsel as may be approved by the Dealers (acting reasonably) or, as the case may be, the Mandated Dealer in respect of the Relevant Agreement in question) in such form and with such content as the Dealers (or the Relevant Dealer(s), as the case may be) may reasonably require. In the case of 5.11.1 and 5.11.2 below, such opinion or opinions shall be supplied at the expense of the Issuer and, in the case of 5.11.3 and 5.11.4 below, the expense for the supply of such opinion or opinions shall be as agreed between the Issuer and the Relevant Dealer(s). Such opinion or opinions shall be delivered:

- 5.11.1 *Annual update*: before the first issue of Notes occurring after each anniversary of the date of this Agreement;
- 5.11.2 *Material change*: if reasonably requested by any Dealer in relation to a material change or proposed material change to the Base Prospectus, this Agreement, the Agency Agreement or the Trust Deed, or any change or proposed change in applicable law or regulation, at such date as may be specified by such Dealer;
- 5.11.3 *Syndicated issues*: at the time of issue of a Tranche which is syndicated amongst a group of institutions; and

5.11.4 *By agreement:* on such other occasions as a Dealer and the Issuer may agree.

5.12 **Auditors' comfort letters**

The Issuer will, in each of the circumstances described in 5.12.1, 5.12.2, 5.12.3, and 5.12.4 below, procure the delivery to the Dealers (or the Relevant Dealer(s), as the case may be) of a comfort letter or comfort letters from independent auditors substantially in the form provided at the date hereof, with such modifications as the Dealers (or the Relevant Dealer(s), as the case may be) may reasonably request *provided, however, that* no such letter or letters will be delivered in connection with the publication or issue of any annual or interim financial statements of the Issuer. In the case of 5.12.1 and 5.12.2 below, such letter or letters shall be provided at the expense of the Issuer and, in the case of 5.12.3 and 5.12.4 below, the expense for the delivery of such letter or letters shall be as agreed between the Issuer and the Relevant Dealer(s). Such letter or letters shall be delivered:

5.12.1 *Annual update:* before the first issue of Notes occurring after each anniversary of the date of this Agreement;

5.12.2 *Material change:* at any time that the Base Prospectus shall be amended, supplemented or updated where such amendment or updating concerns or contains financial information relating to the Issuer;

5.12.3 *Syndicated issues:* at the time of issue of any Tranche which is syndicated amongst a group of institutions; and

5.12.4 *By agreement:* on such other occasions as a Dealer and the Issuer may agree.

5.13 **No announcements**

During the period commencing on the date of a Relevant Agreement and ending on the Issue Date (or such other period as may be specified in the Relevant Agreement), the Issuer will not, without the prior consent of the Mandated Dealer (such consent not to be unreasonably withheld or delayed), make:

5.13.1 any public announcement which might reasonably be expected to have an adverse effect on the marketability of the relevant Notes; or

5.13.2 any communication which might reasonably be expected to prejudice the ability of any Relevant Dealer lawfully to offer or sell the Notes in accordance with the provisions set out in Schedule 1 (*Selling Restrictions*),

save where such announcement is required in order to comply with any laws or regulations applicable to the Issuer or its Subsidiaries in any jurisdiction or the rules or competent authority relating to any stock exchange on which the Issuer's equity or debt securities (or any derivatives thereof) are listed or traded.

5.14 **No competing issues**

During the period commencing on the date of a Relevant Agreement and ending on the Issue Date (or such other period as may be specified in the Relevant Agreement), the Issuer will not, without the prior consent of the Mandated Dealer (such consent not to

be unreasonably withheld or delayed), issue or agree to issue any other notes, bonds or other debt securities of whatsoever nature outside of the United States of America where such notes, bonds or other debt securities would have the same maturity and currency as the Notes to be issued on the relevant Issue Date and are intended to be admitted to listing, trading and/or quotation by one or more competent authorities, stock exchanges and/or quotation systems.

5.15 Information on Noteholders' meetings

The Issuer will, at the same time as it is despatched, furnish the Dealers with a copy of every notice of a meeting of the holders of any one or more Series of Notes and which is despatched at the instigation of the Issuer and will notify the Dealers as soon as reasonably practicable upon its becoming aware that a meeting of the holders of any one or more Series of Notes has been convened by holders of such Notes.

5.16 No deposit-taking

In respect of any Tranche of Notes having a maturity of less than one year, the Issuer will issue such Notes only if the following conditions apply (or the Notes can otherwise be issued without contravention of section 19 of the FSMA):

5.16.1 *Selling restrictions*: each Relevant Dealer represents, warrants and agrees in the terms set out in sub-clause 4.1 of Schedule 1 (*Selling Restrictions*); and

5.16.2 *Minimum denomination*: the redemption value of each such Note is not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and no part of any Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).

5.17 Supplement to Base Prospectus or any Drawdown Prospectus

If, in relation to any issue of Notes, in the period from (and including) the date of the Relevant Agreement to (and including) the relevant Issue Date the Issuer publishes a supplement to the Base Prospectus or the relevant Drawdown Prospectus, it shall be unable to repeat the representations and warranties concerning the Base Prospectus or the relevant Drawdown Prospectus in Clause 4.1 (*Representations and warranties*) in the manner required by Clause 4.2 (*Representations and warranties deemed repeated upon issue of Notes*) unless the Mandated Dealer (on behalf of any other Dealers party to the Relevant Agreement) agrees otherwise.

5.18 Use of proceeds

None of the Issuer or any member of the Group will: -

5.18.1 directly or indirectly use the proceeds of the offering of the Notes for any purpose which would violate, when and as applicable, US economic sanctions or the US Foreign Corrupt Practices Act of 1977 as amended; or

5.18.2 lend, invest, contribute or otherwise make available the proceeds of the offering of the Notes to or for the benefit of any then-current Sanctions Target.

5.19 **No fiduciary duty**

The Issuer:

5.19.1 acknowledges and agrees that no fiduciary or agency relationship between the Issuer and any Dealer has been created in respect of any issue of Notes, irrespective of whether any Dealer has advised or is advising the Issuer on other matters; and

5.19.2 hereby waives any claims that it may have against any Dealer with respect to any breach of fiduciary duty in connection with any issue of Notes.

6. **INDEMNITY**

6.1 **Indemnity by the Issuer**

The Issuer undertakes to each Dealer that if that Dealer or any Indemnified Person incurs any Loss arising out of, in connection with or based on:

6.1.1 *Misrepresentation*: any inaccuracy or alleged inaccuracy of any representation and warranty by the Issuer in this Agreement or in any Relevant Agreement (on the date of this Agreement or, as the case may be, of any Relevant Agreement or on any other date when it is deemed to be repeated) or otherwise made by the Issuer in respect of any Tranche; or

6.1.2 *Breach*: any breach or alleged breach by the Issuer of any of its undertakings in this Agreement or in any Relevant Agreement or otherwise made by the Issuer in respect of any Tranche,

the Issuer shall pay to that Dealer on demand an amount equal to such Loss. No Dealer shall have any duty or obligation, whether as fiduciary for any Indemnified Person or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this Clause 6.

6.2 Without prejudice to the other rights or remedies of the Issuer, each Dealer severally undertakes with the Issuer that it will hold each relevant Indemnified Person indemnified against any Losses which that Indemnified Person may incur or which may be made against it as a result of or in relation to any breach by the Dealer of the restrictions and agreements contained in Schedule 1 (*Selling Restrictions*); provided that no Dealer shall be liable hereunder for any Losses arising from the sale by it of any Notes to any person believed in good faith by such Dealer, on reasonable grounds and without actual knowledge on the part of the Dealer to the contrary, to be a person to whom the Notes could be sold in compliance with the provisions of Schedule 1 (*Selling Restrictions*).

6.3 Promptly after receipt by an Indemnified Person of notice of the commencement of any action in respect of which the indemnity contained in Clause 6.1 or 6.2 above relates, such Indemnified Person will, if a claim in respect thereof is to be made against the Issuer or, as the case may be, any Dealer under this clause (the “**Indemnifier**”), notify each relevant Indemnifier in writing of the commencement thereof; but the omission so

to notify any relevant Indemnifier will not relieve it from any liability which it may have to any relevant Indemnified Person hereunder, (i) unless and except to the extent it did not otherwise learn of such claim and such failure results in the forfeiture by the Indemnifier of substantial rights and defences, or (ii) which it may have otherwise than under this Clause 6.

6.4 In case any such action is brought against any Indemnified Person, and it notifies each relevant Indemnifier of the commencement thereof, any relevant Indemnifier will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the relevant Indemnified Person promptly after receiving the aforesaid notice from such relevant Indemnified Person, to assume the defence thereof, with counsel satisfactory to such relevant Indemnified Person; provided, however, that if the defendants in any such action include both the Indemnified Person and any relevant Indemnifier and the Indemnified Person shall have reasonably concluded that there may be legal defences available to it and/or other Indemnified Persons which are different from or are additional to those available to each relevant Indemnifier, the Indemnified Person or Persons shall have the right to select separate counsel to assert its legal defences and to otherwise participate in the defence of such action on behalf of such Indemnified Person or Persons.

6.5 Upon receipt of notice from each relevant Indemnifier to such Indemnified Person under this Clause 6.5, no Indemnifier will be liable to the Indemnified Person for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defence thereof, unless:

- (i) the Indemnified Person shall have retained separate counsel in connection with the assertion of legal defences in accordance with the proviso in Clause 6.4 above (it being understood, however, that each relevant Indemnifier shall not be liable for the expenses of more than one separate counsel per jurisdiction, approved by the Indemnified Person for representing the Indemnified Person or Persons who are parties to such action);
- (ii) no relevant Indemnifier shall have retained counsel satisfactory to the Indemnified Person to represent the Indemnified Person within a reasonable time after notice of the commencement of the action; or
- (iii) the relevant Indemnifier (having assumed such defence) fails properly to make such defence;
- (iv) any relevant Indemnifier has authorised the retention of counsel for the Indemnified Person at the expense of such Indemnifier;

and except that, if sub-clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in sub-clause (i) or (iii).

6.6 The Indemnifier shall not, without the prior written consent of each Indemnified Person, settle or compromise, or consent to the entry of judgment with respect to, any pending or threatened claim in respect of which it has an obligation to indemnify the

Indemnified Person (irrespective of whether any Indemnified Person is an actual or potential defendant in, or target of, such claim) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Person and each of its Related Parties from all liability arising out of the matters which are the subject of such claim. The Indemnifier shall not be liable to pay any amount under this Clause 6 to any Indemnified Person where the relevant claim has been settled or compromised without its prior written consent (which shall not be unreasonably withheld or delayed).

7. **SELLING RESTRICTIONS**

Each of the parties hereto:

7.1 **Schedule 1**

Represents, warrants and undertakes as set out in Schedule 1 (*Selling Restrictions*).

7.2 **Subsequent changes**

Agrees that, for these purposes, Schedule 1 (*Selling Restrictions*) shall be deemed to be modified to the extent (if at all) that any of the provisions set out in Schedule 1 (*Selling Restrictions*) relating to any specific jurisdiction shall, as a result of change(s) in, or change(s) in official interpretation of, applicable laws and regulations after the date hereof, no longer be applicable.

7.3 **Final Terms**

Agrees that if, in the case of any Tranche of Notes, any of the provisions set out in Schedule 1 (*Selling Restrictions*) are modified and/or supplemented by provisions of the relevant Final Terms, then, in respect of the Issuer, the Relevant Dealers and that Tranche of Notes only, Schedule 1 (*Selling Restrictions*) shall further be deemed to be modified and/or supplemented to the extent described in the relevant Final Terms.

7.4 **General**

Agrees that the provisions of Clauses 7.2 and 7.3 shall be without prejudice to the obligations of the Dealers contained in the paragraph headed "General" in Schedule 1 (*Selling Restrictions*).

8. **CALCULATION AGENT**

8.1 **Principal Paying Agent as Calculation Agent**

The Principal Paying Agent has, in the Agency Agreement, agreed to act as Calculation Agent in respect of each Series of Notes unless the Dealer (or one of the Dealers) through whom such Notes are issued has agreed with the Issuer to act as Calculation Agent (or the Issuer otherwise agrees to appoint another institution to act as Calculation Agent) in respect of such Notes.

8.2 **Mandated Dealer as Calculation Agent**

In relation to any Series of Notes in respect of which the Issuer and the Mandated Dealer have agreed that the Mandated Dealer shall act as Calculation Agent and the Mandated Dealer is named as the Calculation Agent in the relevant Final Terms:

8.2.1 *Appointment*: the Issuer appoints the Mandated Dealer as Calculation Agent in respect of such Series of Notes on the terms of the Agency Agreement (and with the benefit of the provisions thereof) and the Terms and Conditions; and

8.2.2 *Acceptance*: the Mandated Dealer accepts such appointment and shall perform all matters expressed to be performed by it in, and otherwise comply with, the Terms and Conditions and the provisions of the Agency Agreement.

9. **AUTHORITY TO DISTRIBUTE DOCUMENTS**

Subject as provided in Clause 7 (*Selling Restrictions*), the Issuer hereby authorises each of the Dealers on their behalf to provide or make to actual and potential purchasers of Notes:

9.1 **Documents**

Copies of the Base Prospectus, any Drawdown Prospectus and any other documents entered into in relation to the Programme.

9.2 **Representations**

Information and representations consistent with the Base Prospectus, any Drawdown Prospectus and any other documents entered into in relation to the Programme and any other documents as the Issuer shall approve in advance for Dealers to use in connection therewith.

9.3 **Other information**

Such other documents and additional information as the Issuer shall supply to the Dealers or approve for the Dealers to use or such other information as is in the public domain.

10. **STATUS OF THE ARRANGER**

Each of the Dealers agrees that the Arranger has only acted in an administrative capacity to facilitate the establishment and/or maintenance of the Programme and has no responsibility to it for (a) the adequacy, accuracy, completeness or reasonableness of any representation, warranty, undertaking, agreement, statement or information in the Base Prospectus, any Drawdown Prospectus, any Final Terms, this Agreement or any information provided in connection with the Programme or (b) the nature and suitability to it of all legal, tax and accounting matters and all documentation in connection with the Programme or any Tranche.

11. **FEES AND EXPENSES**

11.1 **Issuer's costs and expenses**

The Issuer is responsible for payment of the reasonable and proper costs, charges and expenses (and any applicable value added tax):

11.1.1 *Professional advisers*: of the legal, accountancy and other professional advisers instructed by the Issuer in connection with the establishment and maintenance of the Programme, the preparation of the Base Prospectus, any

Drawdown Prospectus or the issue and sale of any Notes or the compliance by the Issuer with its obligations hereunder or under any Relevant Agreement (including, without limitation, the provision of legal opinions and comfort letters as and when required by the terms of this Agreement or any Relevant Agreement);

- 11.1.2 *Arranger's advisers:* of any legal and other professional advisers instructed by the Arranger in connection with the establishment and maintenance of the Programme;
- 11.1.3 *Legal Documentation:* incurred in connection with the preparation and delivery of this Agreement, the Agency Agreement, the Trust Deed, the Programme Manual and any Relevant Agreement and any other documents connected with the Programme or any Notes;
- 11.1.4 *Printing:* of and incidental to the setting, proofing, printing and delivery of the Base Prospectus, any Drawdown Prospectus, any Final Terms and any Notes (in global or definitive form) including inspection and authentication;
- 11.1.5 *Agents:* of the other parties to the Agency Agreement;
- 11.1.6 *Listing and trading:* incurred at any time in connection with the application for any Notes to be admitted to listing, trading and/or quotation by any competent authorities, stock exchanges and/or quotation systems and the maintenance of any such admission(s);
- 11.1.7 *Advertising:* of any advertising agreed upon between the Issuer and the Arranger or the Mandated Dealer; and
- 11.1.8 *Ratings:* the cost of obtaining any credit rating for the Notes.

11.2 **Taxes**

All payments in respect of the obligations of the Issuer under this Agreement and each Relevant Agreement shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States of America or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Dealer of such amounts as would have been received by it if no such withholding or deduction had been required.

11.3 **Stamp Duties**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the establishment of the Programme, the issue, sale or delivery of Notes and the entry into, execution and delivery of this Agreement, the Agency Agreement, the Trust Deed, each Relevant Agreement and each Final Terms and shall

indemnify each Dealer against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it may incur or which may be made against it as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

12. NOTICES

12.1 Addressee for notices

All notices and communications hereunder or under any Relevant Agreement shall be made in writing and in English (by letter or fax) and shall be sent to the addressee at the address or fax number specified against its name in Schedule 5 (*Notice and Contact Details*) to the Programme Manual (or, in the case of a Dealer not originally party hereto, specified by notice to the Issuer and the other Dealers at or about the time of its appointment as a Dealer) and for the attention of the person or department therein specified (or as aforesaid) or, in any case, to such other address or fax number and for the attention of such other person or department as the addressee has by prior notice to the sender specified for the purpose.

12.2 Effectiveness

Every notice or other communication sent in accordance with Clause 12.1 (*Addressee for notices*) shall be effective upon receipt by the addressee *provided, however, that* any such notice or other communication which would otherwise take effect (a) on a day which is not a business day in the place of the addressee or (b) after 4.00 p.m. on any particular day shall not, in either case, take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13. CHANGES IN DEALERS

13.1 Termination and appointment

The Issuer may:

- 13.1.1 *Termination:* by thirty days' notice in writing to any Dealer, terminate this Agreement in relation to such Dealer (but without prejudice to any rights or obligations accrued or incurred on or before the effective date of termination and in particular but without limitation the validity of any Relevant Agreement); and/or
- 13.1.2 *New Dealer:* at any time nominate any institution as a new Dealer hereunder in respect of the Programme, in which event, upon the confirmation by such institution of a letter in the terms or substantially in the terms set out in Schedule 4 (*Form of Dealer Accession Letter*) to the Programme Manual or on any other terms acceptable to the Issuer and such institution, such institution shall (subject to the terms of such Dealer's confirmation) become a party hereto with all the authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer hereunder; and/or
- 13.1.3 *Dealer for a day:* nominate any institution as a new Dealer hereunder only in relation to a particular Tranche, in which event, upon the confirmation by

such institution of a letter in the terms or substantially in the terms set out in Schedule 4 (*Form of Dealer Accession Letter*) to the Programme Manual or pursuant to an agreement in or substantially in the form of Schedule 3 (*Pro Forma Subscription Agreement*) or on any other terms acceptable to the Issuer and such institution, such institution shall (subject to the terms of such Dealer's confirmation) become a party hereto with all the authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer hereunder *provided that*:

- (a) such authority, rights, powers, duties and obligations shall extend to the relevant Tranche only; and
- (b) following the issue of the Notes of the relevant Tranche, the relevant new Dealer shall have no further authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of the relevant Tranche.

13.2 **Resignation**

Any Dealer may, by thirty days' written notice to the Issuer, resign as a Dealer under this Agreement (but without prejudice to any rights or obligations accrued or incurred on or before the effective date of resignation and in particular the validity of any Relevant Agreement).

13.3 **Notification**

The Issuer will notify existing Dealers appointed generally in respect of the Programme and the Principal Paying Agent of any change in the identity of other Dealers appointed generally in respect of the Programme as soon as reasonably practicable thereafter.

14. **ASSIGNMENT**

14.1 **Successors and assigns**

This Agreement shall be binding upon and shall inure for the benefit of the Issuer and the Dealers and their respective successors and permitted assigns.

14.2 **Issuer**

The Issuer may not assign its rights or transfer its obligations under this Agreement or any Relevant Agreement, in whole or in part, without the prior written consent of each of the Dealers or, as the case may be, the Relevant Dealer(s) (such consent not to be unreasonably withheld or delayed) and any purported assignment or transfer without such consent shall be void.

14.3 **Dealers**

No Dealer may assign any of its rights or delegate or transfer any of its obligations under this Agreement or any Relevant Agreement, in whole or in part, without the prior written consent of the Issuer and any purported assignment or transfer without such consent shall be void, except for an assignment and transfer of all of a Dealer's rights and obligations hereunder in whatever form such Dealer determines may be appropriate to a partnership, corporation, trust or other organisation in whatever form

that may succeed to, or to which the Dealer transfers, all or substantially all of such Dealer's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such transfer and assumption of obligations, such Dealer shall be relieved of, and fully discharged from, all obligations hereunder and any Relevant Agreement, whether such obligations arose before or after such transfer and assumption.

15. **CURRENCY INDEMNITY**

15.1 **Non-contractual currency**

Any amount received or recovered by a Dealer from the Issuer in a currency other than that in which the relevant payment is expressed to be due (the "**Contractual Currency**") as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise in respect of any sum due to it from the Issuer in connection with this Agreement, shall only constitute a discharge to the Dealer to the extent of the amount in the Contractual Currency which such Dealer is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

15.2 **Indemnities**

If any amount referred to in Clause 15.1 (*Non-contractual currency*) received or recovered by a Dealer is less than the amount in the Contractual Currency expressed to be due to such Dealer under this Agreement, the Issuer shall indemnify such Dealer against any loss sustained by such Dealer as a result. In any event, the Issuer shall indemnify such Dealer against any cost of making such purchase which is reasonably incurred.

15.3 **Separate obligations**

The indemnities referred to in Clause 15.2 (*Indemnities*) constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Dealer and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in connection with this Agreement or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Dealer and no proof or evidence of any actual loss will be required by the Issuer.

16. **LAW AND JURISDICTION**

16.1 **Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

16.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Agreement (including a dispute relating to the

existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) or the consequences of its nullity.

16.3 Appropriate forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

16.4 Process agent

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hunton & Williams at 30 St. Mary Axe, London EC3A 8EP or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Dealer addressed to the Issuer and delivered to the Issuer, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Dealer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Dealer to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

18. RIGHTS OF THIRD PARTIES

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

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

SCHEDULE 1
SELLING RESTRICTIONS

1. **GENERAL**

Each Dealer severally represents, warrants and undertakes to the Issuer that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at its own expense unless agreed otherwise in writing.

2. **UNITED STATES**

2.1 **No registration under Securities Act**

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.

2.2 **Compliance by Issuer with United States securities laws**

The Issuer represents, warrants and undertakes to the Dealers that neither it nor any of its affiliates (including any person acting on behalf of the Issuer or any of its affiliates) has offered or sold, or will offer or sell, any Notes in any circumstances which would require the registration of any of the Notes under the Securities Act and, in particular, that:

2.2.1 *No directed selling efforts*: neither the Issuer or any of its affiliates nor any person acting on their behalf has engaged or will engage in any directed selling efforts with respect to the Notes; and

2.2.2 *Offering restrictions*: the Issuer and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

2.3 **Dealers' compliance with United States securities laws:**

In relation to each Tranche of Notes:

2.3.1 *Offers/sales only in accordance with Regulation S*: each Dealer represents, warrants and undertakes to the Issuer that it has offered and sold the Notes, and will offer and sell the Notes:

(a) *Original distribution*: as part of their distribution, at any time; and

(b) *Outside original distribution*: otherwise, until 40 days after the issue date,

only in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

- (i) *No directed selling efforts*: neither it nor any of its affiliates (including any person acting on behalf of such Dealer or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and
- (ii) *Offering restrictions*: such Dealer and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and

2.3.2 *Prescribed form of confirmation*: each Dealer undertakes to the Issuer that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the distribution compliance period a confirmation or notice in substantially the following form:

“The Securities covered hereby have not been registered under the United States Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, as determined by [Name of Dealer or Dealers, as the case may be], except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

2.3.3 *Completion of distribution*: each Dealer which has purchased Notes of such Tranche in accordance with this Agreement shall determine and certify to the Mandated Dealer the completion of the distribution of the Notes of such Tranche purchased by it. In the case of a Relevant Agreement between the Issuer and more than one Dealer, the Mandated Dealer shall notify each Relevant Dealer when all Relevant Dealers have certified as provided in this paragraph. In order to facilitate compliance by each Dealer with the foregoing, the Issuer undertakes that, prior to such certification with respect to such Tranche, it will notify each Dealer in writing of each acceptance by the Issuer of an offer to purchase and of any issuance of, Notes or other debt obligations of the Issuer which are denominated in the same currency or composite currency and which have substantially the same interest rate and maturity date as the Notes of such Tranche.

*Where the relevant Final Terms for Bearer Notes specifies that the TEFRA D Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of United States Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”). Where the relevant Final Terms specifies that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of the TEFRA D Rules.*

2.4 **The TEFRA D Rules**

Where the TEFRA D Rules are specified in the relevant Final Terms as being applicable in relation to any Tranche of Notes, each Dealer represents, warrants and undertakes to the Issuer that:

2.4.1 *Restrictions on offers etc.:* except to the extent permitted under the TEFRA D Rules:

- (a) *No offers etc. to United States or United States persons:* it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and
- (b) *No delivery of definitive Notes in the United States:* it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes sold during the restricted period,

2.4.2 *Internal procedures:* 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 the Notes cannot 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 TEFRA D Rules; and

2.4.3 *Additional provision if United States person:* if it is a United States person, it is acquiring the Notes for the purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6),

and, with respect to each affiliate of such Dealer (as described in United States Treasury Regulation §1.163-5(c)(2)(i)(D)(4)(iii)) that acquires Notes from such Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer undertakes to the Issuer that it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in sub-clauses 2.4.1, 2.4.2 and 2.4.3.

2.5 **Interpretation**

Terms used in sub-clause 2.2 and 2.3 have the meanings given to them by Regulation S under the Securities Act. Terms used in sub-clause 2.4 have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

2.6 **Index-, commodity- or currency-linked Notes**

Each issuance of index-, commodity- or currency-linked Notes shall be subject to additional U.S. selling restrictions as the Relevant Dealer(s) shall agree as a term of the issuance and purchase of such Notes. Each Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

3. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer represents, warrants and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- 3.1 *Authorised institutions:* at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; or
- 3.2 *Significant enterprises:* at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or
- 3.3 *Fewer than 100 offerees:* at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- 3.4 *Other exempt offers:* at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in 3.1 to 3.4 above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

4. **SELLING RESTRICTIONS ADDRESSING ADDITIONAL UNITED KINGDOM SECURITIES LAWS**

In relation to each Tranche of Notes, each Relevant Dealer represents, warrants and undertakes to the Issuer and each other Relevant Dealer (if any) that:

4.1 **No deposit-taking:**

In relation to any Notes having a maturity of less than one year:

4.1.1 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:

4.1.2 it has not offered or sold and will not offer or sell any Notes other than to persons:

- (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (b) 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 FSMA by the Issuer.

4.2 **Financial promotion**

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 the Issuer.

4.3 **General compliance**

It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

5. **JAPAN**

Each Dealer understands that 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 undertakes 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 re-offering or resale, directly or indirectly, in Japan or to 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**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

SCHEDULE 2
INITIAL CONDITIONS PRECEDENT

1. **Constitutive documents**

A certified true copy of the amended and restated Articles of Incorporation and amended and restated By-laws of the Issuer.

2. **Authorisations**

Certified true copies of all resolutions and other authorisations required to be passed or given, and evidence of any other action required to be taken, on behalf of the Issuer authorising the establishment of the Programme, the issue of Notes thereunder, the execution and delivery of the Dealer Agreement, the Agency Agreement, the Trust Deed and the Notes and the performance of the Issuer's obligations thereunder and the appointment of the persons named in the lists referred to in paragraph 3 below.

3. **Incumbency certificates**

In respect of the Issuer, a list of the names, titles and specimen signatures of the persons authorised:

- (a) to sign on its behalf the above mentioned documents;
- (b) to enter into any Relevant Agreement with any Dealer(s);
- (c) to sign on its behalf all notices and other documents to be delivered pursuant thereto or in connection therewith; and
- (d) to take any other action on its behalf in relation to the Programme.

4. **Consents**

A certified true copy of any necessary governmental, regulatory, tax, exchange control or other approvals or consents.

5. **Dealer Agreement**

The Dealer Agreement, duly executed.

6. **Agency Agreement**

The Agency Agreement, duly executed or a conformed copy thereof.

7. **Trust Deed**

The Trust Deed, duly executed or a conformed copy thereof.

8. **Programme Manual**

The Programme Manual, duly signed for the purposes of identification by the Issuer, the Trustee, the Principal Paying Agent and the Registrar.

9. **Base Prospectus**

The Base Prospectus.

10. **Confirmation of admission to listing and trading**
Confirmation of the admission of the Programme to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange subject only to the issue of Notes.
11. **Legal opinions**
Legal opinions from Hunton & Williams LLP and Clifford Chance LLP.
12. **Auditors' comfort letter**
Comfort letter from PricewaterhouseCoopers LLP.
13. **Master global Notes**
Confirmation that master temporary and permanent global Notes duly executed by the Issuer have been delivered to the Principal Paying Agent and that master global registered Note certificates duly executed by the Issuer have been delivered to the Registrar.
14. **Ratings**
Confirmation from the Issuer of the rating for the Programme obtained from Moody's Investors Services Limited, Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. and Fitch Ratings Limited.
15. **Process agent**
A certified copy of a letter from Hunton & Williams agreeing to act as process agent for the Issuer in relation to the Dealer Agreement, the Agency Agreement, the Trust Deed and the Notes.
16. **Issuer Effectuation Authorisation**
A duly executed or a conformed copy of the authorisation from the Issuer to each ICSD, to effectuate any Global Notes issued under the Programme and delivered by, or on behalf of the Issuer to that ICSD.
17. **Issuer — ICSD Agreement**
A duly executed or a conformed copy of the agreement between the Issuer and the ICSDs with respect to the settlement in the ICSDs of Notes in New Global Note form.

SCHEDULE 3

PRO FORMA SUBSCRIPTION AGREEMENT

PHILIP MORRIS INTERNATIONAL INC.

EURO MEDIUM TERM NOTE PROGRAMME

[CURRENCY][AMOUNT]

[FIXED RATE/FLOATING RATE] NOTES DUE [MATURITY]

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made on [date]

BETWEEN:

- (1) **PHILIP MORRIS INTERNATIONAL INC.** (“the **Issuer**”);
- (2) [•] as lead manager (the “**Lead Manager**”); and
- (3) [•], [•] and [•] (together with the Lead Manager, the “**Managers**”).

WHEREAS:

- (A) The Issuer has established a Euro Medium Term Note Programme (the “**Programme**”) in connection with which they have entered into dealer agreement dated 13 March 2009 (the “**Dealer Agreement**”).
- (B) Pursuant to the Dealer Agreement, the Issuer is entitled to sell Notes (as defined in the Dealer Agreement) issued under the Programme to institutions who become Dealers in relation to a particular Tranche of Notes only. Each of the Managers is either a Dealer in relation to the Programme or has agreed to become a Dealer in relation to the Notes (as defined below) pursuant to the provisions of this Agreement.
- (C) The Issuer proposes to issue [description of Notes] Notes due [maturity date] (the “**Notes**”) and the Managers wish to subscribe such Notes.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 **Relevant Agreement**

This Agreement is a “Relevant Agreement” as that term is defined in the Dealer Agreement and each of the Managers is a Dealer on the terms set out in the Dealer Agreement, save as expressly modified herein. This Agreement is supplemental to, and should be read and construed in conjunction with, the Dealer Agreement.

1.2 **The Notes**

The Notes are issued under the Programme and accordingly are Notes as defined in and for the purposes of the Dealer Agreement, the Agency Agreement and the Trust Deed.

1.3 **Defined terms and construction**

All terms and expressions which have defined meanings in the Dealer Agreement shall have the same meanings in this Agreement except where the context requires otherwise or unless otherwise stated. In the event of any conflict or inconsistency between the provisions of this Agreement and the Dealer Agreement, the provisions of this Agreement shall apply. The provisions of Clauses 1.2 (*Clauses and Schedules*) to 1.5 (*Headings*) of the Dealer Agreement shall apply to this Agreement *mutatis mutandis*.

2. NEW DEALER(S)

2.1 Appointment

It is agreed that each of [], [] and [] (for the purposes of this paragraph 2, a “**New Dealer**”) shall become a Dealer upon the terms of the Dealer Agreement with all the authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under the Dealer Agreement *provided that*:

2.1.1 *Notes only*: such authority, rights, powers, duties and obligations shall extend to the Notes only; and

2.1.2 *Termination*: following the issue of the Notes, each New Dealer shall have no further authority, rights, powers, duties or obligations except such as may have accrued or been incurred prior to, or in connection with, the issue of the Notes.

2.2 Conditions precedent documents

Each New Dealer confirms that it has received sufficient copies of such of the conditions precedent documents and confirmations listed in Schedule 2 (*Initial Conditions Precedent*) to the Dealer Agreement as it has requested, that these have been found satisfactory to it and that the delivery of any of the other documents or confirmations listed in Schedule 2 (*Initial Conditions Precedent*) to the Dealer Agreement is not required.

3. ISSUE OF THE NOTES

3.1 Final Terms

The Issuer confirms that it has approved the final terms (the “**Final Terms**”) dated [date] in connection with the issue of the Notes and confirms that the Final Terms is an authorised document for the purposes of Clause 9 (*Authority to Distribute Documents*) of the Dealer Agreement.

3.2 Undertaking to issue

The Issuer undertakes to the Managers that, subject to and in accordance with the provisions of this Agreement, the Notes will be issued on [date] (the “**Issue Date**”), in accordance with this Agreement and the Agency Agreement.

3.3 Undertaking to subscribe

The Managers undertake to the Issuer that, subject to and in accordance with the provisions of this Agreement, they will subscribe and pay for the Notes on the Issue Date at [figure] per cent. of the aggregate principal amount of the Notes (the “**Issue Price**”) [plus (if the Issue Date is postponed in accordance with Clause [6.2] (*Postponed closing*)) any accrued interest in respect thereof]. The obligations of the Managers under this sub-clause are joint and several.

3.4 [Fixed price re-offering

Each Manager represents, warrants and agrees that, prior to being notified by the Lead Manager that the Notes are free to trade, it has not offered or sold and will not offer or

sell (and has procured and will procure that none of its subsidiaries or affiliates offers or sells) any Notes at a price less than the offered price set by the Lead Manager.]

3.5 **[Agreement among Managers]**

The execution of this Agreement on behalf of all parties hereto will constitute acceptance by each Manager of the ICMA Agreement Among Managers Version 1 subject to any amendment notified to such Manager in writing at any time prior to the earlier of the receipt by the Lead Manager of the document appointing such Manager's authorised signatory and its execution of this Agreement.]

4. **ADDITIONAL REPRESENTATIONS AND WARRANTIES [AND UNDERTAKINGS]**

[Consider carefully any additional representations and warranties and/or undertakings which may be required in relation to the Notes.]

[Where an issue of Notes is structured on a "retention" (as opposed to "pot") basis, the Lead Manager should consider carefully whether any amendment needs to be made to paragraph 2.3.3 of Schedule 2 to the Dealer Agreement.]

5. **FEES AND EXPENSES**

5.1 **Combined management and underwriting commission**

The Issuer shall, on the Issue Date, pay to the Lead Manager for the account of the Managers a combined management and underwriting commission of *[figure]* per cent. of the aggregate principal amount of the Notes. Such commission shall be deducted from the Issue Price.

OPTION 1 (SELLING COMMISSION)

5.2 **Selling commission**

The Issuer shall, on the Issue Date, pay to the Lead Manager for the account of the Managers a selling commission of *[figure]* per cent. of the aggregate principal amount of the Notes. Such commission shall be deducted from the Issue Price.

OPTION 2 (SELLING CONCESSION)

5.2 **Selling concession**

The Issuer shall allow to the Managers a selling concession of *[figure]* per cent. of the principal amount of each Note. Such concession shall be deducted from the Issue Price.

[END OF OPTIONS]

[NOTE — CARE SHOULD BE TAKEN TO ENSURE THAT CLAUSE 5.3 IS ADAPTED AS NECESSARY TO REFLECT THE AGREEMENT BETWEEN THE LEAD MANAGER AND THE ISSUER AS TO FEES AND EXPENSES.]

5.3 Management expenses

OPTION 1 (FIXED SUM IN LIEU OF REIMBURSEMENT OF EXPENSES)

The Issuer shall pay to the Lead Manager on demand [currency][amount] in lieu of reimbursement of any reasonable legal fees and expenses and any travelling, communication, courier, postage and other out-of-pocket expenses incurred by it in connection with the management of the issue of the Notes. Such amount may be deducted from the Issue Price.

OPTION 2 (REIMBURSEMENT OF EXPENSES IN FULL)

The Issuer shall reimburse the Lead Manager on demand for all reasonable legal fees and expenses and any travelling, communication, courier, postage and other reasonable out-of-pocket expenses incurred by it in connection with the management of the issue of the Notes. Any amount due to the Lead Manager under this sub-clause may be deducted from the Issue Price.

OPTION 3 (REIMBURSEMENT OF EXPENSES SUBJECT TO CAP)

The Issuer shall reimburse the Lead Manager on demand for all reasonable legal fees and expenses and any travelling, communication, courier, postage and other reasonable out-of-pocket expenses incurred by it in connection with the management of the issue of the Notes; *provided, however, that* the aggregate liability of the Issuer under this sub-clause shall not exceed [currency][amount]. Any amount due to the Lead Manager under this sub-clause may be deducted from the Issue Price.

OPTION 4 (EXPENSES SIDE LETTER)

The arrangements relating to costs and expenses incurred in connection with the issue of the Notes will be separately agreed between the Issuer and the Lead Manager.

It is expressly agreed for the purposes of Clause 3.4 (*Termination of Relevant Agreement*) of the Dealer Agreement that the Issuer shall remain liable pursuant to this Clause [5.3] (*Expenses*) in respect of such fees and expenses incurred by the Lead Manager prior to or in connection with such termination notwithstanding the termination of this agreement.

END OF OPTIONS

6. CLOSING

6.1 Closing

Subject to Clause [6.3] (*Conditions precedent*), the closing of the issue shall take place on the Issue Date, whereupon:

OPTION 1 (BEARER NOTES)

6.1.1 *Delivery of [Temporary/Permanent] Global Note:* the Issuer shall deliver the [Temporary/Permanent] Global Note, duly executed on behalf of the Issuer

and authenticated in accordance with the Agency Agreement, to a [common depository]/[common safekeeper] designated for the purpose by Euroclear and Clearstream, Luxembourg for credit on the Issue Date to the accounts of Euroclear and Clearstream, Luxembourg with such [common depository]/[common safekeeper].

- 6.1.2 *Payment of net issue proceeds:* against such delivery, the Managers shall procure the payment of the net proceeds of the issue of the Notes (namely the Issue Price [plus accrued interest] less the fees and expenses that are to be deducted pursuant to Clause [5] (*Fees and Expenses*)) to the Issuer by credit transfer in [currency] for [immediate/same day] value to such account as the Issuer has designated to the Lead Manager.

OPTION 2 (REGISTERED NOTES)

- 6.1.1 *Global Registered Note:* the Issuer shall:

- (a) *Registration:* cause the Notes to be registered in the name of a nominee for a common depository designated for the purpose by Euroclear and Clearstream, Luxembourg for credit on the Closing Date to the accounts of Euroclear and Clearstream, Luxembourg with such common depository; and
- (b) *Delivery:* deliver the Global Registered Note, duly executed on behalf of the Issuer and authenticated in accordance with the Agency Agreement, to such common depository; and

- 6.1.2 *Payment of net issue proceeds:* against such registration and delivery, the Managers shall procure the payment of the net proceeds of the issue of the Notes (namely the Issue Price [plus accrued interest] less the fees and expenses that are to be deducted pursuant to Clause [5] (*Fees and Expenses*)) to the Issuer by credit transfer in [currency] for [immediate/same day] value to such account as the Issuer has designated to the Lead Manager.

[END OF OPTIONS]

6.2 Postponed closing

The Issuer and the Lead Manager (on behalf of the Managers) may agree to postpone the Issue Date to another date not later than [date - usually 14 days after the scheduled date for closing], whereupon all references herein to the Issue Date shall be construed as being to that later date.

6.3 Conditions precedent

The Managers shall only be under obligation to subscribe and pay for the Notes if the conditions precedent set out in Clause 3.1 (*Conditions precedent to first issue of Notes*) and Clause 3.2 (*Conditions precedent to any issue of Notes*) of the Dealer Agreement have been satisfied including, without prejudice to the foregoing, the receipt by the Lead Manager (on behalf of the Managers) on the [Issue Date]/[last day preceding the

Issue Date on which banks are open for general business and on which dealings in foreign currency may be carried on in London (the “**Pre-closing Date**”) of the following:

- 6.3.1 *Legal opinions*: pursuant to Clause 3.2.10 (*Legal opinions and comfort letters etc.*) of the Dealer Agreement, legal opinions dated the Issue Date and addressed to the Managers from Hunton & Williams LLP, [*Managers’ local counsel*] and Clifford Chance LLP;
- 6.3.2 *Closing certificates*: pursuant to Clause 3.2.8 (*Certificate*) of the Dealer Agreement, closing certificates relating to the Issuer dated the Issue Date, addressed to the Managers and signed by a director or other equivalent senior officer on behalf of the Issuer;
- 6.3.3 *Comfort letters*: pursuant to Clause 3.2.10 (*Legal opinions and comfort letters etc.*) of the Dealer Agreement, comfort letters dated the date of this Agreement and the Issue Date and addressed to the Managers from PricewaterhouseCoopers LLP; and
- 6.3.4 [*Others*: pursuant to Clause 3.2.10 (*Legal opinions and comfort letters etc.*) of the Dealer Agreement, [such other conditions precedent as the Lead Manager may require.]]

7. **SURVIVAL**

The provisions of this Agreement shall continue in full force and effect notwithstanding the completion of the arrangements set out herein for the issue of the Notes and regardless of any investigation by any party hereto.

8. **TIME**

Any date or period specified herein may be postponed or extended by mutual agreement among the parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

9. **NOTICES**

Any notification hereunder to the Issuer shall be made in accordance with the provisions of Clause 12 (*Notices*) of the Dealer Agreement and, in the case of notification to the Managers, shall be to the Lead Manager by fax or in writing at:

[
]
Fax: []
Attention: []

10. **GOVERNING LAW AND JURISDICTION**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law. The provisions of Clause 16 (*Law and Jurisdiction*) of the Dealer Agreement shall be deemed to be incorporated by reference into this Agreement *mutatis mutandis*.

11. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Any party may enter into this Agreement by signing any such counterpart.

12. **RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

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

The Issuer

PHILIP MORRIS INTERNATIONAL INC.

By:

The Managers

[•]

[•]

[•]

By:

SIGNATURES

The Issuer

PHILIP MORRIS INTERNATIONAL INC.

By: /s/ MARCO KUEPFER

VP FINANCE & TREASURER

The Arranger

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ IAN WHEELER

/s/ ANNEROSE SCHULTE

The Dealers

BANCA IMI S.p.A.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

BANCO SANTANDER, S.A.

BARCLAYS BANK PLC

BNP PARIBAS

CITIGROUP GLOBAL MARKETS LIMITED

CREDIT SUISSE SECURITIES (EUROPE) LIMITED

DEUTSCHE BANK AG, LONDON BRANCH

GOLDMAN SACHS INTERNATIONAL

HSBC BANK PLC

ING BANK N.V.

J.P. MORGAN SECURITIES LTD.

SOCIÉTÉ GÉNÉRALE

THE ROYAL BANK OF SCOTLAND PLC

By: /s/ ANNEROSE SCHULTE

PHILIP MORRIS INTERNATIONAL INC.
EURO MEDIUM TERM NOTE PROGRAMME

ISSUE AND PAYING AGENCY AGREEMENT

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THIS AGREEMENT is made on 13 March 2009

BETWEEN:

- (1) **PHILIP MORRIS INTERNATIONAL INC.** (the “**Issuer**”);
- (2) **HSBC PRIVATE BANK (C.I.) LIMITED, Jersey Branch** as registrar (the “**Registrar**”);
- (3) **HSBC BANK PLC** as principal paying agent (the “**Principal Paying Agent**”);
- (4) **HSBC BANK PLC** as transfer agents (the “**Transfer Agents**”);
- (5) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** as trustee (the “**Trustee**”, which expression includes, where the context admits, all persons for the time being appointed as the trustee or trustees under the Trust Deed).

WHEREAS:

- (A) The Issuer has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of notes (the “**Notes**”), in connection with which it has entered into a dealer agreement dated 13 March 2009 (the “**Dealer Agreement**”).
- (B) The Notes will be subject to, and have the benefit of, a trust deed dated 13 March 2009 (the “**Trust Deed**”) and made between the Issuer and the Trustee.
- (C) The Issuer has made applications to the United Kingdom Financial Services Authority (the “**FSA**”) for Notes issued under the Programme to be admitted to listing on the Official List of the FSA and to the London Stock Exchange plc (the “**London Stock Exchange**”) for Notes issued under the Programme to be admitted to trading on the Regulated Market of the London Stock Exchange. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (D) In connection with the Programme, the Issuer has prepared a base prospectus dated 13 March 2009 which has been approved by the FSA as a base prospectus issued in compliance with Directive 2003/71/EC (the “**Prospectus Directive**”) and relevant implementing measures in the United Kingdom.
- (E) Notes issued under the Programme may be issued either (1) pursuant to the Base Prospectus describing the Programme and Final Terms describing the final terms of the particular Tranche of Notes or (2) pursuant to a prospectus (“**Drawdown Prospectus**”) which relates to a particular Tranche of Notes to be issued under the Programme.

- (F) The Issuer, the Agents (as defined below) and the Trustee wish to record certain arrangements which they have made in relation to the Notes to be issued under the Programme.
- (G) The Principal Paying Agent is authorised and regulated by the FSA.

IT IS AGREED as follows:

1. **INTERPRETATION**

1.1 Definitions

All terms and expressions which have defined meanings in the Base Prospectus, the Dealer Agreement or the Trust Deed shall have the same meanings in this Agreement except where the context requires otherwise or unless otherwise stated. In addition, in this Agreement the following expressions have the following meanings:

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

“**Base Prospectus**” means the base prospectus prepared in connection with the Programme, as the same may be amended or supplemented from time to time;

“**Bearer Notes**” means Notes which are specified in their Conditions as being in bearer form:

“**Calculation Agent**” means, in relation to any Series of Notes, the institution appointed as calculation agent for the purposes of such Notes and named as such in the relevant Final Terms or Drawdown Prospectus (as the case may be) in the case of the Principal Paying Agent, pursuant to Clause 11 (*Appointment and duties of the Calculation Agent*), in the case of a Dealer, pursuant to Clause 8 (*Calculation Agent*) of the Dealer Agreement and, in the case of any other institution pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 2 (*Form of Calculation Agent Appointment Letter*) and, in any case, any successor to such institution in its capacity as such;

“**CGN Permanent Global Note**” means a Permanent Global Note representing Notes for which the relevant Final Terms or Drawdown Prospectus (as the case may be) specify that the new global note form is not applicable;

“**CGN Temporary Global Note**” means a Temporary Global Note representing Notes for which the relevant Final Terms or Drawdown Prospectus (as the case may be) specify that the new global note form is not applicable;

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

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

“**Conditions**” has the meaning given in the Base Prospectus except that, in relation to any particular Tranche of Notes, it means the Conditions (as defined in the Base Prospectus) substantially in the form set out in Schedule 1 to the Trust Deed as supplemented, amended and/or replaced by the relevant Final Terms or Drawdown Prospectus (as the case may be), and any reference to a numbered Condition shall be construed accordingly;

“**FSA**” means the Financial Services Authority of the United Kingdom;

“**Global Note**” means a CGN Temporary Global Note, a CGN Permanent Global Note, a NGN Temporary Global Note, a NGN Permanent Global Note or a Global Registered Note;

“**Global Registered Note**” means a Global Registered Note substantially in the form set out in Schedule 3, Part A (*Form of Global Registered Note*) of the Trust Deed;

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

“**Individual Note Certificate**” means a registered note certificate substantially in the form set out in Schedule 3, Part B (*Form of Individual Note Certificate*) of the Trust Deed;

“**Issuer-ICSDs Agreement**” means the agreement entered into between the Issuer and the ICSDs with respect to the settlement in the ICSDs of Notes in new global note form;

“**Local Banking Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent has its Specified Office;

“**Local Time**” means the time in the relevant financial centre of the payment or, in the case of a payment or, in the case of a payment in euro, London time;

“**Master Global Note**” means a Master Temporary Global Note, a Master Permanent Global Note or a Master Global Registered Note;

“**Master Global Registered Note**” means a Global Registered Note which is complete except that it requires:

- (a) a copy of the Final Terms or Drawdown Prospectus (or relevant parts thereof, as the case may be) in respect of the Tranche of Notes to which it will relate to be attached thereto;
- (b) completion by the Principal Paying Agent, on behalf of the Issuer, as to the details of the Tranche of Notes to which it will relate; and
- (c) authentication by or on behalf of the Registrar;

“Master Permanent Global Note” means a Permanent Global Note which is complete except that it requires:

- (a) a copy of the Final Terms or Drawdown Prospectus (or relevant parts thereof, as the case may be) in respect of the Tranche of Notes to which it will relate to be attached thereto;
- (b) completion by the Principal Paying Agent, on behalf of the Issuer, as to the details of the Tranche of Notes to which it will relate;
- (c) authentication by or on behalf of the Principal Paying Agent; and
- (d) in the case of an NGN Permanent Global Note, effectuation by or on behalf of the Common Safekeeper;

“Master Temporary Global Note” means a Temporary Global Note which is complete except that it requires:

- (a) a copy of the Final Terms or Drawdown Prospectus (or relevant parts thereof, as the case may be) in respect of the Tranche of Notes to which it will relate to be attached thereto;
- (b) completion by the Principal Paying Agent, on behalf of the Issuer, as to the details of the Tranche of Notes to which it will relate;
- (c) authentication by or on behalf of the Principal Paying Agent; and
- (d) in the case of an NGN Temporary Global Note, effectuation by or on behalf of the Common Safekeeper;

“NGN Permanent Global Note” means a Permanent Global Note representing Bearer Notes for which the relevant Final Terms or Drawdown Prospectus (as the case may be) specify that the new global note form is applicable;

“NGN Temporary Global Note” means a Temporary Global Note representing Bearer Notes for which the relevant Final Terms or Drawdown Prospectus (as the case may be) specify that the New Global Note form is applicable;

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

“Paying Agents” means the Principal Paying Agent together with any further paying agent appointed under this Agreement and **“Paying Agent”** refers to any of them individually;

“Permanent Global Note” means a Permanent Global Note substantially in the form set out in Schedule 2, Part B (*Form of Permanent Global Note*) to the Trust Deed;

“Put Option Notice” means a notice of exercise relating to the put option contained in Condition 10(f) (*Redemption and Purchase - Redemption at the option of Noteholders*),

substantially in the form set out in Schedule 3 (*Form of Put Option Notice*) or such other form as may from time to time be agreed between the Issuer, the Principal Paying Agent and the Trustee and distributed to each Paying Agent;

“**Put Option Receipt**” means a receipt delivered by a Paying Agent in relation to a Definitive Note which is the subject of a Put Option Notice, substantially in the form set out in Schedule 4 (*Form of Put Option Receipt*) or such other form as may from time to time be agreed between the Issuer, the Principal Paying Agent and the Trustee and distributed to each Paying Agent;

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

“**Regulations**” means the regulations concerning the transfer of Registered Notes as the same may from time to time be promulgated by the Issuer and approved by the Registrar (the initial regulations being set out in Schedule 6 (*Regulations concerning transfers and registration of Registered Notes*));

“**Replacement Agent**” means the Principal Paying Agent or, in respect of any Tranche of Notes, the Paying Agent named as such in the relevant Final Terms or Drawdown Prospectus (as the case may be);

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

“**Specified Office**” of any Agent means the office specified against its name in Schedule 1 (*The Specified Offices of the Agents*) or, in the case of any Agent not originally party hereto, specified in its terms of appointment (or, in the case of a Calculation Agent which is a Dealer, specified for the purposes of Clause 8 (*Calculation Agent*) of the Dealer Agreement) or such other office in the same city or town as such Agent may specify by notice to the Issuer and the other parties hereto in accordance with Clause 14.8 (*Changes in Specified Offices*); and

“**Temporary Global Note**” means a Temporary Global Note substantially in the form set out in Schedule 2, Part A (*Form of Temporary Global Note*) to the Trust Deed.

1.2 Meaning of outstanding

For the purposes of this Agreement (but without prejudice to its status for any other purpose), a Note shall be considered to be “outstanding” unless one or more of the following events has occurred:

- 1.2.1 *Redeemed or purchased*: it has been redeemed in full, or purchased under Condition 10(i) (*Redemption and Purchase – Purchase*), and in either case has

been cancelled in accordance with Condition 10(j) (*Redemption and Purchase - Cancellation*);

1.2.2 *Due date*: the due date for its redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Principal Paying Agent and remain available for payment;

1.2.3 *Void*: all claims for principal and interest in respect of such Note have become void under Condition 16 (*Prescription*);

1.2.4 *Replaced*: it has been mutilated or defaced, or is alleged to have been lost, stolen or destroyed, and has been replaced pursuant to Condition 17 (*Replacement of Notes and Coupons*); or

1.2.5 *Meetings*: for the purposes of Schedule 4 (*Provisions for Meetings of the Noteholders*) to the Trust Deed only, it is held by, or by any person for the benefit of, the Issuer.

1.3 Records

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

1.4 Clauses and Schedules

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

1.5 Principal and interest

In this Agreement, any reference to principal or interest includes any additional amounts payable in relation thereto under the Conditions.

1.6 Other agreements

All references in this Agreement to an agreement, instrument or other document (including the Dealer Agreement, the Trust Deed, the Base Prospectus and any Drawdown Prospectus or part thereof shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Agreement to the Base Prospectus shall be construed as a reference to the Base Prospectus as supplemented and/or amended by the relevant Final Terms.

1.7 Legislation

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall

be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.8 Headings

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

2. **APPOINTMENT OF THE AGENTS**

2.1 Appointment

The Issuer and, for the purposes of Clause 8.9 (*Agents to act for Trustee*) only, the Trustee, appoints each of the Agents at their respective Specified Offices as its agent in relation to the Notes for the purposes specified in this Agreement and in the Conditions and all matters incidental thereto.

2.2 Acceptance of appointment

Each of the Agents accepts its appointment as agent of the Issuer and, for the purposes of Clause 8.9 (*Agents to act for Trustee*) only, the Trustee, in relation to the Notes and shall perform all matters expressed to be performed by it in, and otherwise comply with, the Conditions and the provisions of this Agreement and, in connection therewith, shall take all such action as may be incidental thereto.

2.3 Nothing in this Agreement shall require any Agent to assume an obligation of the Issuer arising under any provision of the Listing Rules, Prospectus Rules or Disclosure and Transparency Rules of the FSA (or equivalent rules of any other competent authority).

2.4 Nothing shall require any Agent to carry on an activity of the kind specified by any provision of Part II (other than article 5 (*accepting deposits*)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or to lend money to the Issuer.

2.5 The obligations of the Agents under this Agreement are several and not joint.

3. **THE NOTES**

3.1 Temporary and Permanent Global Notes

Each Temporary Global Note and each Permanent Global Note shall:

3.1.1 *Form:* be in substantially the form set out in (in the case of a Temporary Global Note) Schedule 2, Part A (*Form of Temporary Global Note*) to the Trust Deed and (in the case of a Permanent Global Note) Schedule 2, Part B (*Form of Permanent Global Note*) to the Trust Deed but with such modifications, amendments and additions as the Relevant Dealer, the Issuer, the Trustee and the Principal Paying Agent shall have agreed;

- 3.1.2 *Conditions*: have the Conditions attached thereto or incorporated by reference therein;
- 3.1.3 *Final Terms*: have the relevant Final Terms or Drawdown Prospectus (or relevant parts thereof, as the case may be) attached thereto;
- 3.1.4 *Executed and authenticated*: be executed manually or in facsimile by or on behalf of the Issuer or shall be a duplicate of the relevant Master Temporary Global Note or, as the case may be, Master Permanent Global Note supplied by the Issuer under Clause 4.2 (*Master Global Notes*) and, in any case, shall be authenticated manually by or on behalf of the Principal Paying Agent; and
- 3.1.5 *Effectuated*: in the case of an NGN Temporary Global Note or an NGN Permanent Global Note, be effectuated manually by or on behalf of the Common Safekeeper.

3.2 Definitive Notes

Each Definitive Note shall:

- 3.2.1 *Form*: be in substantially the form (duly completed) set out in Schedule 2, Part C (*Form of Definitive Note*) to the Trust Deed but with such modifications, amendments and additions as the Relevant Dealer, the Issuer, the Trustee and the Principal Paying Agent shall have agreed;
- 3.2.2 *Security printed*: be security printed in accordance with all applicable legal and stock exchange requirements;
- 3.2.3 *Serial numbers*: have a unique certificate or serial number printed thereon;
- 3.2.4 *Coupons*: if so specified in the relevant Final Terms or Drawdown Prospectus (as the case may be), have Coupons attached thereto at the time of its initial delivery;
- 3.2.5 *Talons*: if so specified in the relevant Final Terms or Drawdown Prospectus (as the case may be), have a Talon attached thereto at the time of its initial delivery;
- 3.2.6 *Conditions*: have the Conditions and the relevant Final Terms (or relevant parts thereof) or Drawdown Prospectus (or relevant parts thereof, as the case may be) endorsed thereon, or attached thereto or incorporated by reference therein;
- 3.2.7 *Executed and authenticated*: be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Principal Paying Agent; and
- 3.2.8 *Format*: otherwise be in accordance with the customary practice of, and format used in, the international Eurobond market.

3.3 Global Registered Notes

Each Global Registered Note shall:

- 3.3.1 *Form*: be in substantially the form set out in Schedule 3, Part A (*Form of Global Registered Note*) of the Trust Deed but with such modifications, amendments and additions as the Relevant Dealer(s), the Issuer, the Trustee and the Registrar shall have agreed;
- 3.3.2 *Conditions*: have the Conditions attached thereto or incorporated by reference therein;
- 3.3.3 *Final Terms*: have the relevant Final Terms or Drawdown Prospectus (or relevant parts thereof, as the case may be) attached thereto; and
- 3.3.4 *Executed and authenticated*: be executed manually or in facsimile by or on behalf of the Issuer or shall be a duplicate of the relevant Master Global Registered Note supplied by the Issuer under Clause 4.2 (*Master Global Notes*) and, in any case, shall be authenticated manually by or on behalf of the Registrar.

3.4 Individual Note Certificates

Each Individual Note Certificate shall:

- 3.4.1 *Form*: be in substantially the form set out in Schedule 3, Part B (*Form of Individual Note Certificate*) of the Trust Deed but with such modifications, amendments and additions as the Relevant Dealer(s), the Issuer, the Trustee and the Registrar shall have agreed to be necessary;
- 3.4.2 *Serial numbers*: have a unique certificate or serial number printed thereon;
- 3.4.3 *Conditions*: have the Conditions and the relevant Final Terms (or relevant parts thereof) or Drawdown Prospectus (or relevant parts thereof, as the case may be) endorsed thereon, or attached thereto or incorporated by reference therein;
- 3.4.4 *Executed and authenticated*: be executed manually or in facsimile by or on behalf of the Issuer and authenticated manually by or on behalf of the Registrar.

3.5 Manual signatures

Each Master Temporary Global Note, Master Permanent Global Note and Master Global Registered Note, if any, will be signed manually by or on behalf of the Issuer. A Master Temporary Global Note, Master Permanent Global Note and Master Global Registered Note may be used *provided that* the person(s) whose signature(s) appear thereon were/was an authorised signatory/ies at the date of signing such Master Temporary Global Note, Master Permanent Global Note and Master Global Registered

Note notwithstanding that any such person may, for any reason (including death), have ceased to be such authorised signatory at the time of the creation and issue of the relevant Tranche or the issue and delivery of the relevant Note.

3.6 Facsimile signatures

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

3.7 Notification

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

4. **ISSUANCE OF NOTES**

4.1 Issuance procedure

Upon the conclusion of any Relevant Agreement, the Issuer shall, as soon as practicable but in any event, not later than 5.00 p.m. (Local time) on the third Local Banking Day prior to the proposed Issue Date:

- 4.1.1 *Confirmation of terms:* confirm by fax to the Principal Paying Agent, or, if such Relevant Agreement relates to Registered Notes, the Registrar (copied to the Principal Paying Agent) all such information as the Principal Paying Agent, or, as the case may be, the Registrar may reasonably require to carry out its functions under this Agreement and in particular, whether customary eurobond or medium term note settlement and payment procedures will apply to the relevant Tranche and (if a Master Global Note is to be used), such details as are necessary to enable it to complete a duplicate of the Master Global Note and (if medium term note settlement and payment procedures are to apply) the account of the Issuer to which payment should be made;
- 4.1.2 *Final Terms:* deliver a copy, duly executed, of the Final Terms or Drawdown Prospectus (as the case may be) in relation to the relevant Tranche to the Principal Paying Agent, or, as the case may be, the Registrar (copied to the Principal Paying Agent);
- 4.1.3 *Global Note:* unless a Master Global Note is to be used and the Issuer shall have provided such document to the Principal Paying Agent and/or the Registrar, as the case may be, pursuant to Clause 4.2 (*Master Global Notes*), ensure that there is delivered to the Principal Paying Agent or, as the case may be, Registrar an appropriate Global Note (in unauthenticated (and, if

applicable, unperfected) form but executed on behalf of the Issuer and otherwise complete) in relation to the relevant Tranche.

4.2 Master Global Notes

The Issuer may, at its option, deliver from time to time to the Principal Paying Agent a stock of Master Temporary Global Notes and Master Permanent Global Notes and/or, to the Registrar, a stock of Master Global Registered Notes.

4.3 Delivery of Final Terms

The Principal Paying Agent shall, on behalf of the Issuer, where the relevant Notes are to be admitted to listing on the Official List of the FSA and to trading on the London Stock Exchange, deliver a copy of the Final Terms in relation to the relevant Tranche to the FSA and to the London Stock Exchange as soon as practicable but in any event not later than 2.00 p.m. (London time) on the London business day prior to the business day which is the proposed issue date therefor. The Issuer confirms to the Principal Paying Agent that it has submitted to the FSA a letter of appointment (which remains current) designating the Principal Paying Agent as authorised to submit Final Terms to the FSA on behalf of the Issuer and that it has designated the Principal Paying Agent as its nominated representative for the purpose of submitting Final Terms to the London Stock Exchange.

4.4 Authentication, effectuation and delivery of Global Note

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

4.4.1 *Medium term note settlement procedures:* in the case of a Tranche of Notes which is not syndicated among two or more Dealers but which is intended to be cleared through a clearing system, on the Local Banking Day immediately preceding its Issue Date deliver the Global Note to the relevant depository for Euroclear and/or Clearstream, Luxembourg (which in the case of an NGN Temporary Global Note or an NGN Permanent Global Note shall be a specified Common Safekeeper) or to the relevant depository for such other clearing system as shall have been agreed between the Issuer and the Principal Paying Agent or, as the case may be, the Registrar and:

- (a) instruct the clearing systems to whom (or to whose depository or Common Safekeeper) such Global Note has been delivered, to credit the underlying Notes represented by such Global Note to the securities account(s) at such clearing systems that have been notified to the Principal Paying Agent or, as the case may be, the Registrar by the Issuer, on a delivery against payment basis or, if specifically agreed between them, on a delivery free of payment basis;

- (b) in the case of an NGN Temporary Global Note or an NGN Permanent Global Note, instruct the Common Safekeeper to effectuate the Global Note (provided that, if the Principal Paying Agent is the Common Safekeeper, the Principal Paying Agent shall effectuate the Global Note); and

4.4.2 *Eurobond settlement procedures:* in the case of a Tranche of Notes which is syndicated among two or more Dealers, at or about the time on the Issue Date specified in the Relevant Agreement deliver the Global Note to, or to the order of, the Mandated Dealer at such place as shall be specified in the Relevant Agreement or such other time, date and/or place as may have been agreed between the Issuer, the Mandated Dealer and the Principal Paying Agent or, as the case may be, the Registrar (*provided that* in the case of an NGN Temporary Global Note or an NGN Permanent Global Note it must be delivered to a specified Common Safekeeper together with instructions to the Common Safekeeper to effectuate the Global Note), against the delivery to the Principal Paying Agent (on behalf of the Issuer) of such acknowledgement of receipt as shall be agreed in writing in connection with the closing procedure for the relevant Tranche; or

4.4.3 *Other settlement procedures:* otherwise, at such time, on such date, deliver the Global Note to such person and in such place as may have been agreed between the Issuer and the Principal Paying Agent or, as the case may be, the Registrar (*provided that* in the case of an NGN Temporary Global Note or an NGN Permanent Global Note it must be delivered to a specified Common Safekeeper together with instructions to the Common Safekeeper to effectuate the Global Note).

4.5 Repayment of advance

If the Principal Paying Agent should pay an amount (an “**advance**”) to the Issuer in the belief that a payment has been or will be received from a Dealer, and if such payment is not received by the Principal Paying Agent on the date that the Principal Paying Agent pays the Issuer, the Issuer shall forthwith repay the unreimbursed portion of the advance (unless prior to such repayment the payment is received from the Dealer) and shall pay interest on the unreimbursed portion of such amount which shall accrue (as well after as before judgment) on the basis of a year of 365 days (366 days in the case of a leap year) in the case of an advance paid in sterling or 360 days in the case of an advance paid in any other currency and, in either case, the actual number of days elapsed from the date of payment of such advance until the earlier of (i) repayment of the advance or (ii) receipt by the Principal Paying Agent of the payment from the Dealer, and at the rate per annum quoted by the Principal Paying Agent at the time as its cost of funding the advance on normal commercial terms in accordance with usual banking practices and **provided that** evidence of the basis of such rate is given to the Issuer. For the avoidance of doubt the Principal Paying Agent shall not be obliged to

pay any amount to or for the Issuer if it has not received satisfactory confirmation from the Relevant Dealer that it is to receive that amount.

4.6 Delivery of Permanent Global Note

The Issuer shall, in relation to each Tranche of Notes which is represented by a Temporary Global Note which is due to be exchanged for a Permanent Global Note in accordance with its terms, ensure that there is delivered to the Principal Paying Agent not less than five Local Banking Days before the relevant Temporary Global Note becomes exchangeable therefor, the Permanent Global Note (in unauthenticated (and, if applicable, uneffectuated) form, but executed by the Issuer and otherwise complete) in relation thereto unless a Master Permanent Global Note is to be used and the Issuer has provided a Master Permanent Global Note to the Principal Paying Agent pursuant to Clause 4.2 (*Master Global Notes*). The Principal Paying Agent shall authenticate and deliver such Permanent Global Note in accordance with the terms hereof and of the relevant Temporary Global Note and, in the case of an NGN Permanent Global Note, instruct the Common Safekeeper to effectuate the Permanent Global Note.

4.7 Delivery of Definitive Notes

The Issuer shall, in relation to each Tranche of Notes which is represented by a Global Note which is due to be exchanged for Definitive Notes in accordance with its terms, ensure that there is delivered to the Principal Paying Agent not less than ten Local Banking Days before the relevant Global Note becomes exchangeable therefor, the Definitive Notes (in unauthenticated form but executed by the Issuer and otherwise complete) in relation thereto. The Principal Paying Agent shall authenticate and deliver such Definitive Notes in accordance with the terms hereof and of the relevant Global Note.

4.8 Coupons

Where any Definitive Notes are to be delivered in exchange for a Global Note, the Principal Paying Agent shall ensure that in the case of Definitive Notes with Coupons attached, such Definitive Notes shall have attached thereto only such Coupons as shall ensure that neither loss nor gain of interest shall accrue to the bearer thereof upon such exchange.

4.9 Duties of Principal Paying Agent, Registrar and Replacement Agent

Each of the Principal Paying Agent, Registrar and the Replacement Agent shall hold in safe custody all unauthenticated Temporary Global Notes, Permanent Global Notes or Definitive Notes (including any Coupons attached thereto), Global Registered Notes or Individual Note Certificates delivered to it in accordance with this Clause 4 and Clause 6 (*Replacement Notes*) and shall ensure that they (or, in the case of Master Global Notes copies thereof) are authenticated, effectuated (if applicable) and delivered only in accordance with the terms hereof, of the Conditions and, if applicable, the relevant Note. The Issuer shall ensure that each of the Principal Paying Agent, the Registrar and the Replacement Agent holds sufficient Notes, Note Certificates or

Coupons to fulfil its respective obligations under this Clause 4 and Clause 6 (*Replacement Notes*) and each of the Principal Paying Agent, Registrar and the Replacement Agent undertakes to notify the Issuer if it holds insufficient Notes, Note Certificates or Coupons for such purposes.

4.10 Authority to authenticate and effectuate

Each of the Principal Paying Agent, the Registrar and the Replacement Agent is authorised by the Issuer to authenticate and, if applicable, effectuate such Temporary Global Notes, Permanent Global Notes, Definitive Notes, Global Registered Notes and Individual Note Certificates as may be required to be authenticated or, as the case may be, effectuated hereunder by the signature of any of their respective officers or any other person duly authorised for the purpose by the Principal Paying Agent, Registrar or (as the case may be) the Replacement Agent.

4.11 Exchange of Temporary Global Note

On each occasion on which a portion of a Temporary Global Note is exchanged for a portion of a Permanent Global Note or, as the case may be, for Definitive Notes, the Principal Paying Agent shall:

4.11.1 *CGN Temporary Global Note*: in the case of a CGN Temporary Global Note, note or procure that there is noted on the Schedule to the CGN Temporary Global Note the aggregate principal amount thereof so exchanged and the remaining principal amount of the CGN Temporary Global Note (which shall be the previous principal amount thereof less the aggregate principal amount so exchanged) and shall procure the signature of such notation on its behalf; and

4.11.2 *NGN Temporary Global Note*: in the case of an NGN Temporary Global Note, instruct the ICSDs (in accordance with the provisions of Schedule 5 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the aggregate principal amount thereof so exchanged and the remaining principal amount of the NGN Temporary Global Note (which shall be the previous principal amount thereof less the aggregate principal amount so exchanged).

The Principal Paying Agent shall cancel or procure the cancellation of each Temporary Global Note against surrender of which full exchange has been made for a Permanent Global Note or Definitive Notes or, in the case of an NGN Temporary Global Note exchangeable for an NGN Permanent Global Note, instruct the Common Safekeeper to destroy such NGN Temporary Global Note.

4.12 Exchange of Permanent Global Note

On each occasion on which a portion of a Permanent Global Note is exchanged for Definitive Notes, the Principal Paying Agent shall:

- 4.12.1 *CGN Permanent Global Note*: in the case of a CGN Permanent Global Note, note or procure that there is noted on the Schedule to the CGN Permanent Global Note the aggregate principal amount thereof so exchanged and the remaining principal amount of the CGN Permanent Global Note (which shall be the previous principal amount thereof less the aggregate principal amount so exchanged) and shall procure the signature of such notation on its behalf; and
- 4.12.2 *NGN Permanent Global Note*: in the case of an NGN Permanent Global Note, instruct the ICSDs (in accordance with the provisions of Schedule 5 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the aggregate principal amount thereof so exchanged and the remaining principal amount of the NGN Permanent Global Note (which shall be the previous principal amount thereof less the aggregate principal amount so exchanged).

The Principal Paying Agent shall cancel or procure the cancellation of each Permanent Global Note against surrender of which full exchange has been made for Definitive Notes.

4.13 Exchange of Global Registered Note for Individual Note Certificates

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

4.14 Delivery of Coupon sheets by Issuer

The Issuer shall, in relation to any Definitive Notes to which a Talon is attached upon the initial delivery thereof, on each occasion on which a Talon becomes exchangeable for further Coupons, not less than five Local Banking Days before the date on which the final Coupon comprised in any Coupon sheet (which includes a Talon) matures (the “**Talon Exchange Date**”), ensure that there is delivered to the Principal Paying Agent such number of Coupon sheets as may be required in order to enable the Paying Agents to fulfil their obligation under Clause 4.15 (*Delivery of Coupon sheets by Paying Agents*).

4.15 Delivery of Coupon sheets by Paying Agents

The relevant Paying Agent shall, against the presentation and surrender of any Talon, on or after the Talon Exchange Date in respect of such Talon, deliver a Coupon sheet *provided, however, that* if any Talon is presented and surrendered for exchange to a Paying Agent and the Replacement Agent has delivered a replacement therefor such Paying Agent shall forthwith notify the Issuer of such presentation and surrender and shall not exchange against the same unless and until it is so instructed by the Issuer. After making such exchange, the Paying Agent shall cancel each Talon surrendered to it and in respect of which a Coupon sheet shall have been delivered and shall (if such

Paying Agent is not the Principal Paying Agent) deliver the same to the Principal Paying Agent.

4.16 Changes in Dealers

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

4.17 Election of Common Safekeeper

The Issuer hereby authorises and instructs the Principal Paying Agent to elect an ICSD to be Common Safekeeper for each issue of an NGN Temporary Global Note or an NGN Permanent Global Note in relation to which one of the ICSDs must be Common Safekeeper. From time to time, the Issuer and the Principal Paying Agent may agree to vary this election. The Issuer acknowledges that in connection with the election of either of the ICSDs as Common Safekeeper any such election is subject to the right of the ICSDs to jointly determine that the other shall act as Common Safekeeper in relation to any such issue and agrees that no liability shall attach to the Principal Paying Agent in respect of any such election made by it.

5. **TRANSFERS OF REGISTERED NOTES**

5.1 Maintenance of the Register

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

5.2 Registration of Transfers in the Register

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

5.3 Transfer Agents to receive requests for Transfers of Registered Notes

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

5.3.1 the aggregate principal amount of the Registered Notes to be transferred;

5.3.2 the name(s) and addresses to be entered on the Register of the Holder(s) of the new Note Certificate(s) to be issued in order to give effect to such transfer; and

5.3.3 the place and manner of delivery of the new Note Certificate(s) to be delivered in respect of such transfer,

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

6. **REPLACEMENT NOTES**

6.1 Delivery of replacements

Subject to receipt of sufficient Temporary Global Notes, Permanent Global Notes, Definitive Notes, Coupons, Global Registered Notes and Individual Note Certificates in accordance with Clause 4.9 (*Duties of Principal Paying Agent, Registrar and Replacement Agent*), the Replacement Agent shall, upon and in accordance with the instructions (which instructions may, without limitation, include terms as to the payment of expenses and as to evidence, security and indemnity) of the Issuer but not otherwise, authenticate (if necessary) and deliver a Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate, as the case may be, as a replacement for any of the same which has been mutilated or defaced or which has or has been alleged to have been destroyed, stolen or lost *provided, however, that:*

6.1.1 *Surrender or destruction:* no Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate, as the case may be, shall be delivered as a replacement for any of the same which has been mutilated or defaced otherwise than against surrender of the same or, in the case of an NGN Temporary Global Note or an NGN Permanent Global Note, appropriate confirmation of destruction from the Common Safekeeper; and

6.1.2 *Effectuation:* any replacement NGN Temporary Global Note or NGN Permanent Global Note shall be delivered to the Common Safekeeper together with instructions to effectuate it.

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

6.2 Replacements to be numbered

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

6.3 Cancellation of mutilated or defaced Notes

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

6.4 Notification

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

6.5 Destruction

Unless the Issuer instructs otherwise, the Replacement Agent shall destroy each mutilated or defaced Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate surrendered to and cancelled by it and in respect of which a replacement has been delivered and shall furnish the Issuer with a certificate as to such destruction specifying the certificate or serial numbers (if any) of the Temporary Global Note, Permanent Global Note, Definitive Notes (distinguishing between different denominations), in numerical sequence and the total number by payment or maturity date of Coupons (distinguishing Talons), Global Registered Note or Individual Note Certificates, so destroyed. In the case of an NGN Temporary Global Note or an NGN Permanent Global Note which has been destroyed by the Common Safekeeper, the Replacement Agent shall furnish the Issuer with a copy of the confirmation of destruction received by it from the Common Safekeeper.

7. **PAYMENTS TO THE PRINCIPAL PAYING AGENT**

7.1 Issuer to pay Principal Paying Agent

In order to provide for the payment of principal and interest in respect of the Notes as the same becomes due and payable, the Issuer shall pay to the Principal Paying Agent, for value by not later than 10.00 a.m. Local Time on the day on which such payment becomes due, an amount equal to the amount of principal and/or (as the case may be) interest falling due in respect of the Notes on such date.

7.2 Manner and time of payment

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

7.3 Exclusion of liens and interest

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

7.3.1 *Liens:* it shall not exercise against the Issuer any lien, right of set-off or similar claim in respect thereof; and

7.3.2 *Interest:* it shall not be liable to any person for interest thereon.

7.4 Extension of Credit

If the Principal Paying Agent agrees to extend credit to the Issuer it will do so on its usual terms as to interest and other charges, unless other terms have been agreed.

7.5 Application by Principal Paying Agent

The Principal Paying Agent shall apply each amount paid to it hereunder in accordance with Clause 8 (*Payments to Noteholders*) and shall not be obliged to repay any such amount unless the claim for the relevant payment becomes void under Condition 15 (*Prescription*) or otherwise ceases in accordance with the Conditions, in which event it shall refund at the written request of the Issuer such portion of such amount as relates to such payment by paying the same by credit transfer to such account with such bank as the Issuer has by notice to the Principal Paying Agent specified for the purpose.

7.6 Failure to confirm payment instructions

If the Principal Paying Agent has not:

7.6.1 *Notification:* by 12.00 noon (Local Time) on the second Local Banking Day before the due date of any payment to it under Clause 7.1 (*Issuer to pay Principal Paying Agent*), received notification of the relevant payment confirmation referred to in Clause 7.2 (*Manner and time of payment*); or

7.6.2 *Payment:* by 10.00 a.m. (Local Time) on the due date of any payment received the full amount payable under Clause 7.1 (*Issuer to pay Principal Paying Agent*),

it shall forthwith notify the Issuer, the Trustee and the Paying Agents thereof. If the Principal Paying Agent subsequently receives notification of such payment instructions or payment of the amount due, it shall forthwith notify the Issuer, the Trustee and the Paying Agents thereof.

8. PAYMENTS TO NOTEHOLDERS

8.1 Payments by Paying Agents

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

8.1.1 *Replacements:* if any Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate is presented or surrendered for payment to any Paying Agent and such Paying Agent has delivered a replacement therefor or has been notified that the same has been replaced, such Paying Agent shall forthwith notify the Issuer of such presentation or surrender and shall not make payment against the same until it is so instructed by the Issuer and has received the amount to be so paid;

8.1.2 *No obligation:* a Paying Agent shall not be obliged (but shall be entitled) to make payments of principal or interest in respect of the Notes, if:

- (a) in the case of the Principal Paying Agent, it considers in its sole discretion, it has not received the full amount to satisfy all claims in respect of any payment due to it under Clause 7.1 (*Issuer to pay Principal Paying Agent*); or
- (b) in the case of any other Paying Agent:
 - (i) it has been notified in accordance with Clause 7.6 (*Failure to confirm payment instructions*) that confirmation of the relevant payment instructions has not been received, unless it is subsequently notified that confirmation of such payment instructions has been received; or
 - (ii) it is not able to establish that the Principal Paying Agent has received (whether or not at the due time) the full amount of any payment due to it under Clause 7.1 (*Issuer to pay Principal Paying Agent*);

8.1.3 *Cancellation:* each Paying Agent shall:

- (a) cancel or procure the cancellation of each Temporary Global Note, Permanent Global Note, Definitive Note (in the case of early redemption, together with such unmatured Coupons or unexchanged Talons as are attached to or are surrendered with it at the time of such redemption), or, as the case may be, Coupon against surrender of which it has made full payment and shall (if such Paying Agent is not the Principal Paying Agent) deliver or procure the delivery of each Temporary Global Note, Permanent Global Note, Definitive Note (together with as aforesaid) or Coupon so cancelled by it to the Principal Paying Agent and, in the case of full payment in respect of an NGN Temporary Global Note or an NGN Permanent Global Note, the Principal Paying Agent shall instruct the Common Safekeeper to destroy the relevant Global Note;
- (b) cancel or procure the cancellation of each Global Registered Note or Individual Note Certificate against surrender of which it has made full payment and shall deliver or procure the delivery of each Global Registered Note or Individual Note Certificate so cancelled to the Registrar; and

8.1.4 *Recording of payments:* upon any payment being made in respect of the Notes represented by a Temporary Global Note or a Permanent Global Note, the relevant Paying Agent or, as the case may be, the Registrar shall:

- (a) in the case of a CGN Temporary Global Note or a CGN Permanent Global Note, enter or procure that there is entered on the Schedule thereto (or, in the absence of a Schedule, on the face thereof) the amount of such payment and, in the case of payment of principal, the remaining principal amount of the Notes represented by such Global Note (which shall be the previous principal amount less the principal amount in respect of which payment has then been paid) and shall procure the signature of such notation on its behalf; and
- (b) in the case of an NGN Temporary Global Note or an NGN Permanent Global Note, instruct the ICSDs (in accordance with the provisions of Schedule 5 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their records to reflect the amount of such payment and, in the case of payment of principal, the remaining principal amount of the Notes represented by such Global Note (which shall be the previous principal amount less the principal amount in respect of which payment has then been paid).

8.2 *Withholding taxes:* notwithstanding any other provision of this Agreement, each Paying Agent shall be entitled to make a deduction or withholding from any payment which it makes under this Agreement for or on account of any present or future taxes,

duties or charges if and to the extent so required by applicable law, in which event such Paying Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so withheld or deducted. If the Issuer is, in respect of any payment in respect of the Notes, compelled to withhold or deduct any amount for or on account of any taxes, duties, assessments or government charges, it shall give notice of such fact to the Agent as soon as practicable after it becomes aware of such requirement and shall give to the Agent such information as the Agent shall reasonably request to enable it to comply with such requirement.

8.3 Exclusion of liens and commissions

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

8.4 Reimbursement by Principal Paying Agent

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

8.4.1 *Notification:* it shall notify the Principal Paying Agent and, in the case of a Global Registered Note or an Individual Note Certificate, the Registrar of the amount so paid by it, the certificate or serial number (if any) of the Temporary Global Note, Permanent Global Note, Definitive Note, or Coupon, Global Registered Note or Individual Note Certificate against presentation or surrender of which payment of principal or interest was made and (if applicable) the number of Coupons by maturity against which payment of interest was made; and

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

8.5 Appropriation by Principal Paying Agent

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

8.6 Reimbursement by Issuer

Subject to sub-clauses 8.1.1 and 8.1.2 of Clause 8.1 (*Payments by Paying Agents*) if any Paying Agent makes a payment in respect of Notes at a time at which the Principal Paying Agent has not received the full amount of the relevant payment due to it under Clause 7.1 (*Issuer to pay Principal Paying Agent*), and the Principal Paying Agent is not able out of the funds received by it under Clause 7.1 (*Issuer to pay Principal Paying Agent*) to reimburse such Paying Agent therefor (whether by payment under Clause 8.4 (*Reimbursement by the Principal Paying Agent*) or appropriation under Clause 8.5 (*Appropriation by the Principal Paying Agent*)), the Issuer shall from time to time on demand pay to the Principal Paying Agent for the account of such Paying Agent:

8.6.1 *Unfunded amount*: the amount so paid out by such Paying Agent and not so reimbursed to it; and

8.6.2 *Funding cost*: interest calculated in accordance with Clause 8.7 on such amount from the date on which such Paying Agent made such payment until the date of reimbursement of such amount;

provided, however, that any payment made under sub-clause 8.6.1 (Unfunded amount) shall satisfy pro tanto the Issuer's obligations under Clause 7.1 (Issuer to pay Principal Paying Agent).

8.7 Interest

Interest shall accrue for the purpose of sub-clause 8.6.2 (*Funding cost*) (as well after as before judgment) on the basis of a year of 365 days (366 days in the case of a leap year) in the case of an amount paid in sterling or 360 days in the case of an amount paid in any other currency and, in either case, the actual number of days elapsed and at the rate per annum which is the rate per annum specified by the Principal Paying Agent as reflecting its cost on normal commercial terms and in accordance with usual banking practice, of funds for the time being in relation to the unpaid amount until receipt in full by the Agent of the unpaid amount.

8.8 Partial payments

If at any time and for any reason a Paying Agent makes a partial payment in respect of any Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate presented or surrendered for payment to or to the order of that Paying Agent, such Paying Agent shall:

8.8.1 *Endorsement*: in the case of a CGN Temporary Global Note, CGN Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate endorse thereon a statement indicating the amount and date of such payment; and

8.8.2 *ICSDs' records*: in the case of an NGN Temporary Global Note or an NGN Permanent Global Note, instruct the ICSDs (in accordance with the provisions of Schedule 5 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their respective records to reflect such partial payments.

8.9 Agents to act for Trustee

If any Event of Default occurs, the Agents shall, if so required by notice given by the Trustee to the Issuer and the Agents (or such of them as are specified by the Trustee):

8.9.1 act thereafter, until otherwise instructed by the Trustee, as agents of the Trustee (on the terms *mutatis mutandis* contained herein) in relation to payments and calculations to be made by or on behalf of the Trustee under the Trust Deed (save that the Trustee's liability for the indemnification, remuneration and payment of out-of-pocket expenses of any of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Notes, Coupons and Talons and all sums, documents and records held by them in respect of the Notes, (and any Coupons or Talons, if applicable) on behalf of the Trustee; and/or

8.9.2 deliver up all Notes (and any Coupons or Talons, if applicable), and all sums, documents and records held by them in respect of the Notes, Coupons and Talons to the Trustee or as the Trustee shall direct in such notice; provided, however, that such notice shall not be deemed to apply to any document or record which any Agent is obliged not to release by any law or regulation.

9. **MISCELLANEOUS DUTIES OF THE PAYING AGENTS**

9.1 Records

The Principal Paying Agent or, as the case may be, the Registrar shall:

9.1.1 *Records*: separately in respect of each Series of Notes, maintain a record of, in the case if the Principal Paying Agent, all Temporary Global Notes, Permanent Global Notes, Definitive Notes, Coupons and, in the case of the Registrar, all Note Certificates delivered hereunder and of their redemption, payment, exchange, cancellation, mutilation, defacement, alleged destruction, theft or loss or replacement *provided, however, that* no record need be maintained of the serial numbers of Coupons (save insofar as that a record shall be maintained of the serial numbers of unmatured Coupons and/or unexchanged Talons missing at the time of redemption or other cancellation of the relevant Definitive Notes and, in the case of Coupons, of any subsequent payments against such Coupons) and shall send forthwith to the other Paying Agents a list of any unmatured Coupons and/or unexchanged Talons missing upon redemption of the relevant Definitive Note;

9.1.2 *Certifications*: separately in respect of each Series of Notes, maintain a record of all certifications received by it in accordance with the provisions of any Temporary Global Note and all certifications received by it in accordance with Clause 9.3 (*Cancellation*);

9.1.3 *Inspection*: make such records available for inspection at all reasonable times by the Issuer, the other Agents and the Trustee.

9.2 Information from Paying Agents

The Paying Agents shall make available to the Principal Paying Agent and the Registrar such information as may reasonably be required for:

9.2.1 the maintenance of the records referred to in Clause 9.1 (*Records*); and

9.2.2 the Principal Paying Agent to perform the duties set out in Schedule 5 (*Duties under the Issuer-ICSDs Agreement*).

9.3 Cancellation

The Issuer may from time to time deliver to the Principal Paying Agent, Definitive Notes and unmatured Coupons appertaining thereto and to the Registrar, Note Certificates of which it, or any of its Subsidiaries is the Holder for cancellation, whereupon the Principal Paying Agent or, as the case may be, Registrar shall cancel the same and, if applicable, make the corresponding entries in the Register. In addition, the Issuer may from time to time:

9.3.1 *Principal Paying Agent*: procure the delivery to the Principal Paying Agent of a CGN Temporary Global Note or a CGN Permanent Global Note with instructions to cancel a specified aggregate principal amount of Notes represented thereby (which instructions shall be accompanied by evidence satisfactory to the Principal Paying Agent that the Issuer is entitled to give such instructions whereupon the Principal Paying Agent shall note or procure that there is noted on the Schedule to such CGN Temporary Global Note or (as the case may be) CGN Permanent Global Note the aggregate principal amount of Notes so to be cancelled and the remaining principal amount thereof (which shall be the previous principal amount thereof less the aggregate principal amount of the Notes so cancelled) and shall procure the signature of such notation on its behalf; or

9.3.2 *ICSDs*: instruct the Principal Paying Agent to cancel a specified aggregate principal amount of Notes represented by an NGN Temporary Global Note or an NGN Permanent Global Note (which instructions shall be accompanied by evidence satisfactory to the Principal Paying Agent that the Issuer is entitled to give such instructions) whereupon the Principal Paying Agent shall instruct the ICSDs (in accordance with the provisions of Schedule 5 (*Duties under the Issuer-ICSDs Agreement*)) to make appropriate entries in their respective records to reflect such cancellation.

9.4 Definitive Notes and Coupons in issue

As soon as practicable (and in any event within three months) after each interest or other payment date in relation to any Series of Notes, after each date on which Notes are cancelled in accordance with Clause 9.3 (*Cancellation*), and after each date on which the Notes fall due for redemption in accordance with the Conditions, the Principal Paying Agent shall notify the Issuer, the other Paying Agents and the Trustee (on the basis of the information available to it and distinguishing between the Notes of each Series) of the number of any Definitive Notes and/or the number of Coupons (by reference to maturity) against presentation or surrender of which payment has been made and of the number of any Definitive Notes (distinguishing between different denominations) or, as the case may be, Coupons which have not yet been presented or surrendered for payment.

9.5 Note Certificates in issue

As soon as practicable (and in any event within three months) after each date on which Notes fall due for redemption, the Registrar shall notify the Issuer of the serial numbers and principal amount of any Note Certificates against surrender of which payment has been made and of the serial numbers and principal amount of any Note Certificates (and the names and addresses of the Holders thereof) which have not yet been surrendered for payment.

9.6 Destruction

The Principal Paying Agent or, as the case may be, the Registrar:

9.6.1 *Cancelled Notes:* must destroy each Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate cancelled by it (or cancelled by another Paying Agent or Replacement Agent and delivered to it) in accordance with Clause 4.11 (*Exchange of Temporary Global Note*), Clause 4.12 (*Exchange of Permanent Global Note*), Clause 4.15 (*Delivery of Coupon sheets by Paying Agents*), Clause 6.3 (*Cancellation of mutilated or defaced Notes*) or sub-clause 8.1.3 (*Payments by Paying Agents - Cancellation*) or Clause 9.3 (*Cancellation*), in which case it shall furnish the Issuer with a certificate as to such destruction distinguishing between the Notes of each Series and specifying the certificate or serial numbers of the Temporary Global Note, Permanent Global Note, Definitive Notes, Global Registered Note and Individual Note Certificates in numerical sequence (and, in the case of Definitive Notes, containing particulars of any unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) and the total number by payment or maturity date of Coupons (distinguishing Talons) so destroyed;

9.6.2 *Destruction by Common Safekeeper:* must instruct the Common Safekeeper to destroy each NGN Temporary Global Note and NGN Permanent Global Note in accordance with Clause 4.11 (*Exchange of Temporary Global Note*) or

Clause 8.1 (*Payments by Paying Agents*) in which case, upon receipt of confirmation of destruction from the Common Safekeeper, the Principal Paying Agent shall furnish the Issuer with a copy of such confirmation (provided that, if the Principal Paying Agent is the Common Safekeeper, the Principal Paying Agent shall destroy each NGN Temporary Global Note and NGN Permanent Global Note in accordance with Clause 4.11 (*Exchange of Temporary Global Note*) or Clause 8.1 (*Payments by Paying Agents*) and furnish the Issuer with confirmation of such destruction); and

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

9.7 Voting Certificates and Block Voting Instructions

Each Paying Agent shall, at the request of the Holder of any Bearer Note held in a clearing system, issue Voting Certificates and Block Voting Instructions in a form and manner which comply with the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed (except that it shall not be required to issue the same less than forty-eight hours before the time fixed for any Meeting therein provided for) and shall perform and comply with the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed. Each Paying Agent shall keep a full record of Voting Certificates and Block Voting Instructions issued by it and will give to the Issuer not less than twenty-four hours before the time appointed for any Meeting or adjourned Meeting full particulars of all Voting Certificates and Block Voting Instructions issued by it in respect of such meeting or adjourned Meeting.

9.8 Forms of Proxy and Block Voting Instructions

The Registrar shall, at the request of the Holder of any Registered Note held in a clearing system, issue Forms of Proxy and Block Voting Instructions in a form and manner which comply with the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed except that it shall not be required to issue the same less than forty-eight hours before the time fixed for any Meeting therein provided for) and shall perform and comply with the provisions of Schedule 4 (*Provisions for Meetings of Noteholders*) to the Trust Deed. The Registrar shall keep a full record of Forms of Proxy and Block Voting Instructions issued by it and will give to the Issuer not less than twenty-four hours before the time appointed for any Meeting or adjourned Meeting full particulars of all Forms of Proxy and Block Voting Instructions issued by it in respect of such meeting or adjourned Meeting.

9.9 Provision of documents

9.9.1 The Issuer shall provide to the Principal Paying Agent (for distribution among the Paying Agents) and the Registrar:

- (a) *Specimens*: at the same time as it is required to deliver any Definitive Notes pursuant to Clause 4.7 (*Delivery of Definitive Notes*), specimens of such Notes;
- (b) *Documents for inspection*: sufficient copies of all documents required to be available for inspection as provided in the Base Prospectus or Drawdown Prospectus (as the case may be) or, in relation to any Notes, the Conditions; and
- (c) *Tax redemption*: in the event that the provisions of Condition 10(b) (*Redemption for tax reasons*) and Condition 10(c) (*Special tax redemption of Bearer Notes*) become relevant in relation to any Notes, the documents required thereunder;

9.9.2 The Registrar shall provide the Principal Paying Agent with all such information as the Principal Paying Agent may reasonably require in order to perform the obligations set out in Clause 9.12 (*Notifications and filings*) hereof.

9.10 Documents available for inspection

Each of the Paying Agents and the Registrar shall make available for inspection during normal business hours at its Specified Office such documents as may be specified as so available at the specified office of such agent in the Base Prospectus or Drawdown Prospectus (as the case may be) or, in relation to any Notes, the Conditions, or as may be required by any listing authority, stock exchange and/or quotation system by which any Notes may from time to time be admitted to listing, trading and/or quotation.

9.11 Deposit of Trust Deed

The Principal Paying Agent and the Registrar acknowledge that a duly executed original of the Trust Deed has been deposited with and is held by it to the exclusion of the Issuer and that each Noteholder (as defined in the Trust Deed) is entitled to production of such original. The Principal Paying Agent shall provide, at the request and expense of each Noteholder (as defined in the Trust Deed), a certified copy of the Trust Deed.

9.12 Notifications and filings

The Issuer and the Relevant Dealer(s) (in the latter case, in accordance with their express obligations under the terms of the Dealer Agreement or a Relevant Agreement only) shall be solely responsible for ensuring that each Note to be issued or other transactions to be effected hereunder shall comply with all applicable laws and regulations of any governmental or other regulatory authority and that all necessary

consents and approvals of, notifications to and registrations and filings with, any such authority in connection therewith are effected, obtained and maintained in full force and effect.

9.13 Forwarding of notices

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

9.14 Publication of notices

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

9.15 Issuer-ICSDs Agreement

The Principal Paying Agent shall comply with the provisions set out in Schedule 5 (*Duties under the Issuer-ICSDs Agreement*).

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

10.1 Exercise of call or other option

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

10.2 Exercise of put option

Each Paying Agent shall make available to Noteholders during the period specified in Condition 10(f) (*Redemption at the option of Noteholders*) for the deposit of Put Option Notices forms of Put Option Notice upon request during usual business hours at its Specified Office. Upon receipt by a Paying Agent of a duly completed Put Option Notice and, in the case of a Put Option Notice relating to Definitive Notes, or Individual Note Certificates, such Definitive Notes and Individual Note Certificates in accordance with Condition 10(f) (*Redemption at the option of Noteholders*), such Paying Agent shall notify the Issuer and (in the case of a Paying Agent other than the Principal Paying Agent) the Principal Paying Agent thereof indicating the certificate or serial numbers (if any) and principal amount of the Notes in respect of which the Put Option is exercised. Any such Paying Agent with which a Definitive Note or

Individual Note Certificate is deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder and shall hold such Definitive Note or Individual Note Certificate on behalf of the depositing Noteholder (but shall not, save as provided below or in the Conditions, release it) until the Optional Redemption Date (Put), when it shall present such Definitive Note or Individual Note Certificate to itself for payment of the redemption moneys therefor and interest (if any) accrued to such date in accordance with the Conditions and Clause 8 (*Payments to Noteholders*) and pay such amounts in accordance with the directions of the Noteholder contained in the Put Option Notice; *provided, however, that* if, prior to the Optional Redemption Date (Put), such Definitive Note or Notes evidenced by such Individual Note Certificate become immediately due and payable or upon due presentation of such Definitive Note or Individual Note Certificate payment of such redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall, in the case of a Definitive Note, hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt and in the case of an Individual Note Certificate, mail such Individual Note Certificate by uninsured post to, and at the risk of, the Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice. For so long as any outstanding Definitive Note is held by a Paying Agent in accordance with the preceding sentence, the depositor of the relevant Definitive Note, and not the relevant Paying Agent, shall be deemed to be the bearer of such Definitive Note for all purposes. Any Paying Agent which receives a Put Option Notice in respect of Notes represented by a Permanent Global Note or a Global Registered Note shall make payment of the relevant redemption moneys and interest accrued to the Optional Redemption Date (Put) in accordance with the Conditions, Clause 8 (*Payments to Noteholders*) and the terms of the Permanent Global Note or Global Registered Note, as the case may be.

10.3 Details of exercise

At the end of any applicable period for the exercise of such option or, as the case may be, not later than 7 days after the latest date for the exercise of such option in relation to a particular date, each Paying Agent shall:

- 10.3.1 in the case of the exercise of an option in respect of a Permanent Global Note or a Definitive Note, promptly notify the Principal Paying Agent of the principal amount of the Notes in respect of which such option has been exercised with it together with their certificate or, as the case may be, serial numbers and the Principal Paying Agent shall promptly notify such details to the Issuer; and
- 10.3.2 in the case of the exercise of an option in respect of a Global Registered Note or an Individual Note Certificate, promptly notify the Registrar of the principal amount of the Notes in respect of which such option has been

exercised with it together with their certificate or, as the case may be, serial numbers and the Registrar shall promptly notify such details to the Issuer.

11. **APPOINTMENT AND DUTIES OF THE CALCULATION AGENT**

11.1 Appointment

The Issuer appoints the Principal Paying Agent at its specified office as Calculation Agent in relation to each Series of Notes in respect of which it is named as such in the relevant Final Terms or Drawdown Prospectus (as the case may be) for the purposes specified in this Agreement and in the Conditions and all matters incidental thereto.

11.2 Acceptance of appointment

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

11.3 Calculations and determinations

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

11.3.1 *Determinations:* obtain such quotes and rates and/or make such determinations, calculations, adjustments, notifications and publications as may be required to be made by it by the Conditions at the times and otherwise in accordance with the Conditions; and

11.3.2 *Records:* maintain a record of all quotations obtained by it and of all amounts, rates and other items determined or calculated by it and make such records available for inspection at all reasonable times by the Issuer and the Agents.

12. **FEES AND EXPENSES**

12.1 Fees

The Issuer shall pay to the Principal Paying Agent for account of the Agents (other than the Calculation Agent) such fees as may have been agreed between the Issuer and the Principal Paying Agent and recorded in a letter dated 10 March 2009 from the Principal Paying Agent to the Issuer in respect of the services of the Agents (other than the Calculation Agent) hereunder (plus any applicable value added tax). The Issuer

shall pay to any Calculation Agent such fees as may be agreed between the Issuer and such Calculation Agent in respect of its services hereunder (plus any applicable value added tax).

12.2 Front-end expenses

The Issuer shall on demand reimburse the Principal Paying Agent and each other Agent for any reasonably incurred out-of-pocket expenses (including reasonable legal fees and any publication, advertising, communication, courier, postage and other out-of-pocket expenses) properly incurred in connection with its services hereunder (plus any applicable value added tax), other than such costs and expenses as are separately agreed to be reimbursed out of the fees payable under Clause 12.1 (*Fees*).

12.3 Fees not to be abated

The fees, commissions and expenses payable to the Principal Paying Agent for services rendered and the performance of its obligations under the Agreement shall not be abated by any remuneration or other amounts or profits receivable by the Principal Paying Agent (or to its knowledge by any of its associates) in connection with any transaction effected by the Principal Paying Agent with or for the Issuer.

12.4 Taxes

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which may be payable upon or in connection with the execution and delivery of this Agreement and any letters of appointment under which any Agent is appointed as agent hereunder, and the Issuer shall indemnify each Agent on demand against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which an Agent may incur or which may be made against it as a result or arising out of or in relation to the Issuer's failure to pay or delay in paying any of the same. All payments by the Issuer under this Clause 12 or Clause 13.3 (*Indemnity*) shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the United States of America or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the relevant Agent of such amounts as would have been received by it if no such withholding or deduction had been required.

13. **TERMS OF APPOINTMENT**

- 13.1 Each of the Paying Agents, the Registrar, the Transfer Agents, the Replacement Agents and (in the case of sub-clauses 13.1.7 (*Genuine documents*), 13.1.8 (*Lawyers*) and 13.1.9 (*Expense or liability*), each Calculation Agent) may, in connection with its services hereunder:
- 13.1.1 *Communications*: treat a telephone, facsimile or e-mail communication from a person purporting to be (and who, the Agent believes in good faith to be) an authorised representative of the Issuer named in a list of authorised persons provided by the Issuer to the Agent for such purpose as sufficient instructions and authority of the Issuer for the Agent to act;
 - 13.1.2 *Compliance actions*: be entitled to take any action or to refuse to take any action which the Agent reasonably regards as necessary for the Agent to comply with any applicable law, regulation or fiscal requirement, or the rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system;
 - 13.1.3 *Other transactions with the Issuer*: become the owner of, and/or acquire any interest in, any Notes, Coupons or Talons with the same rights that it or he would have had if the Agent were not appointed under this Agreement, and may engage or be interested in any financial or other transaction with the Issuer, and may act on, or as depositary, trustee or agent for, any committee or body of Holders of Notes or Coupons or other obligations of the Issuer, as freely as if the Agent were not appointed under this Agreement, provided that the express terms of this Agreement are not thereby affected;
 - 13.1.4 *Entitlement to act in Agent's own self-interest*: be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transaction without regard to the interests of the Issuer and notwithstanding that the same may be contrary or prejudicial to the interests of the Issuer and shall not be responsible for any loss or damage occasioned to the Issuer thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith. In acting under this Agreement and in connection with the Notes and the Coupons each Agent shall act solely as an agent of the Issuer and/or the Trustee and will not assume any obligation or responsibility towards or relationship of agency or trust for or with any of the owners or Holders of the Notes, Receipts, Coupons or Talons or any other third party;
 - 13.1.5 *Absolute owner*: except as ordered by a court of competent jurisdiction or as required by law and notwithstanding any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof, but subject to Clause 8.1 (*Payments by Paying Agents*), treat

the Holder of any Note or Coupon as the absolute owner thereof and make payments thereon accordingly;

- 13.1.6 *Correct terms*: assume that the terms of each Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate as issued are correct;
- 13.1.7 *Genuine documents*: rely upon any instruction, request or order from the Issuer or any document which it reasonably believes to be genuine and to have been delivered by the proper party or parties upon written instructions from the Issuer;
- 13.1.8 *Lawyers*: engage and pay for the advice or services of any lawyers or other experts whose advice or services it considers necessary and rely upon any advice so obtained (and such Paying Agent, Registrar, Transfer Agent, Replacement Agent or, as the case may be, such Calculation Agent shall be protected and shall incur no liability as against the Issuer in respect of any action taken, or suffered to be taken, in accordance with such advice and in good faith); and
- 13.1.9 *Expense or liability*: treat itself as being released from any obligation to take any action hereunder which it reasonably expects will result in any expense or liability to it, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

13.2 Extent of Duties

Each Agent shall only be obliged to perform the duties set out herein and such other duties as are necessarily incidental thereto. No Agent shall:

- 13.2.1 *Fiduciary duty*: be under any fiduciary duty or other obligation (including without limitation duties or obligations of an equitable nature) towards or have any relationship of agency or trust for or with any person other than the Issuer;
- 13.2.2 *Validity*: be responsible to anyone with respect to the validity of this Agreement or the Notes or Coupons.
- 13.2.3 *Default*: have any duty or responsibility in the case of any default by the Issuer in the performance of its obligations under the Conditions save where such wilful default was directly caused by the default of the Agent in complying with its obligations specifically set out under this Agreement.
- 13.2.4 *Enforceability of any Notes*: be responsible for or liable in respect of the legality, validity or enforceability of any Temporary Global Note, Permanent Global Note, Definitive Note, Coupon, Global Registered Note or Individual Note Certificate or any act or omission of any other person (including, without limitation, any other Agent).

13.3 Indemnity

- 13.3.1 The Issuer shall indemnify each Agent against any claim, demand, action, liability, damages, cost, loss or expense (together, “**Losses**”) (including, without limitation, legal fees, charges and expenses (together “**Expenses**”) and any applicable value added tax reasonably and properly, paid and incurred in disputing or defending any Losses) which the Agent may incur or which may be made against the Agent as a result of or in connection with the Agent’s appointment or the exercise of its powers or duties under this Agreement otherwise than by reason of its own negligence or wilful default or fraud, or that of its officers, directors or employees or the breach by it of the terms of this Agreement.
- 13.3.2 Each Agent shall indemnify the Issuer against any Losses (including, without limitation, any Expenses, and any applicable value added tax, reasonably and properly paid and incurred in disputing or defending any Losses) which the Issuer may incur or which may be made against the Issuer as a result of or in connection with the Agent’s appointment or the exercise of the Agent’s powers or duties under this Agreement otherwise than by reason of its own negligence or wilful default or fraud, or that of its officers, directors or employees or the breach by it of the terms of this agreement. For the avoidance of doubt the Agent’s liability under this Clause 13.3.2 shall be limited in the manner set out in Clause 15.
- 13.3.3 The indemnity set out in Clauses 13.3.1 and 13.3.2 above shall survive any termination of this Agreement or the removal or resignation of any Agent.

14. **CHANGES IN AGENTS**

14.1 Resignation

Any Agent may resign its appointment as the agent of the Issuer hereunder and/or in relation to any Series of Notes upon the expiration of not less than 90 days’ notice to that effect by such Agent to the Issuer (with a copy to the Trustee and, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent and in the case of an Agent other than the Registrar, to the Registrar) *provided, however, that:*

- 14.1.1 *Payment date:* if in relation to any Series of Notes any such resignation which would otherwise take effect less than 90 days before or after the maturity date or other date for redemption of such Series or any interest or other payment date in relation to any such Series it shall not take effect, in relation to such Series only, until the ninetieth day following such date; and
- 14.1.2 *Successors:* in respect of any Series of Notes, in the case of the Principal Paying Agent, the Registrar, the Calculation Agent or the Required Agent, such resignation shall not be effective until a successor thereto has been appointed by the Issuer as its agent in relation to such Series of Notes in accordance with Clause 14.4 (*Additional and successor agents*) or in

accordance with Clause 14.5 (*Agents may appoint successors*) and notice of such appointment has been given in accordance with the Conditions.

14.2 Revocation

The Issuer may (with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed)) revoke its appointment of any Agent as its agent hereunder and/or in relation to any Series of Notes by not less than thirty days' notice to that effect to such Agent (with a copy, in the case of an Agent other than the Principal Paying Agent, to the Principal Paying Agent and in the case of an Agent other than the Registrar, to the Registrar) *provided, however, that* in respect of any Series of Notes, in the case of the Principal Paying Agent, the Registrar, the Calculation Agent or any Required Agent, such revocation shall not be effective until a successor thereto has been appointed by the Issuer as its agent in relation to such Series of Notes and notice of such appointment has been given in accordance with the Conditions.

14.3 Automatic termination

The appointment of any Agent shall terminate forthwith if:

- 14.3.1 *Incapacity*: such Agent becomes incapable of acting;
- 14.3.2 *Receiver*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of such Agent;
- 14.3.3 *Insolvency*: such Agent becomes insolvent or becomes unable to pay its debts as they fall due;
- 14.3.4 *Liquidator*: an administrator or liquidator of such Agent or the whole or any part of the undertaking, assets and revenues of such Agent is appointed (or application for any such appointment is made);
- 14.3.5 *Composition*: such Agent takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness;
- 14.3.6 *Winding-up*: an order is made or an effective resolution is passed for the winding-up of such Agent; or
- 14.3.7 *Analogous event*: any event occurs which has an analogous effect to any of the foregoing.

Additionally, if at any time the Issuer reasonably believes any of the events listed in this Clause 14.3 is imminent with respect to an Agent, then the Issuer (at the Issuer's expense) may remove such Agent with immediate effect, provided that the Issuer has

first identified a successor (as defined below) and the successor has accepted its appointment under this Agreement.

If the appointment of the Principal Paying Agent, Registrar, Calculation Agent or any Required Agent is terminated in accordance with this Clause 14.3, the Issuer shall forthwith appoint a successor in accordance with Clause 14.4 (*Additional and successor agents*). As soon as practicable following such termination, such Agent shall transfer all monies held by it for payment of principal and/or interest on Notes, or otherwise for the account of Noteholders, to such successor or as the Issuer may otherwise direct.

14.4 Additional and successor agents

The Issuer may (with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed)) appoint a successor Principal Paying Agent, registrar or calculation agent and additional or successor paying agents and transfer agents and shall forthwith give notice of any such appointment to the continuing Agents and the Noteholders, whereupon the Issuer, the continuing Agents, the Trustee and the additional or successor principal paying agent, registrar, calculation agent, paying agent or transfer agent shall acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form *mutatis mutandis* of this Agreement.

14.5 Agents may appoint successors

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

14.6 Release

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

14.6.1 *Discharge*: be released and discharged from its obligations under this Agreement (save that it shall remain liable for any prior breach of this Agreement and shall be entitled to the benefit of and subject to Clause 12.4 (*Taxes*), Clause 13 (*Terms of Appointment*), and Clause 14 (*Changes in Agents*));

- 14.6.2 *Principal Paying Agent's records*: in the case of the Principal Paying Agent, deliver to the Issuer and to its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Principal Paying Agent, of the records maintained by it in accordance with Clause 9.1 (*Records*);
- 14.6.3 *Calculation Agent's records*: in the case of any Calculation Agent, deliver to the Issuer and its successor a copy, certified as true and up-to-date by an officer or authorised signatory of such Calculation Agent, of the records maintained by it in accordance with Clause 11 (*Appointment and Duties of the Calculation Agent*);
- 14.6.4 *Registrar's records*: in the case of the Registrar, deliver to the Issuer and its successor a copy, certified as true and up-to-date by an officer or authorised signatory of the Registrar, of the records maintained by it in accordance with Clause 5.1 (*Maintenance of the Register*); and
- 14.6.5 *Moneys and papers*: forthwith (upon payment to it of any amount due to it in accordance with Clause 12 (*Fees and Expenses*) or Clause 13.3 (*Indemnity*)) transfer all moneys and papers (including any unissued Notes held by it hereunder and any documents held by it pursuant to Clause 9.10 (*Documents available for inspection*)) to its successor and, upon appropriate notice, provide reasonable assistance to its successor for the discharge of its duties and responsibilities hereunder.

14.7 Merger

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

14.8 Changes in Specified Offices

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

15. **LIABILITY**

Each Agent will only be liable to the Issuer and/or the Trustee for losses, liabilities, costs, expenses and demands arising directly from the performance of its obligations under the Agreement suffered by or occasioned to the Issuer and/or the Trustee ("**Liabilities**" to the extent that the Agent has been negligent, fraudulent or in wilful default in respect of its obligations under the Agreement. For the avoidance of doubt the failure of the Agent to make a claim for payment on the Issuer, or to inform any other paying agent or clearing system of a failure on the part of the Issuer to meet any such claim or to make a payment by the stipulated date, shall not be deemed to constitute negligence, fraud or wilful default on the part of the Agent.

The Agent shall not otherwise be liable or responsible for any Liabilities or inconvenience which may result from anything done or omitted to be done by it in connection with the Agreement.

Liabilities arising under this Clause 15 shall be limited to the amount of the Issuer's and/or the Trustee's actual loss (such loss shall be determined as at the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at the time of entering into the Agreement, or at the time of accepting any relevant instructions, which increase the amount of the loss. In no event shall any Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

The liability of each Agent under this Clause 15 will not extend to any Liabilities arising through any acts, events or circumstances not reasonably within its control, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, but not limited to, Liabilities arising from: any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; and strikes or industrial action.

16. **NOTICES**

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

16.1.1 if to the Issuer to it at:

Address: 120 Park Avenue
New York, New York 10017
United States of America

Attention: Vice President & Corporate Secretary
Telefax no.: +1 917 663 83 97

with a copy to Philip Morris International Management SA at:

Address: Avenue de Rhodanie 50
CH-1007 Lausanne
Switzerland
Attention: Vice President Finance and Treasurer
Telefax no.: +41 58 242 01 01

16.1.2 if to the Trustee to it at:

Address: 8 Canada Square
London E14 5HQ
Fax: +44 (0)207 991 4350
Attention: CTLA Trustee Services Administration

16.1.3 if to the Principal Paying Agent, the Registrar, a Paying Agent or a Transfer Agent to it at the address or fax number specified against its name in Schedule 1 (*The Specified Offices of the Agents*)

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

16.2 Effectiveness

Every notice or communication sent in accordance with sub-clause 16.1 (*Notices*) shall be effective, if sent by letter or fax, upon receipt by the addressee *provided, however, that* any such notice or communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

17. **LAW AND JURISDICTION**

17.1 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

17.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”), arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation, arising out of or in connection with this Agreement) or the consequences of its nullity.

17.3 Appropriate forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

17.4 Rights of the Agents and Trustee to take proceedings outside England

Clause 17.2 (*English courts*) is for the benefit of the Agents and the Trustee only. As a result, nothing in this Clause 17 (*Law and jurisdiction*) prevents the Agents and/or the Trustee from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Agents and/or the Trustee may take concurrent Proceedings in any number of jurisdictions.

17.5 Process agent

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hunton & Williams at 30 St Mary Axe, London EC3A 8EP or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Agent addressed to the Issuer and delivered to the Issuer appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Agent shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer. Nothing in this paragraph shall affect the right of any Agent to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.

18. **MODIFICATION**

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

19. **COUNTERPARTS**

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

20. **RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

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

SCHEDULE 1
THE SPECIFIED OFFICES OF THE AGENTS

The Principal Paying Agent and Calculation Agent:

HSBC Bank plc
8 Canada Square
London E14 5HQ

Telephone: + 44 (0)207 991 3733
Fax: + 44 (0)207 260 8932
Attention: Manager, Client Services Conventional Debt,
Corporate Trust and Loan Agency

The Registrar:

HSBC Private Bank (C.I.) Limited, Jersey Branch
1 Grenville Street
St Helier
Jersey JE4 9PF
Channel Islands

Telephone: +44 (0)1534 672 674
Fax: +44 (0)1534 672 433
Attention: The Manager, Corporate Services

The Transfer Agent:

HSBC Bank plc
8 Canada Square
London E14 5HQ

Telephone: +44 (0)207 991 3733
Fax: +44 (0)207 260 8932
Attention: Manager, Client Services Conventional Debt,
Corporate Trust and Loan Agency

SCHEDULE 2
FORM OF CALCULATION AGENT APPOINTMENT LETTER

[On letterhead of the Issuer]

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

[Date]

[Name of Calculation Agent]
[Address]

Dear Sirs,

PHILIP MORRIS INTERNATIONAL INC.

Euro Medium Term Note Programme

We refer to the issue and paying agency agreement dated 13 March 2009 entered into in respect of the above Euro Medium Term Note Programme (as amended or supplemented from time to time, the “**Agency Agreement**”) between ourselves as Issuer, HSBC Bank plc as Principal Paying Agent, HSBC Corporate Trustee Company (UK) Limited as Trustee and certain other financial institutions named therein, a copy of which has been supplied to you by us.

All terms and expressions which have defined meanings in the Agency Agreement shall have the same meanings when used herein.

EITHER

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

OR

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

We hereby agree that, notwithstanding the provisions of the Agency Agreement or the Conditions, your appointment as Calculation Agent may only be revoked in accordance with Clause 14.2 (*Revocation*) of the Agency Agreement if you have been negligent in the exercise of your obligations thereunder or have failed to exercise or perform your obligations thereunder.

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

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law and the provisions of Clause 17 (*Law and Jurisdiction*) of the Agency Agreement shall apply to this letter as if set out herein in full.

A person who is not a party to the agreement described in this letter has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such agreement.

Yours faithfully

PHILIP MORRIS INTERNATIONAL INC.

By:

FORM OF CONFIRMATION

EITHER

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

OR

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

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

Address: []

Telephone: +[•]

Fax: +[•]

Attention: []

[*Name of Calculation Agent*]

By:

Date: [*Date*]

SCHEDULE 3
FORM OF PUT OPTION NOTICE

To: [Paying Agent]

PHILIP MORRIS INTERNATIONAL INC.
Euro Medium Term Note Programme

PUT OPTION NOTICE¹

OPTION 1 (DEFINITIVE NOTES) - [complete/delete as applicable]

By depositing this duly completed Notice with the above Paying Agent in relation to [specify relevant Series of Notes] (the “Notes”) in accordance with Condition 10(f) (*Redemption at the option of Noteholders*), the undersigned Holder of the Notes specified below and deposited with this Put Option Notice exercises its option to have such Notes redeemed in accordance with Condition 10(f) (*Redemption at the option of Noteholders*) on [date].

This Notice relates to the Note(s) bearing the following certificate numbers and in the following denominations:

Certificate Number	Denomination
.....
.....
.....

OPTION 2 (PERMANENT GLOBAL NOTE) - [complete/delete as applicable]

By depositing this duly completed Notice with the above Paying Agent for the [specify relevant Series of Notes] (the “Notes”) in accordance with Condition 10(f) (*Redemption at the option of Noteholders*) and the terms of the Permanent Global Note issued in respect of the Notes, the undersigned Holder of the Permanent Global Note exercises its option to have [currency] [amount] of the Notes redeemed accordance with Condition 10(f) (*Redemption at the option of Noteholders*) on [date].

¹ The Put Option Notice, duly completed and executed, should be deposited at the specified office of any Paying Agent. If the relevant Notes are in definitive form or individual note certificate form, such Definitive Notes and all Coupons, or as the case may be, Individual Note Certificate relating thereto and maturing after the date fixed for redemption should be deposited with the Put Option Notice. If the relevant Notes are in global form, the Put Option Notice should be submitted in accordance with the operating rules and regulations of the relevant clearing system and, if possible, the relevant interests in the relevant Global Note should be blocked to the satisfaction of the relevant Paying Agent.

OPTION 3 (INDIVIDUAL NOTE CERTIFICATES) - [complete/delete as applicable]

By depositing this duly completed Notice with the above Paying Agent in relation to the [specify relevant Series of Notes] (the “Notes”) in accordance with Condition 10(f) (Redemption at the option of Noteholders), the undersigned Holder of the principal amount of Notes specified below and evidenced by the Individual Note Certificate(s) referred to below and presented with this Put Option Notice exercises its option to have such Notes redeemed in accordance with Condition 10(f) (Redemption at the option of Noteholders) on [date].

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

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

OPTION 4 (GLOBAL REGISTERED NOTE)

By depositing this duly completed Notice with the above Paying Agent in relation to [specify relevant Series of Notes] (the “Notes”) in accordance with Condition 10(f) (Redemption at the option of Noteholders), the undersigned Holder of the principal amount of Notes specified below exercises its option to have such Notes redeemed in accordance with Condition 10(f) (Redemption at the option of Noteholders) on [date].

This Notice relates to Note(s) in the aggregate principal amount of [currency].

[END OF OPTIONS]

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

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

OR

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

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

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

.....
.....

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

Name of Holder:

Signature of Holder:

[END OF OPTIONS]

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

Name of Holder:

Contact details:

.....

.....

Signature of Holder:

Date:

[To be completed by Paying Agent:]

Received by:

[Signature and stamp of Paying Agent:]

At its office at

.....

On

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

SCHEDULE 4
FORM OF PUT OPTION RECEIPT
PHILIP MORRIS INTERNATIONAL INC.
Euro Medium Term Note Programme
PUT OPTION RECEIPT²

OPTION 1 (DEFINITIVE NOTES)

We hereby acknowledge receipt of a Put Option Notice relating to [*specify relevant Series of Notes*] (the “**Notes**”) having the certificate number(s) [and denomination(s)] set out below. We will hold such Note(s) in accordance with the terms of the Conditions of the Notes and the Agency Agreement dated 13 March 2009 relating thereto.

In the event that, pursuant to such Conditions and the Agency Agreement, the depositor of such Note(s) becomes entitled to their return, we will return such Definitive Note(s) to the depositor against presentation and surrender of this Put Option Receipt.

Certificate Number

Denomination

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

OPTION 2 (INDIVIDUAL NOTE CERTIFICATES)

We hereby acknowledge receipt of a Put Option Notice relating to [*specify relevant Series of Notes*] (the “**Notes**”) having the principal amount specified below and evidenced by the Individual Note Certificate(s) referred to below. We will hold such Individual Note Certificate(s) in accordance with the terms of the Conditions of the Notes and the Agency Agreement dated 13 March 2009 relating thereto.

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

² A Receipt will only be issued in the case of deposit of a Definitive Note or an Individual Note Certificate.

Certificate Number

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

Denomination

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

END OF OPTIONS

Dated: [date]

[PAYING AGENT]

By: _____

(duly authorised)

SCHEDULE 5
DUTIES UNDER THE ISSUER-ICSDS AGREEMENT

In relation to each Tranche of Bearer Notes that are, or are to be, represented by an NGN Temporary Global Note or an NGN Permanent Global Note, the Principal Paying Agent will comply with the following provisions:

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

9. *Default:* The Principal Paying Agent will (to the extent known to it) promptly notify the ICSDs (through the Common Service Provider) of any failure by the Issuer to make any payment or delivery due under the Notes when due.

SCHEDULE 6

REGULATIONS CONCERNING TRANSFERS AND REGISTRATION OF REGISTERED NOTES

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

opinions), become registered himself as the Holder of such Notes or, subject to the provisions of these Regulations, the Notes and the Conditions as to transfer, may transfer such Registered Notes. The Issuer, the Transfer Agents, the Registrar and the Paying Agents shall be at liberty to retain any amount payable upon the Registered Notes to which any person is so entitled until such person is so registered or duly transfers such Notes.

7. Unless otherwise required by him and agreed by the Issuer and the Registrar, the Holder of any Notes shall be entitled to receive only one Note Certificate in respect of his holding.
8. The joint Holders of any Registered Note shall be entitled to one Note Certificate only in respect of their joint holding which shall, except where they otherwise direct, be delivered to the joint Holder whose name appears first in the Register in respect of the joint holding.
9. Where there is more than one transferee (to hold other than as joint Holders), separate forms of transfer (obtainable from the Specified Office of the Registrar or any Transfer Agent) must be completed in respect of each new holding.
10. A Holder of Registered Notes may transfer all or part only of his holding of Notes provided that both the principal amount of Notes transferred and the principal amount of the balance not transferred are a Specified Denomination. Where a Holder of Registered Notes has transferred part only of his holding of Registered Notes, a new Note Certificate in respect of the balance of such holding will be delivered to him.
11. The Issuer, the Transfer Agents and the Registrar shall, save in the case of the issue of replacement Registered Notes pursuant to Condition 16 (*Replacement of Notes and Coupons*), make no charge to the Holders for the registration of any holding of Registered Notes or any transfer thereof or for the issue of any Registered Notes or for the delivery thereof at the Specified Office of any Transfer Agent or the Registrar or by uninsured post to the address specified by the Holder, but such registration, transfer, issue or delivery shall be effected against such indemnity from the Holder or the transferee thereof as the Registrar or the relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such registration, transfer, issue or delivery.
12. Provided a transfer of a Registered Note is duly made in accordance with all applicable requirements and restrictions upon transfer and the Note(s) transferred are presented to a Transfer Agent and/or the Registrar in accordance with the Agency Agreement and these Regulations, and subject to unforeseen circumstances beyond the control of such Transfer Agent or the Registrar arising, such Transfer Agent or the Registrar will, within five business days of the request for transfer being duly made, deliver at its Specified Office to the transferee or despatch by uninsured post (at the request and risk of the transferee) to such address as the transferee entitled to the Registered Notes in relation to which such Note Certificate is issued may have specified, a Note Certificate in respect of which entries have been made in the Register, all formalities complied

with and the name of the transferee completed on the Note Certificate by or on behalf of the Registrar; and, for the purposes of this paragraph, “**business day**” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the cities in which the Registrar and (if applicable) the relevant Transfer Agent have their respective Specified Offices.

SIGNATURES

The Issuer

PHILIP MORRIS INTERNATIONAL INC.

By: /s/ MARCO KUEPFER

VP FINANCE & TREASURER

The Trustee

HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

By: /s/ JASON BLONDELL

The Principal Paying Agent and Calculation Agent

HSBC BANK PLC

By: /s/ RYAN O'ROURKE

AUTHORISED SIGNATORY

The Registrar

HSBC PRIVATE BANK (C.I.) LIMITED

By: /s/ RYAN O'ROURKE

AUTHORISED SIGNATORY

The Transfer Agent

HSBC BANK PLC

By: /s/ RYAN O'ROURKE

AUTHORISED SIGNATORY

- (1) PHILIP MORRIS INTERNATIONAL INC.**
(2) HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED

TRUST DEED
RELATING TO A EURO MEDIUM TERM NOTE
PROGRAMME

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THIS TRUST DEED is made on 13 March 2009

BETWEEN:

- (1) **PHILIP MORRIS INTERNATIONAL INC.** (the “**Issuer**”); and
- (2) **HSBC CORPORATE TRUSTEE COMPANY (UK) LIMITED** (the “**Trustee**”, which expression includes, where the context admits, all persons for the time being the trustee or trustees of this Trust Deed).

WHEREAS

- (A) The Issuer has authorised the establishment of a Euro Medium Term Note Programme pursuant to which the Issuer may issue from time to time Notes as set out herein (the “**Programme**”).
- (B) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

NOW THIS TRUST DEED WITNESSES AND IT IS HEREBY DECLARED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Trust Deed the following expressions have the following meanings:

“**Agency Agreement**” means, in relation to the Notes of any Series, the agreement dated 13 March 2009 appointing the initial Paying Agents, the Registrar, the Calculation Agent and the Transfer Agents in relation to such Series and any other agreement for the time being in force appointing Successor paying agents or a Successor registrar or a Successor calculation agent or Successor transfer agents in relation to such Series, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements in relation to such Series;

“**Agents**” means, in relation to the Notes of any Series, the Principal Paying Agent, the other Paying Agents, the Registrar, the Calculation Agent, the Transfer Agents, or any of them;

“**Appointee**” means any delegate, agent, nominee or custodian appointed pursuant to the provisions of this Trust Deed;

“**Authorised Signatory**” means any Director of the Issuer or any other person or persons notified to the Trustee by any such Director as being an Authorised Signatory pursuant to sub-clause 6.1.14 (*Authorised Signatories*);

“**Bearer Note**” means a Note issued in bearer form;

“**Calculation Agent**” means, in relation to the Notes of any Series, the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party

responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“**CGN Permanent Global Note**” means a Permanent Global Note representing Notes for which the relevant Final Terms specify that the new global note form is not applicable;

“**CGN Temporary Global Note**” means a Temporary Global Note representing Notes for which the relevant Final Terms specify that the new global note form is not applicable;

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

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

“**Conditions**” means:

- (a) in relation to the Bearer Notes of any Series, the terms and conditions to be endorsed on, or incorporated by reference in, the Bearer Notes of such Series, in the form set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto or in such other form, having regard to the terms of the Notes of the relevant Series, as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms relevant to such Series and includes (without limitation) any Special Conditions, as any of the same may from time to time be modified in accordance with this Trust Deed and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Bearer Notes of such Series accordingly;
- (b) in relation to the Registered Notes of any Series, the terms and conditions to be endorsed on, or incorporated by reference in, the Note Certificates in respect of such Series, in the form set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto or in such other form, having regard to the terms of the relevant Series, as may be agreed between the Issuer, the Principal Paying Agent, the Trustee and the relevant Dealer(s) as modified and supplemented by the Final Terms relevant to such Series, and includes (without limitation) any Special Conditions as any of the same may from time to time be modified in accordance with the provisions of this Trust Deed and any reference in this Trust Deed to a particular numbered Condition shall be construed in relation to the Registered Notes of such Series accordingly;

“**Contractual Currency**” means, in relation to any payment obligations of any Notes, the currency in which that payment obligation is expressed and, in relation to Clause 11.1 (*Remuneration*), pounds sterling or such other currency as may be agreed between the Issuer and the Trustee from time to time.

“**Couponholder**” means the holder of a Coupon and, where Talons for further Coupons are issued, includes the holder of a Talon;

“**Coupons**” means any bearer interest coupons, substantially in the form set out in Part D of Schedule 2 (*Form of Bearer Notes*) appertaining to the Bearer Notes of any Series or, as the context may require, a specific number thereof and includes any replacement Coupons issued pursuant to Condition 17 (*Replacement of Notes and Coupons*) and, where the context so permits, the Talons appertaining to the Bearer Notes of such Series;

“**Dealer Agreement**” means the agreement dated 13 March 2009 between the Issuer and the Dealers named therein concerning the issue and subscription of Notes to be issued pursuant to the Programme as amended from time to time or any restatement thereof for the time being in force;

“**Dealers**” means any person appointed as a Dealer pursuant to the Dealer Agreement including any person the Issuer may appoint as a Dealer pursuant to either clause 13.1.2 (*New Dealer*) or 13.1.3 (*Dealer for a day*) of the Dealer Agreement (and notice of whose appointment has been given to the Principal Paying Agent and the Trustee by the Issuer) but excluding any entity whose appointment has been terminated pursuant to clause 13.1 (*Termination*) of the Dealer Agreement (and notice of whose termination has been given to the Principal Paying Agent and the Trustee by the Issuer) and references to the “**relevant Dealer(s)**” mean, in relation to any Note, the Dealer(s) with whom the Issuer has agreed the issue and subscription of such Note;

“**Definitive Note**” means a Bearer Note in definitive form;

“**Director**” means any Director of the Issuer from time to time;

“**Drawdown Prospectus**” means a prospectus specific to a Tranche of Notes;

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Event of Default**” means any one of the circumstances described in Condition 14 (*Events of Default*);

“**Extraordinary Resolution**” has the meaning set out in Schedule 4 (*Provisions for Meetings of Noteholders*);

“**Final Terms**” has the meaning ascribed to it in the Dealer Agreement;

“**Fitch**” means Fitch Ratings Limited;

“**Fixed Rate Note**” means a Note in respect of which the relevant Final Terms indicate that Condition 6 (*Fixed Rate Note Provisions*) shall apply;

“**Floating Rate Note**” means a Note in respect of which the relevant Final Terms indicate that Condition 7 (*Floating Rate Note and Index-Linked Note Provisions*) shall apply;

“**Global Note**” means, a CGN Temporary Global Note, a CGN Permanent Global Note, an NGN Temporary Global Note or an NGN Permanent Global Note;

“**Global Registered Note**” means, in relation to any Series of Registered Notes, any Global Registered Note issued or to be issued pursuant to Clause 4.2 (*Global Registered Notes*) in or substantially in the form set out in Part A of Schedule 3 (*Form of Registered Notes*);

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

“**Individual Note Certificate**” means, in relation to any Series of Registered Notes, any Individual Note Certificate representing a Noteholder’s holding of Notes of such Series, in or substantially in the form set out in Schedule 3 (*Form of Registered Notes*);

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

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

“**Liabilities**” means any loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

“**Moody’s**” means Moody’s Investors Service Limited;

“**NGN Permanent Global Note**” means a Permanent Global Note representing Notes for which the relevant Final Terms specify that the new global note form is applicable;

“**NGN Temporary Global Note**” means a Temporary Global Note representing Notes for which the relevant Final Terms specify that the new global note form is applicable;

“**Note Certificate**” means, in relation to any Series, any Global Registered Note or Individual Note Certificate and includes any replacement Note Certificate issued pursuant to Condition 17 (*Replacement of Notes and Coupons*);

“**Noteholder**” and (in relation to a Note) “**Holder**” means, in the case of a Bearer Note, the bearer of a Note or, in the case of a Registered Note, a person in whose name a Note is registered in the Register (or in the case of joint holders, the first named thereof);

“**Notes**” means the notes of each Series constituted in relation to or by this Trust Deed which shall, in the case of Bearer Notes, be in or substantially in the form set out in Schedule 2 (*Form of Bearer Notes*) and, in the case of Registered Notes, be represented by a Note Certificate in or substantially in the form set out in Schedule 3 (*Form of Registered Notes*) or, as the case may be, a specific number thereof and includes any replacement Notes of such Series issued pursuant to Condition 17 (*Replacement of Notes and Coupons*) and (except for the purposes of Clause 4.1 (*Global Notes*) and 4.5

(*Signature*) each Global Note or Global Registered Note in respect of such Series for so long as it has not been exchanged in accordance with the terms thereof;

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

- (a) those which have been redeemed in accordance with this Trust Deed;
- (b) those in respect of which the date for redemption in accordance with the provisions of the Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to the date for such redemption) have been duly paid to the Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Noteholders in accordance with Condition 21 (*Notices*)) and remain available for payment in accordance with the Conditions;
- (c) those which have been purchased and surrendered for cancellation as provided in Condition 10 (*Redemption and Purchase*) and notice of the cancellation of which has been given to the Trustee;
- (d) those which have become void under Condition 16 (*Prescription*); and
- (e) in the case of Bearer Notes only:
 - (i) those mutilated or defaced Notes which have been surrendered or cancelled and in respect of which replacement Notes have been issued pursuant to Condition 17 (*Replacement of Notes and Coupons*);
 - (ii) (for the purpose only of ascertaining the aggregate nominal amount of Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 17 (*Replacement of Notes and Coupons*);

provided that for each of the following purposes, namely:

- (1) the right to attend and vote at any meeting of the holders of Notes of any Series;
- (2) the determination of how many and which Notes of any Series are for the time being outstanding for the purposes of Clauses 8.1 (*Legal Proceedings*) and 7.1 (*Waiver*), Conditions 14 (*Events of Default*) and 19 (*Meetings of Noteholders; Modification and Waiver*) and Schedule 4 (*Provisions for Meetings of Noteholders*); and

(3) any discretion, power or authority, whether contained in this Trust Deed or provided by law, which the Trustee is required to exercise in or by reference to the interests of the holders of the Notes of any Series or any of them;

those Notes (if any) of the relevant Series which are for the time being held by any person (including but not limited to the Issuer or any Subsidiary) for the benefit of the Issuer or any Subsidiary shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

“**Paying Agents**” means, in relation to the Notes of any Series, the several institutions (including, where the context permits, the Principal Paying Agent) at their respective Specified Offices initially appointed pursuant to the relevant Agency Agreement and/or, if applicable, any Successor paying agents in relation to such Series at their respective Specified Offices;

“**Permanent Global Note**” means, in relation to any Series, a Global Note to be issued pursuant to Clause 4.1 (*Global Notes*) in the form or substantially in the form set out in Part B of Schedule 2 (*Form of Bearer Notes*);

“**Principal Paying Agent**” means, in relation to the Notes of any Series, the institution at its Specified Office initially appointed as issuing and principal paying agent in relation to such Series pursuant to the relevant Agency Agreement or, if applicable, any Successor principal paying agent in relation to such Series at its Specified Office;

“**Rating Agencies**” means Standard & Poors, Fitch and Moody’s;

“**Register**” means the register maintained by the Registrar at its Specified Office;

“**Registered Note**” means a Note issued in registered form;

“**Registrar**” means, in relation to the Registered Notes of any Series, the institution at its Specified Office initially appointed as registrar in relation to such Notes pursuant to the relevant Agency Agreement and/or, if applicable, any Successor registrar in relation to such Notes at its Specified Office;

“**Relevant Date**” has the meaning ascribed to it in Condition 2 (*Interpretation*);

“**repay**” means “**redeem**” and “**repaid**”, “**repayable**”, “**repayment**”, “**redeemed**”, “**redeemable**” and “**redemption**” shall be construed accordingly;

“**Securities Act**” means the United States Securities Act of 1933, as amended;

“**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes expressed to be consolidated and form a single series with the Notes of the original Tranche and the terms of which are identical (save for the Issue Date and/or the Interest Commencement Date but including as to whether or not the Notes are listed);

“**Special Conditions**” means, in relation to any Series of Notes, any provision of the Conditions applicable thereto which does not appear in the form set out in Schedule 1 but which, by comparison with the form set out in Schedule 1 (*Terms and Conditions of the Notes*), is a significant new factor capable of affecting an assessment of the rights attaching to the Notes *provided, however, that* any information which can only be determined at the time of the issue of the Notes shall not constitute a Special Condition;

“**Specified Office**” means, in relation to any Agent in respect of any Series, either the office identified with its name in Schedule 1 (*The Specified Offices of the Agents*) of the Agency Agreement or any other office notified to any relevant parties pursuant to the Agency Agreement;

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc.;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Successor**” means, in relation to the Paying Agents, such other or further person as may from time to time be appointed pursuant to the Agency Agreement as a Paying Agent;

“**Talons**” means any bearer talons appertaining to the Bearer Notes of any Series in or substantially in the form set out in Part E of Schedule 2 (*Form of Bearer Notes*) or, as the context may require, a specific number thereof;

“**Temporary Global Note**” means, in relation to any Series, a Global Note to be issued pursuant to Clause 4.1 (*Global Notes*) in the form or substantially in the form set out in Part A of Schedule 2 (*Form of Bearer Notes*);

“**this Trust Deed**” means this Trust Deed and the Schedules (as from time to time modified in accordance with the provisions contained herein) and (unless the context requires otherwise) includes any deed or other document executed in accordance with the provisions hereof (as from time to time modified as aforesaid) and expressed to be supplemental hereto;

“**Tranche**” means all Notes of the same Series issued pursuant to the same Final Terms and having the same Issue Date and Interest Commencement Date;

“**Transfer Agents**” means, in relation to the Notes of any Series, the several institutions at their respective Specified Offices initially appointed pursuant to the relevant Agency Agreement and/or, if applicable, any Successor transfer agents in relation to such Series at their respective Specified Offices;

“**Trustee Acts**” means both the Trustee Act 1925 and the Trustee Act 2000, each of England and Wales;

“**Written Resolution**” means, in relation to any Series, a resolution in writing signed by or on behalf of all holders of Notes of such Series for the time being outstanding, whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders;

“**Zero Coupon Note**” means a Note in respect of which the relevant Final Terms indicate that Condition 8 (*Zero Coupon Note Provisions*) shall apply.

1.2 Principles of interpretation

In this Trust Deed:

1.2.1 *Statutory modification*: a provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;

1.2.2 *Additional amounts*: any reference to principal or interest shall be deemed to include the Redemption Amount (as defined in the Conditions), any additional amounts in respect of principal or interest which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal or interest payable pursuant to the Conditions;

1.2.3 *Relevant Currency*: “relevant currency” shall be construed as a reference to the currency in which payments in respect of the Notes and/or Coupons of the relevant Series are to be made as indicated in the relevant Final Terms;

1.2.4 *Tax*: costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof;

1.2.5 *Enforcement of rights*: an action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdictions as shall most nearly approximate thereto;

1.2.6 *Clauses and Schedules*: a Schedule or a Clause, sub-clause, paragraph or sub-paragraph is, unless otherwise stated, to a schedule hereto or a clause, sub-clause, paragraph or sub-paragraph hereof respectively;

- 1.2.7 *Clearing systems*: Euroclear and/or Clearstream, Luxembourg shall, wherever the context so admits, be deemed to include references to any additional or alternative clearing system approved by the Issuer and the Trustee;
- 1.2.8 *Trust corporation*: a trust corporation denotes a corporation entitled by rules made under the Public Trustee Act 1906 to act as a custodian trustee or entitled pursuant to any other legislation applicable to a trustee in any jurisdiction other than England to act as trustee and carry on trust business under the laws of the country of its incorporation; and
- 1.2.9 *Gender*: words denoting the masculine gender shall include the feminine gender also, words denoting individuals shall include companies, corporations and partnerships, words importing the singular number shall include the plural and, in each case, *vice versa*.
- 1.2.10 *Records*: any reference to the records of an ICSD shall be to the records that each of the ICSDs holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD); and
- 1.2.11 *Drawdown Prospectus*: each reference to Final Terms shall, in the case of a series of Notes which is the subject of a Drawdown Prospectus be read and construed as a reference to the final terms of the Notes set out in such Drawdown Prospectus.

1.3 **The Conditions**

In this Trust Deed, unless the context requires or the same are otherwise defined, words and expressions defined in the Conditions and not otherwise defined herein shall have the same meaning in this Trust Deed.

1.4 **Headings**

The headings and sub-headings are for ease of reference only and shall not affect the construction of this Trust Deed.

1.5 **The Schedules**

The schedules are part of this Trust Deed and shall have effect accordingly.

2. **AMOUNT AND ISSUE OF THE NOTES**

2.1 **Amount of the Notes**

The Notes will be issued in Series in an unlimited aggregate nominal amount. The Notes may be issued up to the aggregate principal amount of Notes from time to time authorised by resolution of the Board of Directors of the Issuer.

2.2 **Prior to each Issue Date**

By not later than 3.00 p.m. (London time) on the fourth business day in London (which for this purpose shall be a day on which commercial banks are open for business in

London) (“**London Business Day**”) preceding each proposed Issue Date, the Issuer shall:

- 2.2.1 deliver or cause to be delivered to the Trustee a draft of the relevant Final Terms and, if applicable, notify the Trustee of any proposed changes to the draft Final Terms delivered to the Trustee; and
- 2.2.2 notify the Trustee in writing without delay of the Issue Date and the nominal amount of the Notes of the relevant Tranche.

If no Special Conditions apply to the relevant Tranche or, as the case may be, the relevant Series of Notes, the Trustee shall not be required in any case to approve such Final Terms. In any other case, the Trustee shall be deemed to have approved the relevant Final Terms or any proposed changes notified to the Trustee in accordance with Clause 2.2.1 (*Prior to each Issue Date*) if it has not objected in writing to all or any of the terms thereof within two London Business Days of the Trustee receiving them *provided however that* if the Trustee indicates as soon as practicable after receipt of any draft Final Terms or any proposed changes to any draft Final Terms within such period that it does not approve of the provisions of the relevant Final Terms or the relevant changes then the Tranche or, as the case may be, the Series of Notes relating to such Final Terms shall not be issued until such time as the Trustee shall so approve the relevant Final Terms. In considering whether to approve any Final Terms, the Trustee shall consider only whether the Final Terms contain any significant new factors capable of affecting the rights, liabilities or obligations of the Trustee in its personal capacity and not the commercial terms of the Notes proposed to be issued pursuant to such Final Terms.

2.3 **Constitution of Notes**

Upon the issue of the Temporary Global Note, in the case of Bearer Notes, or the Note Certificate, in the case of Registered Notes, initially representing the Notes of any Tranche, such Notes shall become constituted by this Trust Deed without further formality.

2.4 **Further legal opinions**

Before the first issue of Notes occurring after each anniversary of this Trust Deed, on each occasion when a legal opinion is delivered to a Dealer(s) pursuant to clause 5.11 (*Legal Opinions*) of the Dealer Agreement and on such other occasions as the Trustee may request in connection with its approval of any Final Terms under Clause 2.2 (*Prior to each Issue Date*) above, the Issuer will procure at its cost that further legal opinions in such form and with such content as the Trustee may require from the legal advisers specified in the Dealer Agreement or in the relevant jurisdiction approved by the Trustee are delivered to the Trustee *provided that* the Trustee shall not be required to approve, and shall be deemed to accept, the applicable legal opinions if there are no Special Conditions opined upon therein. In each such case, receipt by the Trustee of the relevant opinion shall be a condition precedent to the issue of Notes pursuant to this Trust Deed.

3. **COVENANT TO REPAY**

3.1 **Covenant to repay**

The Issuer covenants with the Trustee that it shall, as and when the Notes of any Series or any of them become due to be redeemed or any principal on the Notes of any Series or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in immediately available freely transferable funds in the relevant currency the principal amount of the Notes of such Series or any of them becoming due for payment on that date and shall (subject to the provisions of the Conditions and except in the case of Zero Coupon Notes), until all such payments (both before and after judgment or other order) are duly made, unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount (or such other amount as may be specified in the Final Terms or, in the case of Instalment Notes, on each instalment of principal) of the Notes or any of them of such Series outstanding from time to time as set out in the Conditions (subject to Clause 3.3 (*Interest on Floating Rate Notes following Event of Default*)) provided that:

- 3.1.1 every payment of principal or interest in respect of such Notes or any of them made to the Principal Paying Agent, or as the case may be, the Registrar in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the relevant Noteholders or Couponholders (as the case may be) in accordance with the Conditions;
- 3.1.2 if any payment of principal or interest in respect of such Notes or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the relevant Noteholders or Couponholders (as the case may be) or, if earlier, the seventh day after notice has been given to the relevant Noteholders in accordance with the Conditions that the full amount has been received by the Principal Paying Agent, the Registrar or the Trustee except, in the case of payment to the Principal Paying Agent, or, as the case may be, the Registrar, to the extent that there is failure in the subsequent payment to the Noteholders or Couponholders (as the case may be) under the Conditions; and
- 3.1.3 in any case where payment of the whole or any part of the principal amount (or in the case of Instalment Notes, instalment thereof) due in respect of any Note is improperly withheld or refused upon due presentation of the relevant Note or (if so provided for in the Conditions) the relevant Note Certificate interest shall accrue on the whole or such part of such principal amount (except in the case of Zero Coupon Notes) from the date of such withholding or refusal until the date either on which such principal amount due is paid to the relevant Noteholders (as the case may be) or, if earlier, the seventh day after which notice is given to the relevant Noteholders in accordance with the

Conditions that the full amount payable in respect of the said principal amount is available for collection by the relevant Noteholders provided that on further due presentation of the relevant Note or (if so provided for in the Conditions) the relevant Note Certificate such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenant in Clause 5 (*Covenant to comply with the Trust Deed*) on trust for the Noteholders in accordance with their respective interests.

3.2 **Following an Event of Default**

At any time after any Event of Default shall have occurred, the Trustee may:

- 3.2.1 by notice in writing to the Issuer, the Principal Paying Agent and the other Agents require the Principal Paying Agent and the other Agents or any of them:
- (a) to act thereafter, until otherwise instructed by the Trustee, as Agents of the Trustee under the provisions of this Trust Deed on the terms provided in the Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Agents shall be limited to amounts for the time being held by the Trustee on the trusts of this Trust Deed in relation to the Notes on the terms of this Trust Deed and available to the Trustee for such purpose) and thereafter to hold all Notes, Coupons and Talons and all sums, documents and records held by them in respect of Notes, Coupons and Talons on behalf of the Trustee; and/or
 - (b) to deliver up all Notes, Coupons and Talons and all sums, documents and records held by them in respect of Notes, Coupons and Talons to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any document or record which the relevant Agent is obliged not to release by any law or regulation; and
- 3.2.2 by notice in writing to the Issuer require the Issuer to make all subsequent payments in respect of Notes, Coupons and Talons to or to the order of the Trustee and, with effect from the issue of any such notice until such notice is withdrawn, proviso 3.1.1 to Clause 3.1 (*Covenant to repay*) and (so far as it concerns payments by the Issuer) Clause 9.4 (*Payments to Noteholders and Couponholders*) shall cease to have effect.

3.3 **Interest on Floating Rate Notes following Event of Default**

If Floating Rate Notes become immediately due and repayable under Condition 14 (*Events of Default*) the rate and/or amount of interest payable in respect of them will be calculated at the same intervals as if such Notes had not become due and repayable, the first of which will commence on the expiry of the Interest Period (as defined in the Conditions) during which the Notes become so due and repayable in accordance with

Condition 14 (*Events of Default*) (with consequential amendments as necessary) except that the rates of interest need not be published.

3.4 **Currency of payments**

All payments in respect of, under and in connection with this Trust Deed and the Notes to the relevant Noteholders, and Couponholders shall be made in the relevant currency as required by the Conditions.

3.5 **Separate Series**

The Notes of each Series shall form a separate Series of Notes and accordingly, unless for any purpose the Trustee in its absolute discretion shall otherwise determine, all the provisions of this Trust Deed shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions “Notes”, “Noteholders”, “Coupons”, “Couponholders” and “Talons” shall be construed accordingly.

4. **THE NOTES**

4.1 **Global Notes**

4.1.1 The Bearer Notes of each Tranche will initially be together represented by a Temporary Global Note. Each Temporary Global Note shall be exchangeable, after the expiration of 40 days after the date of issue of such Temporary Global Note, in accordance with its terms, for interests in a Permanent Global Note or Definitive Notes, subject to the relevant Final Terms.

4.1.2 Each Permanent Global Note shall be exchangeable, in accordance with its terms, for Definitive Notes.

4.1.3 All Global Notes shall be prepared, completed and delivered to a common depositary for Clearstream, Luxembourg and Euroclear or, as the case may be, a Common Safekeeper in accordance with the Dealer Agreement or to another depositary in accordance with any other agreement between the Issuer and the relevant Dealer(s) and, in each case, in accordance with the Agency Agreement. The relevant Final Terms shall be annexed to each Global Note.

4.2 **Global Registered Notes**

4.2.1 The Registered Notes of each Tranche will initially be together represented by a Global Registered Note.

4.2.2 Interests in the Global Registered Note shall be exchangeable, in accordance with their terms, for Individual Note Certificates.

4.3 **Definitive Notes**

Definitive Notes will be security printed in accordance with applicable legal and stock exchange requirements substantially in the form set out in Part C of Schedule 2 (*Form of Bearer Notes*). Any Coupons and Talons will also be security printed in accordance

with the same requirements and will be attached to the Definitive Notes at the time of issue. Definitive Notes will be endorsed with the Conditions.

4.4 **Individual Note Certificates**

Individual Note Certificates will be security printed in accordance with applicable legal and stock exchange requirements substantially in the form set out in Part B of Schedule 3 (*Form of Registered Notes*). Individual Note Certificates will be endorsed with the Conditions.

4.5 **Signature**

The Global Notes, the Definitive Notes and the Note Certificates may be executed in any way permitted under the Agency Agreement. Global Notes, the Definitive Notes and Note Certificates so executed, duly authenticated and, if applicable duly effectuated will be binding and valid obligations of the Issuer.

4.6 **Entitlement to treat holder as owner**

The Issuer, the Trustee and any Agent may deem and treat the holder of any Bearer Note, Note Certificate Coupon or Talon as the absolute owner of such Bearer Note or Note Certificate Coupon or Talon, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bearer Note or Note Certificate Coupon or Talon (whether or not such Bearer Note, Coupon or Talon or the Registered Note represented by such Note Certificate shall be overdue and notwithstanding any notation of ownership or other writing thereon or any notice of previous loss or theft of such Bearer Note, Note Certificate Coupon or Talon) for all purposes and, except as ordered by a court of competent jurisdiction or as required by applicable law, the Issuer, the Trustee and the Paying Agent shall not be affected by any notice to the contrary. All payments made to any such holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for the moneys payable upon the Notes.

5. **COVENANT TO COMPLY WITH THE TRUST DEED**

5.1 **Covenant to comply with the Trust Deed**

The Issuer covenants with the Trustee to comply with those provisions of this Trust Deed and the Conditions which are expressed to be binding on it and to perform and observe the same. The Notes and the Coupons are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer, the Noteholders, the Couponholders and all persons claiming through or under them respectively.

5.2 **Trustee may enforce Conditions**

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Notes and the Conditions as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Notes.

6. **COVENANTS BY THE ISSUER**

The Issuer covenants with the Trustee that, so long as any of the Notes remain outstanding, it will:

- 6.1.1 *Event of Default*: give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;
- 6.1.2 *Certificate of Compliance*: provide to the Trustee within 10 days of any request by the Trustee and at the time of the despatch to the Trustee of its annual balance sheet and profit and loss account, and in any event not later than 180 days after the end of its financial year, a certificate in the English language, signed by two Authorised Signatories of the Issuer certifying that up to a specified date not earlier than seven days prior to the date of such certificate (the “**Certified Date**”) the Issuer has complied with its obligations under this Trust Deed (or, if such is not the case, giving details of the circumstances of such non-compliance) and that as at such date there did not exist nor had there existed at any time prior thereto since the Certified Date in respect of the previous such certificate (or, in the case of the first such certificate, since the date of this Trust Deed) any Event of Default or other matter which could affect the Issuer’s ability to perform its obligations under this Trust Deed or (if such is not the case) specifying the same;
- 6.1.3 *Financial statements*: ensure that the Issuer’s financial statements (i) are publicly disclosed by the Issuer (in the case of annual financial statements, not more than 180 days after the end of each financial year) and (ii) include an annual balance sheet and profit and loss account. So long as the Issuer’s financial statements are publicly disclosed, the Trustee, the Principal Paying Agent, the Noteholders and Couponholders shall be deemed to have received such financial statements (for the purposes of this Clause 6.1.3, the financial statements shall be deemed publicly disclosed at the time such financial statements are filed with the United States Securities and Exchange Commission through its Interactive Data Electronic Applications system), *provided however that*, in the event that the Issuer’s financial statements are not publicly disclosed, the Issuer covenants that it shall send to the Trustee and the Principal Paying Agent as soon as practicable after their due date of publication and, in the case of annual financial statements, in any event not more than 180 days after the end of each financial year, two copies in the English language of such financial statements and procure that the same are made available for public inspection by Noteholders and Couponholders at the Specified Offices of the Paying Agents as soon as practicable thereafter;
- 6.1.4 *Information*: so far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and in such form as it shall require (including, without limitation, the certificates called for by the Trustee pursuant to Clause 6.1.2 (*Certificate of*

Compliance)) for the performance of its functions, although this Clause shall not require the Issuer to disclose to the Trustee any information that constitutes unpublished, price sensitive information;

- 6.1.5 *Notes held by Issuer:* send to the Trustee as soon as possible but, in any event, not more than 2 London Business Days after being so requested in writing by the Trustee a certificate of the Issuer (signed on its behalf by two Authorised Signatories) setting out the aggregate principal amount of Notes of each Series which at the date of such certificate are held by or for the benefit of the Issuer or any Subsidiary;
- 6.1.6 *Execution of further Documents:* so far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;
- 6.1.7 *Notices to Noteholders:* send or procure to be sent to the Trustee not less than three London Business Days prior to the date of publication, for the Trustee's approval (such approval not to be unreasonably withheld), one copy of each notice to be given to the Noteholders in accordance with the Conditions and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice (such approval, unless so expressed, not to constitute approval of such notice for the purpose of Section 21 of the Financial Services and Markets Act 2000). For the purposes of approving any notice, the Trustee shall be deemed to have approved the notice if it has not objected in writing to all or any of the terms thereof within three London Business Days of the Trustee receiving such notice from the Issuer;
- 6.1.8 *Notification of non-payment:* use its reasonable endeavours to procure that the Principal Paying Agent notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Notes, or Coupons of any Series or any of them receive unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Notes, or Coupons;
- 6.1.9 *Notification of late payment:* in the event of the unconditional payment to the Principal Paying Agent or the Trustee of any sum due in respect of any of the Notes, or the Coupons or any of them being made after the due date for payment thereof, forthwith upon written request by the Trustee give notice to the Noteholders that such payment has been made;
- 6.1.10 *Notification of redemption or payment:* not less than the number of days specified in the relevant Condition prior to the redemption or payment date in respect of any Note, or Coupon give to the Trustee notice in writing of the amount of such redemption or payment pursuant to the Conditions and duly proceed to redeem or pay such Notes, or Coupons accordingly;

- 6.1.11 *Tax or optional redemption*: without prejudice to the rights of the Trustee in Condition 10 (*Redemption and Purchase*), if the Issuer gives notice to the Trustee that it intends to redeem the Notes pursuant to Condition 10 (*Redemption and Purchase*) the Issuer shall, prior to giving such notice to the Noteholders, provide such information to the Trustee as the Trustee requires in order to satisfy itself of the matters referred to in such Condition;
- 6.1.12 *Change of taxing jurisdiction*: if before the Relevant Date for any Note or Coupon the Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United States of America, as soon as practicable upon becoming aware thereof notify the Trustee of such event and (unless the Trustee otherwise agrees) enter as soon as practicable into a trust deed supplemental hereto, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 13 (*Taxation*) with the substitution for (or, as the case may be, the addition to) the references therein to the United States of America of references to that other or additional territory to whose taxing jurisdiction, or that of a political subdivision thereof or an authority therein or thereof, the Issuer shall have become subject as aforesaid, such trust deed also to modify Condition 13 (*Taxation*) so that such Condition shall make reference to that other or additional territory;
- 6.1.13 *Listing*: use reasonable endeavours to maintain the admission to listing, trading and/or quotation of the Notes of each Series by the relevant competent authority and/or stock exchange on which they are admitted to listing and/or trading on issue as indicated in the relevant Final Terms or, if it is unable to do so having used its reasonable endeavours or if the maintenance of such listing is agreed by the Trustee to be unduly burdensome or impractical, use reasonable endeavours to obtain and maintain admission to listing and/or trading of the Notes on such other competent authority and/or stock exchange as the Issuer may (with the approval of the Trustee) decide and give notice of the identity of such other competent authority and/or stock exchange to the Noteholders;
- 6.1.14 *Authorised Signatories*: upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee (with a copy to the Principal Paying Agent) a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and
- 6.1.15 *Payments*: pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

7. AMENDMENTS

7.1 Waiver

The Trustee may, without any consent or sanction of the Noteholders or Couponholders and without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in this Trust Deed, the Conditions or the Notes, or Coupons or determine that any Event of Default shall not be treated as such for the purposes of this Trust Deed; any such authorisation, waiver or determination shall be binding on the Noteholders and the Couponholders and, if, but only if, the Trustee shall so require, the Issuer shall cause such authorisation, waiver or determination to be notified to the Noteholders as soon as practicable thereafter in accordance with the Conditions; *provided that* the Trustee shall not exercise any powers conferred upon it by this Clause in contravention of any express direction by an Extraordinary Resolution or of a request in writing made by the holders of not less than 25 per cent. in aggregate principal amount of the Notes then outstanding (but so that no such direction or request shall affect any authorisation, waiver or determination previously given or made) or so as to authorise or waive any such breach or proposed breach relating to any of the matters the subject of the Reserved Matters as specified and defined in Schedule 4 (*Provisions for Meetings of Noteholders*).

7.2 Modifications

The Trustee may from time to time and at any time without any consent or sanction of the Noteholders or Couponholders concur with the Issuer in making (a) any modification to this Trust Deed (other than in respect of Reserved Matters as specified and defined in Schedule 4 (*Provisions for Meetings of Noteholders*) or any provision of this Trust Deed referred to in that specification), the Conditions or the Notes which in the opinion of the Trustee it may be proper to make provided the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Noteholders or (b) any modification to this Trust Deed, the Conditions or the Notes if in the opinion of the Trustee such modification is of a formal, minor or technical nature or made to correct a manifest error. Any such modification shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, the Issuer shall cause such modification to be notified to the Noteholders as soon as practicable thereafter in accordance with the Conditions.

8. ENFORCEMENT

8.1 Legal proceedings

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of such Notes which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the

holders of at least 25% in principal amount of the outstanding Notes and (b) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and provided that the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders or Couponholders. Only the Trustee may enforce the provisions of the Notes or this Trust Deed and no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

8.2 Evidence of default

If the Trustee (or any Noteholder or Couponholder where entitled under this Trust Deed so to do) makes any claim, institutes any legal proceeding or lodges any proof in a winding up or insolvency of the Issuer under this Trust Deed or under the Notes, proof therein that:

- 8.2.1 as regards any specified Note the Issuer has made default in paying any principal due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Notes in respect of which a corresponding payment is then due; and
- 8.2.2 as regards any specified Coupon the Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Coupons in respect of which a corresponding payment is then due; and
- 8.2.3 as regards any Talon, the Issuer has made default in exchanging such Talon for further Coupons and a further Talon as provided by its terms shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Talons which are then available for exchange;

and for the purposes of 8.2.1 and 8.2.2 a payment shall be a “corresponding” payment notwithstanding that it is due in respect of a Note of a different denomination from that in respect of the above specified Note.

9. APPLICATION OF MONEYS

9.1 Application of moneys

All moneys received by the Trustee in respect of the Notes of any Series or amounts payable under this Trust Deed will despite any appropriation of all or part of them by the Issuer (including any moneys which represent principal or interest in respect of Notes or Coupons which have become void under the Conditions) be held by the Trustee on trust to apply them (subject to Clause 9.2 (*Investment of moneys*)).

- 9.1.1 first, in payment or satisfaction of those costs, charges, expenses and liabilities incurred by the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee);

9.1.2 secondly, in or towards payment *pari passu* and rateably of all interest remaining unpaid in respect of the Notes of the relevant Series and all principal moneys due on or in respect of the Notes of that Series provided that where the Notes of more than one Series become so due and payable, such monies shall be applied as between the amounts outstanding in respect of the different Series *pari passu* and rateably (except where, in the opinion of the Trustee, such monies are paid in respect of a specific Series or several specific Series, in which event such monies shall be applied solely to the amounts outstanding in respect of that Series or those Series respectively); and

9.1.3 thirdly, the balance (if any) in payment to the Issuer.

9.2 **Investment of moneys**

If the amount of the moneys at any time available for payment of principal and interest in respect of the Notes of any Series under Clause 9.1 (*Application of moneys*) shall be less than a sum sufficient to pay at least one-tenth of the principal amount of the Notes of such Series then outstanding, the Trustee may, at its discretion, invest such moneys in accordance with Clause 9.3 (*Authorised Investments*) with power from time to time, with like discretion, to vary such investments; and such investment with the resulting income thereof may be accumulated until the accumulations together with any other funds for the time being under the control of the Trustee and available for the purpose shall amount to a sum sufficient to pay at least one-tenth of the principal amount of the Notes of such Series then outstanding and such accumulation and funds (after deduction of any taxes and any other deductibles applicable thereto) shall then be applied in the manner set out in Clause 9.1 (*Application of Moneys*).

9.3 **Authorised Investments**

All monies paid by the Issuer to the Trustee in respect of any payment of interest or principal on Notes or otherwise for the account of Noteholders shall be held by the Trustee in cash in a designated account in the Trustee's name, in the currency of payment of the Notes to which it relates or in a similar account with such other financial institution as the Issuer may designate in writing.

9.4 **Payment to Noteholders and Couponholders**

The Trustee shall give notice to the Noteholders in accordance with the Conditions of the date fixed for any payment under Clause 9.1 (*Application of Moneys*). Any payment to be made in respect of the Notes or Coupons of any Series by the Issuer or the Trustee may be made in the manner provided in the Conditions, the Agency Agreement and this Trust Deed and any payment so made shall be a good discharge to the extent of such payment by the Issuer or the Trustee (as the case may be).

9.5 **Production of Notes, Coupons and Note Certificates**

Upon any payment under Clause 9.4 (*Payment to Noteholders and Couponholders*) of principal or interest, the Note, Coupon or Note Certificate in respect of which such payment is made shall, if the Trustee so requires, be produced to the Trustee or the Paying Agent by or through whom such payment is made and the Trustee shall:

- 9.5.1 in respect of a Bearer Note or Coupon, (a) in the case of part payment, enface or cause such Paying Agent to enface a memorandum of the amount and date of payment thereon (or, in the case of part payment of an NGN Temporary Global Note or an NGN Permanent Global Note cause the Principal Paying Agent to procure that the ICSDs make appropriate entries in their records to reflect such payment) or (b) in the case of payment in full, cause such Bearer Note or Coupon to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation; and
- 9.5.2 in respect of a Registered Note, (a) in the case of part payment, require the Registrar to make a notation in the Register of the amount and date of payment or (b) in the case of payment in full, cause the relevant Note Certificate to be surrendered or shall cancel or procure the same to be cancelled and shall certify or procure the certification of such cancellation.

9.6 **Holders of Bearer Notes to be treated as holding all Coupons**

Wherever in this Trust Deed the Trustee is required or entitled to exercise a power, trust, authority or discretion under this Trust Deed, the Trustee shall, notwithstanding that it may have express notice to the contrary, assume that each holder of Bearer Notes is the holder of all Coupons and Talons appertaining to each Bearer Note of which he is the holder.

10. **TERMS OF APPOINTMENT**

By way of supplement to the Trustee Acts, it is expressly declared as follows:

10.1 **Reliance on Information**

- 10.1.1 *Advice*: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, any Subsidiary or any Agent) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission and the Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be so conveyed although the same shall contain some error or shall not be authentic;
- 10.1.2 *Certificate of Authorised Signatories*: the Trustee may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on its behalf as to any fact or matter *prima facie* within the knowledge of the Issuer as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or

step or thing is, in the opinion of the person so certifying expedient, as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;

- 10.1.3 *Resolution or direction of Noteholders*: the Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Noteholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Noteholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Noteholders and the Couponholders (provided that the Trustee did not, prior to acting, have actual knowledge of such matter);
- 10.1.4 *Reliance on certification of clearing system*: the Trustee may call for any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system in relation to any matter. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Cedcom system) in accordance with its usual procedures and in which the holder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any such certificate or other document purporting to be issued by Euroclear or Clearstream, Luxembourg or any other relevant clearing system and subsequently found to be forged or not authentic;
- 10.1.5 *Noteholders as a class*: whenever in this Trust Deed the Trustee is required in connection with any exercise by the Trustee of any of its powers, trusts, authorities or discretions to have regard to the interests of the Noteholders, it shall have regard to the interests of the relevant Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for any individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory;

- 10.1.6 *Trustee not responsible for investigations*: the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Notes or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- 10.1.7 *No Liability as a result of the delivery of a certificate*: the Trustee shall have no Liability whatsoever for any loss, cost, damages or expenses directly or indirectly suffered or incurred by the Issuer, any Noteholder, Couponholder or any other person as a result of the delivery by the Trustee to the Issuer of a certificate as to material prejudice pursuant to Condition 14 (*Events of Default*) on the basis of an opinion formed by it in good faith;
- 10.1.8 *No obligation to monitor*: the Trustee shall be under no obligation to monitor or supervise the functions of any other person under the Notes or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- 10.1.9 *Notes held by the Issuer*: in the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under sub-clause 6.1.5 (*Notes held by Issuer*), that no Notes are for the time being held by or for the benefit of the Issuer or its Subsidiaries;
- 10.1.10 *Forged Notes*: the Trustee shall not be liable to the Issuer or any Noteholder or Couponholder by reason of having accepted as valid or not having rejected any Bearer Note or Coupon as such and subsequently found to be forged or not authentic;
- 10.1.11 *Entry on the Register*: the Trustee shall not be liable to the Issuer or any Noteholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;
- 10.1.12 *Events of Default*: the Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Notes and Coupons and under this Trust Deed and no event has happened as a consequence of which any of the Notes may become repayable;

- 10.1.13 *Legal Opinions*: the Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Notes or for checking or commenting upon the content of any such legal opinion;
- 10.1.14 *Trustee not Responsible*: the Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto and shall not be liable for any failure to obtain any rating of Notes (where required), any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto. In addition the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder;
- 10.1.15 *Freedom to Refrain*: notwithstanding anything else herein contained, the Trustee may refrain from doing anything which would or might in its opinion be contrary to any law of any jurisdiction or any directive or regulation of any agency or any state of which would or might otherwise render it liable to any person and may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation; and
- 10.1.16 *Right to Deduct or Withhold*: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

10.2 **Trustee's powers and duties**

- 10.2.1 *Trustee's determination*: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the

provisions of this Trust Deed or contained in the Notes or Coupons is capable of remedy and/or materially prejudicial to the interests of the Noteholders and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Noteholders such certificate shall be conclusive and binding upon the Issuer, the Noteholders and the Couponholders;

- 10.2.2 *Determination of questions:* the Trustee as between itself and the Noteholders and the Couponholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Noteholders and the Couponholders;
- 10.2.3 *Trustee's discretion:* the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof in accordance with this Trust Deed but, whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;
- 10.2.4 *Trustee's consent:* any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 10.2.5 *Conversion of currency:* where it is necessary or desirable for any purpose in connection with this Trust Deed to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Deed or required by law) be converted at such rate(s) of exchange, in accordance with such method and as at such date for the determination of such rate(s) of exchange as may be specified by the Trustee in its absolute discretion as relevant and any rate of exchange, method and date so specified shall be binding on the Issuer, the Noteholders and the Couponholders;
- 10.2.6 *Application of proceeds:* the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Notes, the exchange of any Temporary Global Note for any Permanent Global Note or Definitive Notes, the exchange of any Permanent Global Note for Definitive Notes, the exchange of any Global Registered Note for Individual Note Certificates or the delivery of any Note, Coupon or Note Certificate to the persons entitled to them;

- 10.2.7 *Error of judgment*: save in cases of wilful default, negligence or fraud by the Trustee and/or its directors, officers or employees and *provided that* the Trustee has exercised reasonable care and adopted prudent practices and has followed the terms of this Trust Deed with respect to the investment of moneys, the Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- 10.2.8 *Agents*: the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and, provided that it has exercised reasonable care and adopted prudent practices in relation to the appointment of such agent, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person (save that the Trustee will not employ any agents unless in its opinion it is reasonable and necessary to do so);
- 10.2.9 *Delegation*: the Trustee may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officer(s) for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person(s) or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Noteholders and the Trustee shall not be bound to supervise the proceedings or acts of and, provided that it has exercised reasonable care and adopted prudent practices in relation to the appointment of such person, shall not in any way or to any extent be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate (save that the Trustee will not act by power of attorney or delegate to any person(s) unless in its opinion it is reasonable and necessary to do so);
- 10.2.10 *Custodians and nominees*: the Trustee may appoint and pay any person to act as a custodian or nominee who shall be a bank or entity whose business includes safe custody of documents on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided that it has exercised reasonable care in relation to the

appointment of such custodian or nominee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; the Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer (save that the Trustee will not appoint a custodian or nominee unless in its opinion it is reasonable and necessary to do so);

10.2.11 *Confidential information*: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Noteholder or Couponholder shall be entitled to take any action to obtain from the Trustee any such information; and

10.2.12 *Maintenance of rating*: the Trustee shall not be responsible for the maintenance of any ratings.

10.3 **Financial matters**

10.3.1 *Professional charges*: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual and properly incurred professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;

10.3.2 *Expenditure by the Trustee*: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

10.3.3 *Trustee may enter into financial transactions with the Issuer*: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee

nor any such director or officer shall be accountable to the Noteholders, the Couponholders, the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

10.4 **Disapplication**

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Acts and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act.

10.5 **Trustee Liability**

Subject to Section 750 of the Companies Act 2006 (which shall for the purposes of determining the liability of the Trustee under this Trust Deed be deemed to apply to the Trustee) and notwithstanding anything to the contrary in this Trust Deed, the Notes or the Agency Agreement, the Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed, the Notes or the Agency Agreement save in relation to the negligence, wilful default or fraud of the Trustee or any of its directors, officers or employees.

11. **COSTS AND EXPENSES**

11.1 **Remuneration:**

11.1.1 *Normal remuneration:* The Issuer shall pay to the Trustee remuneration for its services as trustee as from the date of this Trust Deed, such remuneration to be at such rate as may from time to time be agreed in writing between the Issuer and the Trustee. Such remuneration shall be payable in advance on the anniversary of the date hereof in each year and the first payment shall be made on the date hereof. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders or Couponholders up to and including the date when, all the Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying Agent or the Trustee, provided that if upon due presentation (if required pursuant to the Conditions) of any Note or Note Certificate or any cheque, payment of the moneys due in respect thereof is improperly withheld or refused, remuneration will commence again to accrue).

11.1.2 *Extra remuneration:* In the event of the occurrence of an Event of Default or the Trustee considering it expedient or necessary or being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the

Trustee under this Trust Deed, the Issuer shall pay to the Trustee such additional remuneration as shall be agreed in writing in advance between them.

11.1.3 *Value added tax:* The Issuer shall in addition pay to the Trustee an amount equal to the amount of any value added tax or similar tax chargeable in respect of its remuneration under this Trust Deed.

11.1.4 *Failure to agree:* In the event of the Trustee and the Issuer failing to agree:

- (a) (in a case to which sub-clause 11.1.1 (*Normal remuneration*) applies) upon the amount of the remuneration; or
- (b) (in a case to which sub-clause 11.1.2 (*Extra remuneration*) applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, or upon such additional remuneration;

such matters shall be determined by a merchant bank (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of England and Wales (the expenses involved in such nomination and the fees of such merchant bank being payable by the Issuer) and the determination of any such merchant bank shall be final and binding upon the Trustee and the Issuer.

11.1.5 *Expenses:* The Issuer shall also pay or discharge all costs, charges and expenses properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, this Trust Deed, including but not limited to legal and travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, this Trust Deed.

11.1.6 *Indemnity:* The Issuer shall indemnify the Trustee (a) in respect of all liabilities and proper expenses incurred by it or by any Appointee or other person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by this Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to this Trust Deed *provided that* it is expressly stated that Clause 10.5 (*Trustee Liability*) shall apply in relation to these provisions.

11.1.7 *Payment of amounts due:* All amounts due and payable pursuant to sub clauses 11.1.5 (*Expenses*) and 11.1.6 (*Indemnity*) shall be payable by the Issuer on the

date specified in a written demand by the Trustee; the rate of interest applicable to such payments shall be two per cent. per annum above the base rate from time to time of HSBC Bank plc and interest shall accrue:

- (a) in the case of payments made by the Trustee prior to the date of the demand, from the date on which the payment was made or such later date as specified in such demand provided such demand is made within 14 days from the date on which the payment was made;
- (b) in the case of payments made by the Trustee on or after the date of the demand, from the date specified in such demand, which date shall not be a date earlier than the date such payments are made.

11.1.8 *Apportionment of expenses:* The Trustee shall apportion the costs, charges, expenses and liabilities incurred by the Trustee in the preparation and execution of the trusts of this Trust Deed (including remuneration of the Trustee) between the several Series of Notes in such manner and in such amounts as it shall, in its absolute discretion, consider appropriate.

11.1.9 *Discharges:* Unless otherwise specifically stated in any discharge of this Trust Deed the provisions of this Clause 11.1 (*Remuneration*) shall continue in full force and effect notwithstanding such discharge.

11.1.10 *Payments:* All payments to be made by the Issuer to the Trustee under this Trust Deed shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any relevant jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as would have been received by it had no such withholding or deduction been required.

11.2 **Stamp duties**

The Issuer will pay all stamp duties, registration taxes, capital duties and other similar duties or taxes (if any) payable on (a) the constitution and issue of the Notes, (b) the initial delivery of the Notes, (c) any action taken by the Trustee (or any Noteholder or Couponholder where permitted or required under this Trust Deed so to do) to enforce the provisions of the Notes or this Trust Deed and (d) the execution of this Trust Deed. If the Trustee (or any Noteholder or Couponholder where permitted under this Trust Deed so to do) shall take any proceedings against the Issuer in any other jurisdiction and if for the purpose of any such proceedings this Trust Deed or any Note, or Note Certificate is taken into any such jurisdiction and any stamp duties or other duties or taxes become payable thereon in any such jurisdiction, the Issuer will pay (or reimburse the person making payment of) such stamp duties or other duties or taxes (including penalties).

11.3 Exchange rate indemnity

- 11.3.1 *Currency of Account and Payment*: The Contractual Currency is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed, the Notes and the Coupons including damages;
- 11.3.2 *Extent of Discharge*: An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer or otherwise) by the Trustee or any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so); and
- 11.3.3 *Indemnity*: If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Notes or the Coupons, the Issuer will indemnify it against any Liability sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any such purchase.

11.4 Indemnities separate

The indemnities in this Clause 11 (*Costs and Expenses*) constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Trustee and/or any Noteholder or Couponholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or the Notes or the Coupons or any other judgment or order. Any such Liability as referred to in sub-clause 11.3.3 (*Indemnity*) shall be deemed to constitute a Liability suffered by the Trustee and, (if the Liability is in respect of amounts due and payable to Noteholders or Couponholders), the Noteholders and the Couponholders and no proof or evidence of any actual Liability shall be required by the Issuer or its liquidator or liquidators. The indemnities in this Clause 11 (*Costs and Expenses*) relate to moneys owed to the Trustee for its own account. The indemnities in Clauses 11.2 (*Stamp Duties*) and 11.3.3 (*Indemnity*) shall only extend to the Noteholders and Couponholders in circumstances where the Trustee having become bound to take proceedings on their behalf fails to do so and the Noteholders and Couponholders have brought proceedings directly against the Issuer (pursuant to Clause 8.1 (*Legal Proceedings*)).

12. APPOINTMENT AND RETIREMENT

12.1 Appointment of Trustees

The power of appointing new trustees of this Trust Deed shall be vested in the Issuer but (subject to the provisions of Clause 12.8 (*Trustee failure*)) no person shall be

appointed who shall not previously have been approved by an Extraordinary Resolution of the Noteholders. A trust corporation may be appointed sole trustee hereof but subject thereto there shall be at least two trustees hereof one at least of which shall be a trust corporation. Any appointment of a new trustee hereof shall as soon as practicable thereafter be notified by the Issuer to the Agents and the Noteholders. The Noteholders shall together have the power, exercisable by Extraordinary Resolution, to remove any trustee or trustees for the time being hereof. The removal of any trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such removal.

12.2 **Co-trustees**

Notwithstanding the provisions of Clause 12.1 (*Appointment of Trustees*), the Trustee may, upon giving prior notice to the Issuer but without the consent of the Issuer or the Noteholders or the Couponholders, appoint any person established or resident in any jurisdiction (whether a trust corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- 12.2.1 if the Trustee considers such appointment to be in the interests of the Noteholders or the Couponholders; or
- 12.2.2 for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts are to be performed; or
- 12.2.3 for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction either of a judgment already obtained or of this Trust Deed.

12.3 **Attorneys**

The Issuer hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Such a person shall (subject always to the provisions of this Trust Deed) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by this Trust Deed) and such duties and obligations as shall be conferred on such person or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such proper remuneration as the Trustee may pay to any such person, together with any attributable costs, charges and expenses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee.

12.4 **Retirement of Trustees**

Any Trustee for the time being of this Trust Deed may retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefore and without being responsible for any costs occasioned by such retirement. The retirement of any Trustee shall not become effective unless there remains a trustee hereof (being a trust corporation) in office after such retirement. The Issuer hereby covenants that in the event of the only trustee hereof which is a trust corporation giving notice under this Clause it shall use its reasonable endeavours to

procure the appointment of a new trustee, being a trust corporation and if the Issuer has not procured the appointment of a new trustee within 30 days of the expiry of the Trustee notice referred to in this Clause 12.4 (*Retirement of Trustees*), the Trustee shall be entitled to procure the appointment of a new trustee forthwith.

12.5 **Competence of a majority of Trustees**

Whenever there shall be more than two trustees hereof the majority of such trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the trusts, powers, authorities and discretions vested by this Trust Deed in the Trustee generally.

12.6 **Powers additional**

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law or as the holder of any of the Notes or the Coupons.

12.7 **Merger**

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Clause, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

12.8 **Trustee Failure**

If at any time the Trustee shall suffer an Adverse Event (as defined below) then the Issuer (at the Issuer's expense) may remove the Trustee with immediate effect, provided that the Issuer has first identified a Successor Trustee (as defined below) and the Successor Trustee has accepted its appointment under this Trust Deed. If at any time the Issuer reasonably believes that it is reasonably likely that the Trustee will suffer an Adverse Effect (as defined below) then the Issuer (at the Issuer's expense) may, subject to having first obtained approval from the Noteholders by way of an Extraordinary Resolution in accordance with the provisions of this Trust Deed, remove the Trustee with immediate effect, provided that the Issuer has first identified a Successor Trustee (as defined below) and the Successor Trustee has accepted its appointment under this Trust Deed. As soon as practicable following such removal, the Trustee shall transfer all monies (if any) held by the Trustee for payment of interest or principal on Notes, or otherwise for the account of Noteholders, to the Successor Trustee.

For the purposes of this Clause 12.8, a "**Successor Trustee**" shall be a trustee with equivalent market experience to that of the existing Trustee.

For the purposes of this Clause 12.8, an "**Adverse Event**" shall be any of the following events in relation to the Trustee which, in the reasonable opinion of the Issuer, prejudice the security of any monies held in respect of payment of interest or

principal on Notes, or otherwise held for the account of Noteholders, by the Trustee or causes the Trustee to become incapable of performing its obligations under this Trust Deed:

- 12.8.1 *Incapacity*: the Trustee becomes incapable of acting;
- 12.8.2 *Receiver*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Trustee;
- 12.8.3 *Insolvency*: the Trustee becomes insolvent or becomes unable to pay its debts as they fall due;
- 12.8.4 *Liquidator*: an administrator or liquidator of the Trustee or the whole or any part of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made);
- 12.8.5 *Composition*: the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness;
- 12.8.6 *Winding-up*: an order is made or an effective resolution is passed for the winding-up of the Trustee; or
- 12.8.7 *Analogous event*: any event occurs which has an analogous effect to any of the foregoing events listed at 12.8.1-12.8.6 inclusive.

13. NOTICES

13.1 Addresses for notices

All notices and other communications hereunder shall be made in writing and in English (by letter, telex or fax) and shall be sent as follows:

13.1.1 *Issuer*: if to the Issuer, to it at:

Address: 120 Park Avenue
New York, New York 10017
United States of America

Attention: Vice President & Corporate Secretary
Telefax no.: +1 917 663 83 97

with a copy to Philip Morris International Management SA at:

Address: Avenue de Rhodanie 50
CH-1007 Lausanne
Switzerland

Attention: Vice President Finance and Treasurer
Telefax no.: +41 58 242 01 01

13.1.2 Trustee: if to the Trustee, to it at:

Address: 8 Canada Square,
London E14 5HQ

Fax: +44 (0) 20 7991 4350
Attention: CTLA Trustee Admin

13.2 Effectiveness

Every notice or other communication sent in accordance with Clause 13.1 (*Addresses for notices*) shall be effective as follows:

13.2.1 *Letter or fax*: if sent by letter, it shall be deemed to have been delivered 7 days after the time of despatch and if sent by fax it shall be deemed to have been delivered at the time of despatch; and

13.2.2 *Telex*: if sent by telex, upon receipt by the sender of the addressee's answerback at the end of transmission;

provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the addressee.

13.3 No Notice to Couponholders

Neither the Trustee nor the Issuer shall be required to give any notice to the Couponholders for any purpose under this Trust Deed and the Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with Condition 21 (*Notices*).

14. LAW AND JURISDICTION

14.1 Governing law

This Trust Deed and the Notes and any non-contractual obligation arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

14.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Trust Deed or the Notes (including a dispute relating to the existence, validity or termination of this Trust Deed or the Notes or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity.

14.3 Appropriate forum

The parties agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.

14.4 **Rights of the Trustee and Noteholders to take proceedings outside England**

Clause 14.2 (*English courts*) is for the benefit of the Trustee and the Noteholders only. As a result, nothing in this Clause 14 (*Law and jurisdiction*) prevents the Trustee or any of the Noteholders from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any of the Noteholders may take concurrent Proceedings in any number of jurisdictions.

14.5 **Process agent**

The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hunton & Williams, 30 St. Mary Axe, London EC3A 8EP or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer. Nothing in this paragraph shall affect the right of the Trustee or any of the Noteholders to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.

15. **SEVERABILITY**

In case any provision in or obligation under this Trust Deed shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

16. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any provision of this Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

17. **COUNTERPARTS**

This Trust Deed may be executed in any number of counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF this Trust Deed has been executed as a deed by the parties hereto and is intended to be and is hereby delivered on the date first before written.

SCHEDULE 1
TERMS AND CONDITIONS OF THE NOTES

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

1. Introduction

- (a) *Programme:* Philip Morris International Inc. (the **"Issuer"**) has established a Euro Medium Term Note Programme (the **"Programme"**) for the issuance of an unlimited aggregate principal amount of notes (the **"Notes"**).
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a **"Series"**) and each Series may comprise one or more tranches (each a **"Tranche"**) of Notes. Each Tranche is the subject of a final terms (the **"Final Terms"**) which supplements these terms and conditions (the **"Conditions"**). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Trust Deed:* The Notes are constituted by a trust deed dated 13 March 2009 (as amended and/or supplemented and/or restated from time to time, the **"Trust Deed"**) between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the **"Trustee"**, which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 13 March 2009 (the **"Agency Agreement"**) between the Issuer, HSBC Bank plc as principal paying agent (the **"Principal Paying Agent"**, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), HSBC Private Bank (C.I.) Limited, Jersey Branch as registrar (the **"Registrar"**, which expression includes any successor registrar appointed from time to time in connection with the Notes), any paying agents in addition to the Principal Paying Agent (together with the Principal Paying Agent, the **"Paying Agents"**, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the **"Transfer Agents"**, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the **"Agents"** are to the Paying Agents and the Transfer Agents and any reference to an **"Agent"** is to any one of them.
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at www.londonstockexchange.com/rns and during normal business hours at the offices of the Issuer of 120 Park Avenue, New York, New York 10017 and at the offices of Hunton & Williams, 30 St. Mary Axe, London EC3A 8EP and copies may be obtained from the aforementioned addresses.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the **"Couponholders"** and the **"Coupons"** respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and Trust Deed applicable to them. Copies of the Agency Agreement and the Trust Deed are available for inspection by Noteholders during normal business hours at the Specified Offices of the Trustee and each of the Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

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

“Business Day” means:

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

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

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

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

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

“Consolidated Net Tangible Assets” means the excess over liabilities of all assets appearing on the most recent quarterly or annual consolidated balance sheet of the Issuer and its Subsidiaries

less goodwill and other intangible assets and the minority interests of others in Subsidiaries, all as appearing on such balance sheet and as determined in accordance with Condition 5(d) below;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

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

- (i) if “**Actual/Actual (ICMA)**” is so specified, means:
- (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

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

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30;

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

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

where:

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

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30; and

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

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

where:

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

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

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

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

“Extraordinary Resolution” has the meaning given in the Trust Deed;

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

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

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

“Group” means the Issuer together with its Subsidiaries;

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

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

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

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

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

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

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

ISDA Definitions means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

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

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

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

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

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

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

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

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

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

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

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

“Payment Business Day” means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

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

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

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

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

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

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

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

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

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

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

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

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

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

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

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

“Reserved Matter” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to effect the exchange or substitution of the Notes for or the conversion of the Notes into shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed, to change the currency of any payment under the Notes (except pursuant to redenomination provisions contained in the relevant Final Terms) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“Security Interest” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

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

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

“Specified Office” has the meaning given in the Agency Agreement;

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

“Subsidiary” means, in relation to any Person (the **“first Person”**) at any particular time, any other Person (the **“second Person”**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“Talon” means a talon for further Coupons;

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

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

“Treaty” means the Treaty establishing the European Communities, as amended;

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

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

- (vi) references to Notes being “outstanding” shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Trust Deed shall be construed as a reference to the Agency Agreement or the Trust Deed, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a

day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status of the Notes**

Status of the Notes: The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Limitations on liens**

- (a) Except as expressly provided in paragraph (b) below, the Issuer will not, and will not permit any Subsidiary to, create, assume, incur or suffer to be created, assumed or incurred, any mortgage, pledge, lien, security interest, charge or encumbrance (all of the foregoing being hereinafter referred to as “**liens**”) to secure any indebtedness for borrowed money (i) upon any shares of Capital Stock (as hereinafter defined) issued by any Subsidiary that owns any Principal Facility (as hereinafter defined) to the extent such shares are owned by the Issuer or one or more Subsidiaries, or (ii) upon any Principal Facility, in either case without making effective provision whereby the Notes shall be directly secured equally and ratably with the indebtedness secured by such lien, so long as any such indebtedness shall be so secured; provided, however, that this Condition shall not be applicable to the following:
 - (i) in the case of a Principal Facility, liens incurred in connection with the issuance by a state or political subdivision thereof of any securities the interest on which is exempt from federal income taxes by virtue of Section 103 of the United States Internal Revenue Code of 1986, as amended (the “**Code**”) or any other laws or regulations in effect at the time of such issuance;
 - (ii) liens existing on the date hereof;
 - (iii) liens on property or shares of Capital Stock existing when acquired by the Issuer or any Subsidiary (including acquisition through merger, share exchange or consolidation) or securing the payment of all or part of the purchase price, construction or improvement thereof incurred prior to, at the time of, or within 180 days after the later of the acquisition, completion of construction or improvement or commencement of full operation of such property for the purpose of financing all or a portion of such purchase or construction or improvement; or
 - (iv) liens for the sole purpose of extending, renewing or replacing in whole or in part the indebtedness secured by any lien referred to in the foregoing clauses (i) through (iii) above or in this clause (iv); provided, however, that the principal amount of indebtedness secured thereby shall not exceed the principal amount of indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the lien so extended, renewed or replaced (plus improvements on such property).

- (b) The Issuer and/or any Subsidiary may create, assume or incur, or suffer to be created, assumed or incurred, liens which would otherwise be prohibited by paragraph (a) above, provided that the aggregate of:
- (i) the indebtedness secured thereby; and
 - (ii) the aggregate value (as determined in accordance with paragraph (d) below) of all transactions pursuant to which the Issuer or any Subsidiary has sold or transferred a Principal Facility with the intention of taking back a lease of such property, except a lease for a temporary period of less than 3 years, including renewals, with the intent that the use by the Issuer or Subsidiary will be discontinued on or before the expiration of such period, but not including any such transaction in which the Issuer applies an amount equal to the value of the property so leased to the retirement (other than any mandatory retirement), within 90 days of the effective date of any such arrangement, of non-subordinated indebtedness for money borrowed by the Issuer which had a stated maturity of more than one year from the date of its creation;

does not at the time exceed 15% of the Consolidated Net Tangible Assets.

- (c) For the purposes of this Condition:
- (i) **“Capital Stock”** means, in relation to each Subsidiary, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the equity of such Subsidiary, including any preferred stock, partnership interests and limited liability company membership interests, but excluding any debt securities convertible into such equity;
 - (ii) **“Principal Facility”** shall mean all real property constituting part of any manufacturing plant or distribution facility owned and operated by the Issuer or any Subsidiary, together with such manufacturing plant or distribution facility, including all plumbing, electrical, ventilating, heating, cooling, lighting and other utility systems, ducts and pipes attached to or constituting a part thereof; provided, however, that such term shall not include trade fixtures (unless such trade fixtures are attached to the manufacturing plant or distribution facility in a manner that does not permit removal therefrom without causing substantial damage thereto), business machinery, equipment, motorised vehicles, tools, supplies and materials, security systems, cameras, inventory and other personal property and materials, and provided further, however, that such term shall not include any particular manufacturing plant or distribution facility as of any particular date unless the net book value (as determined in accordance with paragraph (d) below) thereof included in the most recent quarterly or annual consolidated balance sheet of the Issuer and its consolidated Subsidiaries exceeds 0.75% of Consolidated Net Tangible Assets;
- (d) In order to determine:
- (i) the value of transactions for the purposes of paragraph (b)(ii) above;
 - (ii) the amount of the Issuer’s Consolidated Net Tangible Assets for the purposes of paragraph (b)(ii) and paragraph (c)(ii) above; and
 - (iii) the net book value of a Principal Facility for the purposes of paragraph (c)(ii) above,

the Issuer may, but shall not be required to, obtain a certificate signed by any firm of independent public accountants of recognised standing selected by the Issuer. The term “independent” when used with respect to any specified firm of public accountants means such a firm which (1) is in fact independent within the meaning of the Securities Act, and the rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States), (2) does not have any direct financial interest or any material indirect financial interest in the Issuer, any of its Subsidiaries or any Notes, and (3) is not connected with the Issuer or its Subsidiaries, as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions, but such firm may be the regular independent accountants employed by the Issuer. Whenever it is herein provided that any such certificate be produced,

such certificate shall state that the signer has read this definition and that the signer is independent within the meaning hereof.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and/or Condition 12 (*Payments - Registered Notes*), as the case may be. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and/or Condition 12 (*Payments - Registered Notes*), as the case may be. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

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

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Index-Linked Interest*: If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate (s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (f) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

- (g) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (h) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents, the Trustee and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (j) *Determination or Calculation by Trustee:* If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee (or its duly appointed agent) will determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, 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 will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, Noteholders and Couponholders.
- (k) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Trustee, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and

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

9. **Dual Currency Note Provisions**

- (a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments - Bearer Notes*) and/or Condition 12 (*Payments - Registered Notes*), as the case may be.
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United States of America 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 (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before

the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the circumstances set out in subparagraphs (A) and (B) above, in which event such acceptance shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 10, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.

- (c) *Special Tax Redemption of Bearer Notes.* If the Issuer determines that any payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Bearer Note (an “**Affected Security**”) would, under any present or future laws or regulations of the United States be subject to any certification, documentation, information or other reporting requirement of any kind, the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Affected Security that is a United States Alien, the Issuer, at its option, shall either (x) redeem such Affected Securities in whole, but not in part, at the Early Redemption Amount (Tax) thereof or (y) if the conditions of Condition 13(b) (*Special Election to Pay Additional Amounts in Respect of Bearer Notes*) are satisfied, pay the additional amounts specified in such Condition.

Notwithstanding the preceding paragraph, the Issuer shall not be required to redeem the Affected Securities or pay the additional amounts specified in Condition 13(b) (*Special Election to Pay Additional Amounts in Respect of Bearer Notes*) if the certification, documentation, information or other reporting requirement: (1) would not be applicable to a payment made (i) directly to the beneficial owner or (ii) to a custodian, nominee or other agent of the beneficial owner, or (2) can be satisfied by such custodian, nominee or other agent certifying to the effect that the beneficial owner is a non-United States person; provided that in each case referred to in parts (1)(ii) and (2) of this paragraph payment by such custodian, nominee or agent of such beneficial owner is not otherwise subject to such requirement (other than a requirement which is imposed on a custodian, nominee, or other agent described in (4) of this sentence), (3) would not be applicable to a payment made by at least one other Paying Agent or (4) is applicable to a payment to a custodian, nominee, or other agent of the beneficial owner who is (i) a United States person, (ii) a controlled foreign corporation for United States tax purposes, (iii) a foreign person 50 per cent or more of whose gross income for the three-year period ending with the close of its taxable year preceding the year of payment is effectively connected with a United States trade or business, (iv) a foreign partnership if, at any time during its tax year, one or more of its partners are United States persons who in the aggregate hold more than 50 per cent of the income or capital interest in the partnership or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States, (v) a U.S. branch of a foreign bank or a foreign insurance company for United States tax purposes (a person described in (ii), (iii), (iv) or (v), hereinafter a “**U.S. Controlled Person**”) or (vi) otherwise related to the United States.

The Issuer shall make such determination and election to either redeem or pay additional amounts as soon as practicable and publish prompt notice thereof (the “**Determination Notice**”), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer elects to redeem the Affected Securities or to pay the additional amounts specified in Condition 13(b) (*Special Election to Pay Additional Amounts in Respect of Bearer Notes*) and (if applicable) the last date by which the redemption of the Affected Securities must take place. Prior to the publication of any Determination Notice pursuant to this paragraph, the Issuer shall deliver to the Trustee and the Principal Paying Agent a certificate stating that the Issuer is obligated to make such determination and setting forth a statement of facts showing that the conditions precedent to the obligation of the Issuer to redeem the Affected Securities or to pay the additional amounts specified in Condition 13(b) (*Special Election to Pay Additional Amounts in Respect of Bearer Notes*) have occurred, and an opinion of independent legal counsel of recognised standing to the effect that such conditions have occurred.

- (d) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders and having notified the Trustee prior to the provision of such Notice (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (e) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(d) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(d) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(f), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(f), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(f), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (f) above.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10 or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase*: The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (j) *Cancellation*: All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. **Payments - Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).
- (b) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons*: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of

principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment. Each sum of principal so deducted shall be paid in the manner provided in paragraph (i) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(f) (*Redemption at the option of Noteholders*), Condition 10(d) (*Redemption at the option of the Issuer*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph 11(c) above).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 16 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments — Registered Notes**

This Condition 12 is only applicable to Registered Notes.

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

redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12(d) arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

13. **Taxation**

- (a) *Payment of additional amounts:* The Issuer will, subject to the exceptions and limitations set forth below, pay to the Holder of any Note who is a non-United States person (as defined below) such additional amounts as may be necessary to ensure that every net payment on such Note, after deduction or withholding by the Issuer or any Paying Agent for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States or any political subdivision or taxing authority of the United States, will not be less than the amount provided in such Note to be then due and payable. However, the Issuer will not pay additional amounts if the beneficial owner is a United States person or is subject to taxation solely for reasons other than its ownership of the Note, nor will it pay additional amounts for or on account of:
 - (i) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the existence of any present or former connection (other than the mere fact of being a beneficial owner of a Note) between the beneficial owner (or between a fiduciary, settlor, beneficiary or person holding a power over such beneficial owner, if the beneficial owner is an estate or trust, or a member or shareholder of the beneficial owner, if the beneficial owner is a partnership or corporation) of a Note and the United States, including, without limitation, such beneficial owner (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident of the United States or treated as being or having been a resident thereof;
 - (ii) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner (or a fiduciary, settlor, beneficiary or person holding a power over such beneficial owner, if the beneficial owner is an estate or trust, or a member or shareholder of the beneficial owner, if the beneficial owner is a partnership or corporation) (1) being or having been present in, or engaged in a trade or business in, the United States, (2) being treated as having been present in, or engaged in a trade or business in,

the United States, or (3) having or having had a permanent establishment in the United States;

- (iii) any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner (or a fiduciary, settlor, beneficiary or person holding a power over such beneficial owner, if the beneficial owner is an estate or trust, or a member or shareholder of the beneficial owner, if the beneficial owner is a partnership or corporation) being or having been with respect to the United States a personal holding company, a controlled foreign corporation, a passive foreign investment company or a foreign private foundation or other foreign tax-exempt organisation, or being a corporation that accumulates earnings to avoid United States federal income tax;
- (iv) any tax, assessment or other governmental charge imposed on a beneficial owner that actually or constructively owns 10% or more of the total combined voting power of all of the Issuer's classes of stock that are entitled to vote within the meaning of Section 871(h)(3) of the Code;
- (v) any tax, assessment or other governmental charge which would not have been so imposed but for the presentation by the beneficial owner for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (vi) any tax, assessment or other governmental charge that is payable by any method other than withholding or deduction by the Issuer or any Paying Agent from payments in respect of such Note;
- (vii) any gift, estate, inheritance, sales, transfer, personal property or excise tax or any similar tax, assessment or other governmental charge;
- (viii) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment in respect of any Note if such payment can be made at the option of the holder or the beneficial owner without such withholding by at least one other Paying Agent;
- (ix) any tax, assessment or other governmental charge that is imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
- (x) in the case of Bearer Notes, any tax, assessment or other governmental charge imposed as a result of the failure of the beneficial owner to comply with applicable certification, information, documentation or other reporting requirement under United States federal income tax laws and regulations concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of a Note, if such compliance is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;
- (xi) in the case of Registered Notes, any tax, assessment or other governmental charge imposed by reason of the failure of the beneficial owner to fulfil the statement requirements of Section 871(h) or Section 881(c) of the Code;
- (xii) any tax, assessment or other governmental charge required to be withheld or deducted pursuant to the European Union Directive on taxation of savings income adopted by the ECOFIN Council on 3 June 2003 in implementation of the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, such directive; or
- (xiii) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi) and (xii).

In addition, the Issuer will not pay an additional amount to a holder of a Note that is a fiduciary, partnership, limited liability company or other fiscally transparent entity, or to a holder of a Note

that is not the sole beneficial owner of such Note, as the case may be. This exception, however, will apply only to the extent that a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment. The term **“beneficial owner”** includes any person holding a note on behalf of or for the account of a beneficial owner.

As used herein, the term **“non-United States person”** means a person that is not a United States person. The term **“United States person”** means a citizen or resident of the United States or, a corporation or partnership created or organised in or under the laws of the United States or any political subdivision thereof, an estate the income of which is subject to United States federal income taxation regardless of its source, a trust subject to the primary supervision of a court within the United States and the control of one or more United States persons as described in Section 7701(a)(30) of the Code, or a trust that existed on 20 August 1996, and elected to continue its treatment as a domestic trust. **“United States”** means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction (including the Commonwealth of Puerto Rico).

- (b) *Special Election to Pay Additional Amounts in Respect of Bearer Notes.* Notwithstanding Condition 13(a) (*Payment of additional amounts*), if and so long as a certification, documentation, information or other reporting requirement referred to in Condition 10(c) (*Special Tax Redemption of Bearer Notes*) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, by so stating in the Determination Notice, to have the following provisions of this Condition 13(b) apply in lieu of the provisions of Condition 10(c). In such a case, the Issuer or its Paying Agents will pay, as additional amounts, such amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirement by the Issuer or any of its Paying Agents in respect of any Affected Security of which the beneficial owner is a non-United States person (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which (1) is the result of a certification, documentation, information or other reporting requirement which would not be applicable in the circumstances described in the second paragraph of 10(c) (*Special Tax Redemption of Bearer Notes*) or (2) is imposed as a result of any of the circumstances described in sub-paragraphs (i) through (v) of Condition 13(a) (*Payment of additional amounts*) or any combination thereof), will not be less than the amount provided in any such Affected Security to be then due and payable.

If the Issuer elects to pay such additional amounts and so long as it is obligated to pay the same, it may subsequently redeem the Affected Securities in accordance with Condition 10(c) (*Special Tax Redemption of Bearer Notes*).

- (c) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the United States of America, references in these Conditions to the United States of America shall be construed as references to the United States of America and/or such other jurisdiction.

14. **Events of Default**

If any of the following events occurs (and subject, in the case of the happening of any of the events mentioned in Condition 14(b) (*Breach of other obligations*) below, to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders):

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 30 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* if the Issuer fails to perform or observe any of its obligations under or in respect of the Notes or the Trust Deed and such default is (i) in the opinion of the Trustee materially prejudicial to Noteholders and incapable of remedy or (ii) a default which is, in the

opinion of the Trustee, materially prejudicial to Noteholders and capable of remedy but which remains unremedied for a period of 90 days after the written notice thereof has been delivered by the Trustee to the Issuer requiring the same to be remedied; or

- (c) *Bankruptcy and insolvency — voluntary*: the Issuer shall commence any case or proceeding seeking to have an order for relief entered on its behalf as debtor or to adjudicate it as bankrupt or insolvent or seeking reorganisation, liquidation, dissolution, winding-up, arrangement, composition or readjustment of its debts or any other relief under any bankruptcy, insolvency, reorganisation, liquidation, dissolution, arrangement, composition, readjustment of debt or other similar act or law of any jurisdiction, domestic or foreign, now or hereafter existing; or the Issuer shall apply for a receiver, custodian or trustee (other than any trustee appointed as a mortgagee or secured party in connection with the issuance of indebtedness for borrowed money of the Issuer) of it or for all or a substantial part of its property; or the Issuer shall make a general assignment for the benefit of creditors; or the Issuer shall take any corporate action in furtherance of any of the foregoing; or
- (d) *Bankruptcy and insolvency — involuntary*: an involuntary case or other proceeding shall be commenced against the Issuer with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a trustee, receiver, liquidator, custodian or similar official of it or any substantial part of its property; and such case or other proceeding (A) results in the entry of an order for relief or a similar order against it or (B) shall continue unstayed and in effect for a period of 60 consecutive days; or
- (e) *Analogous event*: any event occurs which under the laws of the United States of America or the Commonwealth of Virginia has an analogous effect to any of the events referred to in paragraphs (c) and (d) above; or
- (f) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with its payment obligations under or in respect of all the Notes in the Series,

the Trustee at its discretion may and, if so requested in writing by holders of at least 25 per cent, in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (the Trustee having been indemnified or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

15. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16. Prescription

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

17. Replacement of Notes and Coupons

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

18. Trustee and Agents

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual holders of Notes or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves its right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or calculation agent and additional or successor paying agents; provided, however, that the Issuer shall at all times maintain:

- (a) a principal paying agent and a registrar;
- (b) a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC;
- (c) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent;
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 11(c) (*Payments in New York City*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and to the Noteholders in accordance with Condition 21 (*Notices*).

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

19. Meetings of Noteholders; Modification and Waiver

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

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* The Trustee may, without the consent of the Noteholders or Couponholders agree to any modification of these Conditions, the Notes or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of Noteholders and to any modification of the Conditions, the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders authorise or waive any proposed breach of the Conditions, the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

In addition, the parties to the Agency Agreement may agree to modify any provision thereof, save the Trustee shall only agree without the consent of the Noteholders or Couponholders to such modification if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of Noteholders or is of a formal, minor or technical nature or is to correct a manifest error.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

20. Further Issues

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

21. Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*), if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

22. **Currency Indemnity**

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

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

23. **Rounding**

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

24. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed are governed by, and shall be construed in accordance with, English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes or the Trust Deed (including a dispute relating to the existence, validity or termination of the Notes or the Trust Deed or any non-contractual obligation arising out of or in connection with the Notes or the Trust Deed) or the consequences of their nullity.
- (c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 24(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 24 (*Governing law and jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

SCHEDULE 2
FORM OF BEARER NOTES

Part A

Form of Temporary Global Note

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 REGULATIONS UNDER THE SECURITIES ACT.

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.

PHILIP MORRIS INTERNATIONAL INC.

(incorporated with limited liability under the laws of the Commonwealth of Virginia, United States of America)

Euro Medium Term Note Programme

TEMPORARY GLOBAL NOTE

1. INTRODUCTION

1.1 The Notes

This Temporary Global Note is issued in respect of the notes (the “**Notes**”) of Philip Morris International Inc. (the “**Issuer**”) described in the final terms (the “**Final Terms**”) or drawdown prospectus (“**Drawdown Prospectus**”), a copy of which is annexed hereto. If a Drawdown Prospectus is annexed hereto, each reference in this Temporary Global Note to “**Final Terms**” shall be read and construed as a reference to the final terms of the Notes set out in such Drawdown Prospectus. The Notes:

- 1.1.1 *Trust Deed*: are subject to, and have the benefit of, a trust deed dated 13 March 2009 (the “**Trust Deed**”) made between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the “**Trustee**”, which expression shall include all persons for the time being appointed trustee or trustees under the Trust Deed); and
- 1.1.3 *Agency Agreement*: are the subject of an issue and paying agency agreement dated 13 March 2009 (the “**Agency Agreement**”) made between, among others, the Issuer, HSBC Bank plc as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other paying agents named therein (together with the Principal Paying Agent, the

“**Paying Agents**”, which expression includes any additional or successor paying agents appointed from time to time in connection with the Notes) and the Trustee.

1.2 **Construction**

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

1.3 **References to Conditions**

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Notes set out in Schedule 1 (*Terms and Conditions of the Notes*) to the Trust Deed, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Temporary Global Note.

2. **PROMISE TO PAY**

2.1 **Pay to bearer**

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

2.1.1 *Before the Exchange Date*: in the case of interest falling due before the Exchange Date (as defined below), to the extent that a certificate or certificates issued by Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”, together with Euroclear, the international central securities depositaries or “**ICSDs**”) and/or any other relevant clearing system dated not earlier than the date on which such interest falls due and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto is/are delivered to the Specified Office of the Principal Paying Agent; or

2.1.2 *Failure to exchange*: in the case of interest falling due at any time, to the extent that the Issuer has failed to procure the exchange for a permanent global note of that portion of this Temporary Global Note in respect of which such interest has accrued.

2.2 **NGN Principal Amount**

If the Final Terms specify that the New Global Note form is applicable, this Temporary Global Note shall be a “**New Global Note**” or “**NGN**” and the principal amount of Notes represented by this Temporary Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Temporary Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers’ interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Temporary Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Temporary Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

2.3 **CGN Principal Amount**

If the Final Terms specify that the New Global Note form is not applicable, this Temporary Global Note shall be a “**Classic Global Note**” or “**CGN**” and the principal amount of Notes represented by this Temporary Global Note shall be the amount stated in the Final Terms or, if lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto.

3. **NEGOTIABILITY**

This Temporary Global Note is negotiable and, accordingly, title to this Temporary Global Note shall pass by delivery.

4. **EXCHANGE**

4.1 **Permanent Global Note**

If the Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the “**Exchange Date**”), the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note (which expression has the meaning given in the Trust Deed) in accordance with the Agency Agreement to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

4.1.1 *Presentation and surrender*: presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Principal Paying Agent; and

4.1.2 *Certification*: receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by this Temporary Global Note.

4.2 **Definitive Notes; Not D Rules**

If the Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specify that the D Rules are not applicable, then on or after the day following the expiry of 40 days after the date of issue of this Temporary Global Note (the “**Exchange Date**”), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Final Terms) attached and in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against presentation and surrender of this Temporary Global Note to or to the order of the Principal Paying Agent.

4.3 **Definitive Notes; D Rules**

If the Final Terms specify the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the D Rules are applicable, then on or after the day following the expiry of 40 days after the date of issue of this Global Note (the “**Exchange Date**”), the Issuer shall procure the delivery of Definitive Notes (which expression has the meaning given in the Agency Agreement) in accordance with the Agency Agreement with Coupons and Talons (if so specified in the Final Terms) attached against:

4.3.1 *Presentation and surrender*: presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Principal Paying Agent; and

4.3.2 *Certification*: receipt by the Principal Paying Agent of a certificate or certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system dated not earlier than the Exchange Date and in substantially the form set out in Schedule 3 (*Form of Euroclear/Clearstream, Luxembourg Certification*) hereto.

The Definitive Notes so delivered from time to time shall be in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates

issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent; *provided, however, that* in no circumstances shall the aggregate principal amount of Definitive Notes so delivered exceed the initial principal amount of Notes represented by this Temporary Global Note.

5. DELIVERY OF PERMANENT GLOBAL OR DEFINITIVE NOTES

5.1 Permanent Global Note

Whenever any interest in this Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of this Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of Notes represented by such Permanent Global Note in accordance with its terms, in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of this Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

5.2 Definitive Notes

Whenever this Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by this Temporary Global Note to the bearer of this Temporary Global Note against the surrender of this Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

6. WRITING DOWN

On each occasion on which:

- 6.1 *Permanent Global Note*: the Permanent Global Note is delivered or the principal amount of Notes represented thereby is increased in accordance with its terms in exchange for a further portion of this Temporary Global Note; or
- 6.2 *Definitive Notes*: Definitive Notes are delivered in exchange for this Temporary Global Note; or
- 6.3 *Cancellation*: Notes represented by this Temporary Global Note are to be cancelled in accordance with Condition 10(j) (*Redemption and Purchase - Cancellation*),

the Issuer shall procure that:

- (f) if the Final Terms specify that the New Global Note form is not applicable, (i) the principal amount of Notes represented by the Permanent Global Note, the principal amount of such increase or (as the case may be) the aggregate principal amount of such Notes and (ii) the remaining principal amount of Notes represented by this Temporary Global Note (which shall be the previous principal amount of Notes represented by this Temporary Global Note *less* the aggregate of the amounts referred to in (i)) are entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Temporary Global Note shall for all purposes be as most recently so entered; and
- (g) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the ICSDs.

7. PAYMENTS

7.1 Recording of Payments

Upon any payment being made in respect of the Notes represented by this Temporary Global Note, the Issuer shall procure that:

7.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchange and Cancellation of Notes*) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Temporary Global Note shall be reduced by the principal amount so paid; and

7.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Temporary Global Note shall be reduced by the principal amount so paid.

7.2 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Temporary Global Note shall be made to the bearer of this Temporary Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

8. CONDITIONS APPLY

Until this Temporary Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Temporary Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Notes and any related Coupons and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of the Notes represented by this Temporary Global Note.

9. **NOTICES**

Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by this Temporary Global Note (or by this Temporary Global Note and the Permanent Global Note) and this Temporary Global Note is (or this Temporary Global Note and the Permanent Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Trust Deed), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

10. **AUTHENTICATION**

This Temporary Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of HSBC Bank plc as principal paying agent.

11. **EFFECTUATION**

If the Final Terms specify that the New Global Note form is applicable, this Temporary Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

12. **GOVERNING LAW**

This Temporary Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

PHILIP MORRIS INTERNATIONAL INC.

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

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of **HSBC BANK PLC**
as principal paying agent without recourse, warranty or liability

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

EFFECTUATED for and on behalf of

as common safekeeper without recourse, warranty or liability

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

Schedule 2

Form of Accountholder's Certification

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

Issue of

[currency][amount]

[title of Notes] Notes due [maturity]

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (a) are owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States persons**”), (b) are owned by United States person(s) that (i) are foreign branches of a United States financial institution (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the issuer or the issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (c) (whether or not also described in clause (a) or (b)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Rule 903(b)(2) of Regulation S under the Securities Act of 1933, as amended (the “**Securities Act**”), then this is also to certify that, except as set forth below, the Securities are beneficially owned by non-U.S. person(s). As used in this paragraph the term “**U.S. person**” has the meaning given to it by Regulation S under the Act.

As used herein, “**United States**” means the United States of America (including the States and the District of Columbia); and its “**possessions**” include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on

Schedule 3

Form of Euroclear/Clearstream, Luxembourg Certification

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

**[currency][amount]
[title of Notes] Notes due [maturity]**

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our “**Member Organisations**”) substantially to the effect set forth in the temporary global note issued in respect of the securities, as of the date hereof, [currency] [amount] principal amount of the above-captioned Securities (a) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States Federal income taxation regardless of its source (“**United States persons**”), (b) is owned by United States persons that (i) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(iv)) (“**financial institutions**”) purchasing for their own account or for resale, or (ii) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (i) or (ii), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer’s agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (c) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (c) (whether or not also described in clause (a) or (b)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Rule 903(b)(2) of Regulation S under the Securities Act of 1933, as amended (the “**Securities Act**”), then this is also to certify with respect to the principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion substantially to the effect set forth in the temporary global note issued in respect of the Securities.

We further certify (1) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global security excepted in such certifications and (2) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made

Part B

Form of Permanent Global Note

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 REGULATIONS UNDER THE SECURITIES ACT.

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.

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

Euro Medium Term Note Programme

PERMANENT GLOBAL NOTE

1. INTRODUCTION

1.1 The Notes

This Global Note is issued in respect of the notes (the “**Notes**”) of Philip Morris International Inc. (the “**Issuer**”) described in the final terms (the “**Final Terms**”) or drawdown prospectus (“**Drawdown Prospectus**”), a copy of which is annexed hereto. If a Drawdown Prospectus is annexed hereto, each reference in this Global Note to “**Final Terms**” shall be read and construed as a reference to the final terms of the Notes set out in such Drawdown Prospectus. The Notes:

- 1.1.1 *Trust Deed*: are subject to, and have the benefit of, a trust deed dated 13 March 2009 (the “**Trust Deed**”) made between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the “**Trustee**”, which expression shall include all persons for the time being appointed trustee or trustees under the Trust Deed); and
- 1.1.2 *Agency Agreement*: are the subject of an issue and paying agency agreement dated 13 March 2009 (the “**Agency Agreement**”) made between, among others, the Issuer, HSBC Corporate Trustee Company (UK) Limited (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any additional or successor paying agents appointed from time to time in connection with the Notes) and the Trustee.

1.2 Construction

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

1.3 References to Conditions

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Notes set out in Schedule 2 (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Note.

2. PROMISE TO PAY

2.1 Pay to bearer

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

2.2 NGN Principal Amount

If the Final Terms specify that the New Global Note form is applicable, this Global Note shall be a “**New Global Note**” or “**NGN**” and the principal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers’ interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the principal amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the principal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

2.3 CGN Principal Amount

If the Final Terms specify that the New Global Note form is not applicable, this Global Note shall be a “**Classic Global Note**” or “**CGN**” and the principal amount of Notes represented by this Global Note shall be the amount stated in the Final Terms or, if

lower, the principal amount most recently entered by or on behalf of the Issuer in the relevant column in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto.

3. **NEGOTIABILITY**

This Global Note is negotiable and, accordingly, title to this Global Note shall pass by delivery.

4. **EXCHANGE**

This Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of this Global Note, for Definitive Notes (which expression has the meaning given in the Trust Deed) in accordance with the Agency Agreement at any time.

5. **DELIVERY OF DEFINITIVE NOTES**

Whenever this Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note to the bearer of this Global Note against the surrender of this Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

6. **WRITING DOWN**

On each occasion on which:

6.1 *Payment of principal*: a payment of principal is made in respect of this Global Note;

6.2 *Definitive Notes*: Definitive Notes are delivered; or

6.3 *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with Condition 10(j) (*Redemption and Purchase – Cancellation*),

the Issuer shall procure that:

(a) if the Final Terms specify that the New Global Note form is not applicable, (i) the amount of such payment and the aggregate principal amount of such Notes; and (ii) the remaining principal amount of Notes represented by this Global Note (which shall be the previous principal amount hereof *less* the aggregate of the amounts referred to in (i) above) are entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

(b) if the Final Terms specify that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the ICSDs.

7. WRITING UP

7.1 Initial Exchange

If this Global Note was originally issued in exchange for part only of a temporary global note representing the Notes, then all references in this Global Note to the principal amount of Notes represented by this Global Note shall be construed as references to the principal amount of Notes represented by the part of the temporary global note in exchange for which this Global Note was originally issued which the Issuer shall procure:

7.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, is entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and

7.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, is entered by the ICSDs in their records.

7.2 Subsequent Exchange

If at any subsequent time any further portion of such temporary global note is exchanged for an interest in this Global Note, the principal amount of Notes represented by this Global Note shall be increased by the amount of such further portion, and the Issuer shall procure that the principal amount of Notes represented by this Global Note (which shall be the previous principal amount of Notes represented by this Global Note *plus* the amount of such further portion) is:

7.2.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and Cancellation of Notes*) hereto, whereupon the principal amount of this Global Note shall for all purposes be as most recently so entered; and

7.2.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, entered by the ICSDs in their records.

8. PAYMENTS

8.1 Recording of Payments

Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:

8.1.1 *CGN*: if the Final Terms specify that the New Global Note form is not applicable, details of such payment shall be entered in Schedule 1 (*Payments, Exchanges against Temporary Global Note, Delivery of Definitive Notes and*

Cancellation of Notes) hereto and, in the case of any payment of principal, the principal amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and

8.1.2 *NGN*: if the Final Terms specify that the New Global Note form is applicable, details of such payment shall be entered *pro rata* in the records of the ICSDs and, in the case of any payment of principal, the principal amount of the Notes entered in the records of ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.

8.2 Discharge of Issuer's obligations

Payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries referred to above shall not affect such discharge.

9. CONDITIONS APPLY

Until this Global Note has been exchanged as provided herein or cancelled in accordance with the Agency Agreement, the bearer of this Global Note shall be subject to the Conditions and, subject as otherwise provided herein, shall be entitled to the same rights and benefits under the Conditions as if the bearer were the holder of Definitive Notes and any related Coupons and Talons in the smallest Specified Denomination and in an aggregate principal amount equal to the principal amount of Notes represented by this Global Note.

10. EXERCISE OF PUT OPTION

In order to exercise the option contained in Condition 10(f) (*Redemption at the option of Noteholders*) (the "**Put Option**"), the bearer of this Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and Put Option Notice (as such expression is defined in the Agency Agreement), give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

11. EXERCISE OF CALL OPTION

In connection with an exercise of the option contained in Condition 10(d) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, this Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount at their discretion).

12. **NOTICES**

Notwithstanding Condition 21 (*Notices*), while all the Notes are represented by this Global Note (or by this Global Note and a temporary global note) and this Global Note is (or this Global Note a temporary global note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a Common Safekeeper (which expression has the meaning given in the Trust Deed), notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the Condition 21 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

13. **AUTHENTICATION**

This Global Note shall not be valid for any purpose until it has been authenticated for and on behalf of HSBC Bank plc as principal paying agent.

14. **EFFECTUATION**

If the Final Terms specify that the New Global Note form is applicable, this Permanent Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.

15. **GOVERNING LAW**

This Global Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

PHILIP MORRIS INTERNATIONAL INC.

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

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
HSBC BANK PLC as principal paying agent without
recourse, warranty or liability

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

EFFECTUATED for and on behalf of

By: _____
as common safekeeper without
recourse, warranty or liability

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

SCHEDULE 2
TERMS AND CONDITIONS OF THE NOTES

Part C
Form of Definitive Note

[On the face of the Note:]

[currency][denomination]

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 UNDER THE SECURITIES ACT.

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.

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

[currency][amount]

[Fixed Rate]/[Floating Rate] Notes due [maturity]

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

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

This Note shall not be valid for any purpose until it has been authenticated for and on behalf of HSBC Bank plc as principal paying agent.

This Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

AS WITNESS the [manual/facsimile] signature of a duly authorised person on behalf of the Issuer.

PHILIP MORRIS INTERNATIONAL INC.

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

ISSUED on the Issue Date

AUTHENTICATED for and on behalf of
HSBC BANK PLC as principal paying agent without
recourse, warranty or liability

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

[On the reverse of the Note:]

FINAL TERMS

The following is a copy of the relevant particulars of the Final Terms or Drawdown Prospectus, as applicable.

TERMS AND CONDITIONS

[As set out in the Base Prospectus /Drawdown Prospectus (as applicable)]

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

Part D
Form of Coupon

[On the face of the Coupon:]

[For Fixed Rate Notes]

PHILIP MORRIS INTERNATIONAL INC.
[currency][amount] Fixed Rate Notes due [maturity]

Coupon for [currency][amount of interest payment] due on [interest payment date].

Such amount is payable, subject to the terms and conditions (the “**Conditions**”) endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

[For Floating Rate Notes]

PHILIP MORRIS INTERNATIONAL INC.
[currency][amount] Floating Rate Notes due [maturity]

This Coupon relates to a Note in the denomination of [currency] [amount].

Coupon for the amount of interest due on the Interest Payment Date falling in [month and year].

Such amount is payable, subject to the terms and conditions (the “**Conditions**”) endorsed on the Note to which this Coupon relates (which are binding on the holder of this Coupon whether or not it is for the time being attached to such Note), against presentation and surrender of this Coupon at the specified office for the time being of any of the agents shown on the reverse of this Coupon (or any successor or additional agents appointed from time to time in accordance with the Conditions).

The Note to which this Coupon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of this Coupon. In such event, this Coupon shall become void and no payment will be made in respect hereof.

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.

[On the reverse of the Coupon:]

Principal Paying Agent: HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

Part E
Form of Talon

[On the face of the Talon:]

PHILIP MORRIS INTERNATIONAL INC.

[currency][amount] [Fixed Rate]/[Floating Rate] Notes due [maturity]

Talon for further Coupons.

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of the Coupon Sheet to which this Talon is (or was at the time of issue) attached, this Talon may be exchanged at the specified office for the time being of the principal paying agent shown on the reverse of this Talon (or any successor principal paying agent appointed from time to time in accordance with the terms and conditions (the “**Conditions**”) of the Notes to which this Talon relates) for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to the Conditions).

The Note to which this Talon relates may, in certain circumstances specified in the Conditions, fall due for redemption before the maturity date of such final Coupon. In such event, this Talon shall become void and no Coupon will be delivered in respect hereof.

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.

[On the reverse of the Talon:]

Principal Paying Agent: HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom.

SCHEDULE 3
FORM OF REGISTERED NOTES
Part A
Form of Global Registered Note

ISIN: _____

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 UNDER THE SECURITIES ACT.

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

Euro Medium Term Note Programme

GLOBAL REGISTERED NOTE

1. INTRODUCTION

1.1 The Notes

This Global Registered Note is issued in respect of the notes (the “**Notes**”) of Philip Morris International Inc. (the “**Issuer**”) described in the final terms (the “**Final Terms**”) or drawdown prospectus (“**Drawdown Prospectus**”), a copy of which is annexed hereto. If a Drawdown Prospectus is annexed hereto, each reference in this Global Registered Note to “Final Terms” shall be read and construed as a reference to the final terms of the Notes set out in such Drawdown Prospectus. The Notes:

- 1.1.1 *Trust Deed*: are subject to, and have the benefit of, a trust deed dated 13 March 2009 (the “**Trust Deed**”) made between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the “**Trustee**”, which expression shall include all persons for the time being appointed trustee or trustees under the Trust Deed); and
- 1.1.2 *Agency Agreement*: are the subject of an issue and paying agency agreement dated 13 March 2009 (the “**Agency Agreement**”) made between, among others, the Issuer, HSBC Bank plc as principal paying agent (the “**Principal Paying Agent**”, which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression includes any additional or successor paying agents appointed from time to time in connection with the Notes) and the Trustee.

1.2 **Construction**

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

1.3 **References to Conditions**

Any reference herein to the “**Conditions**” is to the Terms and Conditions of the Notes set out in Schedule 1 (*Terms and Conditions of the Notes*) hereto, as supplemented, amended and/or replaced by the Final Terms, and any reference to a numbered “**Condition**” is to the correspondingly numbered provision thereof. Words and expressions defined in the Conditions shall have the same meanings when used in this Global Registered Note.

2. **REGISTERED HOLDER**

This is to certify that:

[]

is the person registered in the register maintained by the Registrar in relation to the Notes (the “**Register**”) as the duly registered holder (the “**Holder**”) of an aggregate principal amount of Notes equal to the Aggregate Nominal Amount specified in the Final Terms or (if the Aggregate Nominal Amount in respect of the Series specified in the Final Terms is different from the Aggregate Nominal Amount in respect of the Tranche specified in the Final Terms) the Aggregate Nominal Amount in respect of the Tranche specified in the Final Terms.

3. **PROMISE TO PAY**

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

4. **EXCHANGE FOR INDIVIDUAL NOTE CERTIFICATES**

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

- 4.1 *Upon notice*: on the expiry of such period of notice as may be specified in the Final Terms; or
- 4.2 *Upon demand*: at any time, if so specified in the Final Terms; or
- 4.3 *In limited circumstances*: if the Final Terms specifies “in the limited circumstances described in the Global Registered Note”, then if either of the following events occurs:
- 4.3.1 *Closure of clearing systems*: Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- 4.3.2 *Event of Default*: any of the circumstances described in Condition 14 (*Events of Default*) occurs.

5. **DELIVERY OF INDIVIDUAL NOTE CERTIFICATES**

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

6. **CONDITIONS APPLY**

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

7. **EXERCISE OF PUT OPTION**

In order to exercise the option contained in Condition 10(f) (*Redemption at the option of Noteholders*) (the “**Put Option**”), the Holder must, within the period specified in the Conditions for the deposit of the relevant Note Certificate and Put Option Notice (as such expression is defined in the Agency Agreement), give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which the Put Option is being exercised. Any such notice shall be irrevocable and may not be withdrawn.

8. **EXERCISE OF CALL OPTION**

In connection with an exercise of the option contained in Condition 10(d) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Notes represented by this Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

9. **NOTICES**

Notwithstanding Condition 21 (*Notices*), so long as this Global Registered Note is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to Holders of Notes represented by this Global Registered Note may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

10. **DETERMINATION OF ENTITLEMENT**

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

11. **AUTHENTICATION**

This Global Registered Note shall not be valid for any purpose until it has been authenticated for and on behalf of HSBC Private Bank (C.I.) Limited, Jersey Branch as registrar.

12. **GOVERNING LAW**

This Global Registered Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

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

PHILIP MORRIS INTERNATIONAL INC.

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

ISSUED on *[issue date]*

**AUTHENTICATED for and on behalf of
HSBC PRIVATE BANK (C.I.) LIMITED, JERSEY BRANCH**
as registrar without recourse, warranty
or liability

By: _____
[manual signature]
(duly authorised)

FORM OF TRANSFER

FOR VALUE RECEIVED _____, being the registered holder of this Global Registered Note, hereby transfers to _____ of _____, [currency] _____ in principal amount of the Notes and irrevocably requests and authorises HSBC Private Bank (C.I.) Limited, Jersey Branch, in its capacity as registrar in relation to the Notes (or any successor to HSBC Private Bank (C.I.) Limited, Jersey Branch, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated: _____

By: _____
(duly authorised)

Notes

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

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

SCHEDULE 1
TERMS AND CONDITIONS OF THE NOTES

Part B

Form of Individual Note Certificate

Serial Number: _____

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (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 REGULATIONS UNDER THE SECURITIES ACT.

PHILIP MORRIS INTERNATIONAL INC.

*(incorporated with limited liability under the laws of the Commonwealth of Virginia,
United States of America)*

[*currency*][*amount*]

[**Fixed Rate**]/[**Floating Rate**] Notes due [*maturity*]

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

This is to certify that:

of _____

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

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

in aggregate principal amount of the Notes.

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

any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

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

This Note Certificate shall not be valid for any purpose until it has been authenticated for and on behalf of HSBC Private Bank (C.I.) Limited, Jersey Branch as registrar.

This Note and any non-contractual obligations arising out of or in connection with it are governed by English law.

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

PHILIP MORRIS INTERNATIONAL INC.

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

ISSUED as of [issue date]

AUTHENTICATED for and on behalf of
HSBC PRIVATE BANK (C.I.) LIMITED, JERSEY BRANCH
as registrar without recourse, warranty
or liability

By: _____
[manual signature]
(duly authorised)

FORM OF TRANSFER

FOR VALUE RECEIVED _____, being the registered holder of this Note Certificate, hereby transfers to _____ of

_____ [currency] _____ in principal amount of the Notes and irrevocably requests and authorises HSBC Private Bank (C.I.) Limited, Jersey Branch, in its capacity as registrar in relation to the Notes (or any successor to HSBC Private Bank (C.I.) Limited, Jersey Branch, in its capacity as such) to effect the relevant transfer by means of appropriate entries in the register kept by it.

Dated: _____

By: _____
(duly authorised)

Notes

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

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

[Attached to each Note Certificate:]

[As set out in the Base Prospectus /Drawdown Prospectus (as applicable)]

[At the foot of the Terms and Conditions:]

PRINCIPAL PAYING AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

REGISTRAR

**HSBC Private Bank (C.I.) Limited,
Jersey Branch**
1 Grenville Street
St Helier
Jersey JE4 9PF
Channel Islands

TRANSFER AGENT

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

SCHEDULE 4
PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. **DEFINITIONS**

In this Trust Deed and the Conditions, the following expressions have the following meanings:

1.1 In relation to Meetings of holders of Registered Notes and/or holders of Bearer Notes:

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

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

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

“**Relevant Fraction**” means:

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

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

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

“**Reserved Matter**” means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of a Series of Notes are payable (other than any redenomination of the Notes pursuant to redenomination provisions contained in the relevant Final Terms);
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition;

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

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

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

1.2 In relation to Meetings of holders of Bearer Notes only:

“**Block Voting Instruction**” means, in relation to any Meeting, a document in the English language issued by a Paying Agent:

- (a) certifying that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depositary) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (ii) the surrender to such Paying Agent, not less than 48 hours before the time fixed for the Meeting (or, if the Meeting has been adjourned, the time fixed for its resumption), of the receipt for the Deposited Notes and notification thereof by such Paying Agent to the Issuer and the Trustee; and
- (b) certifying that the depositor of each Deposited Note or a duly authorised person on its behalf has instructed the relevant Paying Agent that the votes attributable to such Deposited Note are to be cast in a particular way on each

resolution to be put to the Meeting and that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;

- (c) listing the total number and (if in definitive form) the certificate numbers of the Deposited Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (d) authorising a named individual or individuals to vote in respect of the Deposited Notes in accordance with such instructions;

“Deposited Notes” means certain specified Bearer Notes which have been deposited with a Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system, for the purposes of the issuance of a Block Voting Instruction or a Voting Certificate;

“Proxy”, in the case of Bearer Notes means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction other than:

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

“Voter” means, in relation to any Meeting, the bearer of a Voting Certificate, Proxy or the bearer of a definitive Note who produces such definitive Note at the Meeting;

“Voting Certificate” means, in relation to any Meeting, a certificate in the English language issued by a Paying Agent and dated in which it is stated:

- (a) that the Deposited Notes have been deposited with such Paying Agent (or to its order at a bank or other depository) or blocked in an account with a clearing system and will not be released until the earlier of:
 - (i) the conclusion of the Meeting; and
 - (iii) the surrender of such certificate to such Paying Agent; and
- (b) that the bearer of such certificate is entitled to attend and vote at the Meeting in respect of the Deposited Notes;

1.3 In relation to any Meeting of the holders of Registered Notes:

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

- (a) certifying:
 - (i) that certain specified Registered Notes (each a **“Blocked Note”**) have been blocked in an account with a clearing system and will not be released until the conclusion of the Meeting and that the holder of each Blocked Note or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to such Blocked Note are to be cast in a particular way on each resolution to be put to the Meeting; or
 - (ii) that each registered holder of certain specified Registered Notes (each a **“Relevant Note”**) or a duly authorised person on its behalf has instructed the Registrar that the votes attributable to each Relevant Note held by it are to be cast in a particular way on each resolution to be put to the Meeting; andin each case that, during the period of 48 hours before the time fixed for the Meeting, such instructions may not be amended or revoked;
- (b) listing the total principal amount of the Blocked Notes and the Relevant Notes, distinguishing for each resolution between those in respect of which instructions have been given to vote for, or against, the resolution; and
- (c) authorising a named individual or individuals to vote in respect of the Blocked Notes and the Relevant Notes in accordance with such instructions;

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

“Proxy”, in the case of Registered Notes means, in relation to any Meeting, a person appointed to vote under a Block Voting Instruction or a Form of Proxy other than:

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

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

2. **ISSUE OF VOTING CERTIFICATES, BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY**

2.1 **Bearer Notes**

The holder of a Bearer Note may obtain a Voting Certificate from any Paying Agent or require any Paying Agent to issue a Block Voting Instruction by depositing such Bearer Note with such Paying Agent or arranging for such Bearer Note to be (to its satisfaction) held to its order or under its control or blocked in an account with a clearing system not later than 48 hours before the time fixed for the relevant Meeting. A Voting Certificate or Block Voting Instruction shall be valid until the release of the Deposited Notes to which it relates. So long as a Voting Certificate or Block Voting Instruction is valid, the bearer thereof (in the case of a Voting Certificate) or any Proxy named therein (in the case of a Block Voting Instruction) shall be deemed to be the holder of the Bearer Notes to which it relates for all purposes in connection with the Meeting. A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same Bearer Note;

2.2 **Registered Notes**

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

3. **REFERENCES TO DEPOSIT/RELEASE OR BLOCKING/RELEASE OF NOTES**

3.1 **Bearer Notes**

Where Bearer Notes are represented by one or more Global Notes or are held in definitive form within a clearing system, references to the deposit, or release, of Bearer Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system; or

3.2 **Registered Notes**

Where Registered Notes are represented by one or more Global Registered Notes or are held in definitive form within a clearing system, references to the blocking, or

release, of Registered Notes shall be construed in accordance with the usual practices (including blocking the relevant account) of such clearing system.

4. **VALIDITY OF BLOCK VOTING INSTRUCTIONS AND FORMS OF PROXY**

4.1 **Bearer Notes**

A Block Voting Instruction in relation to Bearer Notes shall be valid only if it is deposited at the Specified Office of the relevant Paying Agent or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

4.2 **Registered Notes**

Block Voting Instructions in relation to Registered Notes and Forms of Proxy shall be valid only if deposited at the specified office of the Registrar or at some other place approved by the Trustee, at least 24 hours before the time fixed for the relevant Meeting or the Chairman decides otherwise before the Meeting proceeds to business. If the Trustee requires, a notarised copy of each Block Voting Instruction and satisfactory proof of the identity of each Proxy named therein shall be produced at the Meeting, but the Trustee shall not be obliged to investigate the validity of any Block Voting Instruction or the authority of any Proxy.

5. **IN RELATION TO REGISTERED NOTES**

Record date

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

6. **CONVENING OF MEETING**

The Issuer or the Trustee may convene a Meeting at any time, and the Trustee shall be obliged to do so subject to its being indemnified and/or secured to its satisfaction upon the request in writing of Noteholders holding not less than one tenth of the aggregate principal amount of the outstanding Notes. Every Meeting shall be held on a date, and at a time and place, approved by the Trustee.

7. **NOTICE**

7.1 At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the relevant Meeting is to be held) specifying the date, time and place of the Meeting shall be given to the Noteholders and the Paying Agents in relation to Bearer Notes, and the Registrar, in relation to Registered Notes (in each case with a copy to the Issuer) where the Meeting is convened by the Trustee or, where the Meeting is convened by the Issuer, with a copy to the Trustee; and'

7.2 **In relation to Bearer Notes**

The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that the Bearer Notes may be deposited with, or to the order of, any Paying Agent for the purpose of obtaining Voting Certificates or appointing Proxies not later than 48 hours before the time fixed for the Meeting; or

7.3 **In relation to Registered Notes**

The notice shall set out the full text of any resolutions to be proposed unless the Trustee agrees that the notice shall instead specify the nature of the resolutions without including the full text and shall state that Registered Notes may be blocked in clearing systems for the purposes of appointing Proxies under Block Voting Instructions until 48 hours before the time fixed for the Meeting and a Noteholder may appoint a Proxy either under a Block Voting Instruction by delivering written instructions to the Registrar or by executing and delivering a Form of Proxy to the Specified Office of the Registrar, in either case until 48 hours before the time fixed for the Meeting.

8. **CHAIRMAN**

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

9. **QUORUM**

The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction of the aggregate principal amount of the outstanding Notes; *provided, however, that*, so long as at least the Relevant Fraction of the aggregate principal amount of the outstanding Notes is represented by, in the case of Bearer Notes, the Global Note(s) or, in the case of Registered Notes, the Global Registered Note(s) or a single Individual Note Certificate, in the context of Registered Notes, a Voter appointed in relation thereto or being the holder of the Notes represented thereby shall be deemed to be two Voters for the purpose of forming a quorum.

10. ADJOURNMENT FOR WANT OF QUORUM

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

10.1.1 in the case of a Meeting requested by Noteholders, it shall be dissolved; and

10.1.2 in the case of any other Meeting (unless the Issuer and the Trustee otherwise agree), it shall be adjourned for such period (which shall be not less than 14 days and not more than 42 days) and to such place as the Chairman determines (with the approval of the Trustee); *provided, however, that:*

(a) the Meeting shall be dissolved if the Issuer and the Trustee together so decide; and

(b) no Meeting may be adjourned more than once for want of a quorum.

11. ADJOURNED MEETING

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

12. NOTICE FOLLOWING ADJOURNMENT

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

12.1.1 10 days' notice (exclusive of the day on which the notice is given and of the day on which the Meeting is to be resumed) shall be sufficient; and

12.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

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

13. PARTICIPATION

The following may attend and speak at a Meeting:

13.1.1 Voters;

13.1.2 representatives of the Issuer and the Trustee;

13.1.3 the financial advisers of the Issuer and the Trustee;

13.1.4 the legal counsel to the Issuer and the Trustee and such advisers;

13.1.5 any other person approved by the Meeting or the Trustee; and

13.1.6 in relation to Registered Notes, the Registrar, or in relation to Bearer Notes, the Principal Paying Agent.

14. **SHOW OF HANDS**

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

15. **POLL**

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

16. **VOTES**

Every Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding Notes represented or held by him by the unit of currency in which the Notes are denominated.

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

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

In the case of any Meeting of holders of more than one Series of Notes where not all such Series are in the same currency, the principal amount of such Notes shall for all purposes in this Schedule (whether *inter alia* in respect of the Meeting or any poll resulting therefrom), be the equivalent in U.S. dollars translated at the spot rate of a bank nominated by the Trustee for the sale of the relevant currency or currencies for U.S. dollars on the seventh dealing day prior to such Meeting, or in the case of a written request pursuant to paragraph 6, the date of such request. In such circumstances, on any poll each person present shall have one vote for each Unit of Notes (converted as above) which he holds.

In this paragraph, a “Unit” means the lowest denomination of the Notes as stated in the relevant Final Terms or in the case of a meeting of Noteholders of more than one Series, shall be the lowest common denominator of the lowest denomination of the Notes.

17. VALIDITY OF VOTES BY PROXIES

- 17.1 Any vote by a Proxy in accordance with the relevant Block Voting Instruction in relation to either Bearer of Registered Notes or Form of Proxy in relation to Registered Notes or shall be valid even if such Block Voting Instruction or Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that neither the Issuer, the Trustee nor the Chairman has been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting; or
- 17.2 Unless revoked, any appointment of a Proxy under a Block Voting Instruction or a Form of Proxy in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment; *provided, however*, that no such appointment of a Proxy in relation to a Meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such Meeting when it is resumed. Any person appointed to vote at such a Meeting must be re-appointed under a Block Voting Instruction (or, in relation to Registered Notes, a Form of Proxy) to vote at the Meeting when it is resumed.

18. POWERS

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

- 18.1.1 to approve any Reserved Matter;
- 18.1.2 to approve any proposal by the Issuer for any modification, abrogation, variation or compromise of any provisions of this Trust Deed or the Conditions or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
- 18.1.3 to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;
- 18.1.4 to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of this Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
- 18.1.5 to remove any Trustee;
- 18.1.6 to approve the appointment of a new Trustee;

- 18.1.7 to authorise the Trustee (subject to its being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
- 18.1.8 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed or the Notes;
- 18.1.9 to give any other authorisation or approval which under this Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- 18.1.10 to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution.

19. EXTRAORDINARY RESOLUTION BINDS ALL HOLDERS

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

20. MINUTES

Minutes of all resolutions and proceedings at each Meeting shall be made. The Chairman shall sign the minutes, which shall be prima facie evidence of the proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of the proceedings of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

21. WRITTEN RESOLUTION

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

22. FURTHER REGULATIONS

Subject to all other provisions contained in this Trust Deed, the Trustee may without the consent of the Issuer or the Noteholders prescribe such further regulations regarding the holding of Meetings of Noteholders and attendance and voting at them as the Trustee may in its sole discretion determine.

23. **SEVERAL SERIES**

The following provisions shall apply where outstanding Notes belong to more than one Series:

- 23.1.1 Business which in the opinion of the Trustee affects the Notes of only one Series shall be transacted at a separate Meeting of the holders of the Notes of that Series.
- 23.1.2 Business which in the opinion of the Trustee affects the Notes of more than one Series but does not give rise to an actual or potential conflict of interest between the holder of Notes or one such Series and the holders of Notes of any other such Series shall be transacted either at separate Meetings of the holders of the Notes of each such Series or at a single Meeting of the holders of the Notes of all such Series, as the Trustee shall in its absolute discretion determine.
- 23.1.3 Business which in the opinion of the Trustee affects the Notes of more than one Series and gives rise to an actual or potential conflict of interest between the holders of Notes of one such Series and the holders of Notes of any other such Series shall be transacted at separate Meetings of the holders of the Notes of each such Series.
- 23.1.4 The preceding paragraphs of this Schedule shall be applied as if references to the Notes and Noteholders were to the Notes of the relevant Series and to the holders of such Notes.
- 23.1.5 In this paragraph, “**business**” includes (without limitation) the passing or rejection of any resolution.

EXECUTION CLAUSES

EXECUTED as a deed)
by /s/ JASON BLONDELL)
acting as attorney-in-fact)
for and on behalf of)
HSBC CORPORATE TRUSTEE COMPANY)
(UK) LIMITED)
in the presence of: **KAREN M. SHERIDAN**)

Signature of witness: /s/ KAREN M. SHERIDAN)

Name of witness: KAREN M. SHERIDAN)
AUTHORISED SIGNATORY)

Address: **HSBC BANK PLC,
8 CANADA SQUARE
LONDON E14 5HQ**

EXECUTED as a deed)
by **PHILIP MORRIS INTERNATIONAL INC.**)
acting by /s/ MARCO KUEPFER)
VICE PRESIDENT FINANCE AND TREASURER