

Pricing Supplement



STANDARD CHARTERED BANK

**U.S.\$3,000,000,000
Debt Issuance Programme**

**Series No: 7
Tranche No: 1
U.S.\$700,000,000 8.00% Subordinated Notes due 2031**

Issue Price: 99.18 per cent

Dealers

Banc of America Securities Limited

Cazenove

Credit Suisse First Boston

Goldman, Sachs & Co.

JPMorgan


Standard Chartered Bank

The date of this Pricing Supplement is: 25 May 2001.

This Pricing Supplement, under which the Notes described herein (the “Notes”) are issued, is supplemental to, and should be read in conjunction with, the Offering Circular (the “Offering Circular”) dated 8th September, 2000 as amended and supplemented by the Supplementary Offering Circular (the “Supplementary Offering Circular”) dated 25th May, 2001 issued in relation to the U.S.\$3,000,000,000 Debt Issuance Programme of Standard Chartered Bank (the “Issuer”). Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The Notes will be issued on the terms of this Pricing Supplement read together with the Offering Circular (supplemented as aforesaid). The Issuer accepts responsibility for the information contained in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the Notes.

Except as disclosed in the Supplementary Offering Circular, there has been no significant change in the financial or trading position of the Issuer or of the Group since 31st December, 2000 and no material adverse change in the financial position or prospects of the Issuer or of the Group since 31st December, 2000.

Signed:.....
Director of the Issuer

In connection with this issue, Banc of America Securities Limited on behalf of the Dealers may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

SCHEDULE

The terms of the Notes and additional provisions relating to their issue are as follows:

Provisions appearing on the face of the Certificates

- | | |
|---------------------------------|-------------------|
| 1. Series No: | 7 |
| 2. Tranche No: | 1 |
| 3. ISIN: | XS0130337735 |
| 4. Currency: | U.S. dollars |
| 5. Principal Amount of Tranche: | U.S.\$700,000,000 |
| 6. Issue Date: | 30th May, 2001 |

Provisions appearing on the back of the Certificates

- | | |
|--|---|
| 7. Form: | Registered. |
| 8. Denomination(s): | U.S.\$ 100,000 and integral multiples of U.S.\$ 1,000 in excess thereof. |
| 9. Status: | Dated Subordinated. |
| 10. Interest Commencement Date: | 30th May, 2001. |
| 11. Interest Rate (including after Maturity Date): | 8.00% per annum. |
| 12. Interest Payment Date(s): | 30th May and 30th November in each year, commencing 30th November, 2001 (subject to Condition 6). |
| 13. Interest Amount: | U.S.\$80 for every U.S.\$1,000 |
| 14. Day Count Fraction: | 30/360 |
| 15. Redemption Amount (including early redemption): | Principal Amount |
| 16. Maturity Date: | 30th May, 2031 (Subject to Condition 6) |
| 17. Redemption for Taxation Reasons permitted on days other than Interest Payment Dates: | Yes. |
| 18. Terms of redemption at the option of the Issuer or description of any other Issuer's option (if applicable): | The Notes may be redeemed at the option of the Issuer in whole, but not in part (with the consent of the Financial Services Authority, if required by the Financial Services Authority), at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in the event of certain changes affecting taxes, requiring the payment of additional amounts (as described in Condition 5 (b)). |
| 19. Details of any other additions or variations to the Conditions (if applicable): | The following additions shall be made to the Conditions:
(i) in Condition 6, the Issuer undertakes that, if the conclusions of the ECOFIN Council meeting of November 26-27, 2000 are implemented, it will ensure that it maintains a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 (the "Directive");
(ii) in Condition 7, no additional amounts shall be payable in respect of any Note: |

- (a) where withholding or deduction of tax is imposed on a payment to an individual and is required to be made pursuant to the Directive or any law implementing or complying with, or introduced in order to conform to, the Directive; or
- (b) if such withholding or deduction could be avoided by presenting the relevant Note to another Paying Agent in a Member State of the EU.

20. The Agents appointed in respect of the Notes are: **Issuing and Paying Agent, Paying Agent, Calculation Agent, Registrar and Transfer Agent:**
The Bank of New York
One Canada Square
London
E14 5AL

Provisions applicable to Global Certificates

21. Notes to be represented on issue by: Restricted Global Certificate for Notes being offered and sold in the United States in reliance on Rule 144A; Unrestricted Global Certificate for Notes being offered outside United States in reliance on Regulation S.
22. Applicable TEFRA exemption: Not applicable.
23. Global Certificates exchangeable for definitive Registered Notes at the request of the holder: Yes, in limited circumstances.

Provisions relating only to the sale and listing of the Notes

24. Listing: Application has been made to list the Notes on the Official List of the U.K. Listing Authority and to the London Stock Exchange plc for the Notes to be admitted to trading.
25. Dealers' Commission: 0.8750 per cent.
26. Method of issue of Notes: Syndicated Issue.
27. The following Dealers are subscribing the Notes: Banc of America Securities Limited
Cazenove & Co
Credit Suisse First Boston (Europe) Limited
Goldman, Sachs & Co.
J.P. Morgan Securities Inc.
Standard Chartered Bank
28. Common Code: 13033773
29. Cusip No: 853250AA6
30. Net Proceeds: U.S.\$688,135,000 (net of management, underwriting and selling commission and before expenses).

The full text of the Terms and Conditions which apply to the Notes are as set out in the Annex hereto, which Terms and Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Terms and Conditions will prevail over any other provision to the contrary.

Annex
TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes that, subject to completion and amendment shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Certificates representing the Notes.

The U.S.\$700,000,000 8.00% subordinated notes due 2031 (the “Notes”, which expression includes any further notes issued pursuant to Condition 12 (Further Issues) and forming a single series therewith) of Standard Chartered Bank (the “Issuer”) are constituted by a Trust Deed (as amended or supplemented as at the Issue Date (as defined herein), the “Trust Deed”) dated June 24, 1998 which was entered into by the Issuer and The Law Debenture Trust Corporation p.l.c. (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates referred to below. An Agency Agreement dated June 24, 1998 (as amended or supplemented as at the Issue Date (the “Agency Agreement”)) was entered into in relation to the Notes between the Issuer, the Trustee and Morgan Guaranty Trust Company of New York and has been amended by a Deed dated August 7, 1998 executed by Citibank N.A. as successor issuing and paying agent, a paying agent, calculation agent, registrar and transfer agent. An agreement was entered into between, *inter alia*, Citibank N.A., Brussels and The Bank of New York on November 8, 1999 under which The Bank of New York became successor paying agent and transfer agent. With effect from May 9, 2001, The Bank of New York has succeeded Citibank N.A. as issuing and paying agent, paying agent, transfer agent, registrar and calculation agent for future issues. The issuing and paying agent, the paying agents, the registrar and the transfer agents for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent), the “Registrar” and the “Transfer Agents” (which expression shall include the Registrar). Copies of the Trust Deed, Agency Agreement and the Deed dated August 7, 1998 referred to above are available for inspection during usual business hours at the registered office of the Trustee (presently at Fifth Floor, 100 Wood Street, London EC2V 7EX) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

The Notes are in registered form and may be held in minimum denominations of U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Notes are represented by registered certificates (“Certificates”).

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

In these Conditions, “Noteholder” means the person in whose name a Note is registered, “holder” means the person in whose name a Note is registered and capitalised terms have the meanings given to them hereon.

2. TRANSFER OF THE NOTES

(a) Transfer of the Notes

One or more Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as

the Registrar or Transfer Agent may reasonably require without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

The Notes sold outside the United States to investors that are not U.S. persons, as defined in and in reliance on Regulation S, will initially be issued in the form of an unrestricted global certificate (the "Unrestricted Global Certificate"), and the Notes sold to qualified institutional buyers in the United States in reliance on Rule 144A will initially be issued in the form of a restricted global certificate (the "Restricted Global Certificate"). The Unrestricted Global Certificate will be deposited with The Bank of New York, London as common depository for, and registered in the name of The Bank of New York Depository (Nominees) Limited as nominee of Euroclear and Clearstream, Luxembourg. The Restricted Global Certificate will be registered in the name of Cede & Co. as nominee for, and deposited with The Bank of New York, New York as custodian for, DTC.

Definitive Registered Notes will be issued only in the limited circumstances described below see "Provisions Relating to the Notes While in Global Form and Clearing and Settlement".

(b) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within three business days of receipt of the form of transfer or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

(c) Exchange Free of Charge

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

(d) Closed Periods

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6).

3. STATUS

(a) Status of the Notes

The Notes constitute direct and unsecured subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

The rights of Noteholders against the Issuer to payment of principal and interest in respect of the Notes are, in the event of the winding up of the Issuer, subordinated in right of payment in the manner provided in the Trust Deed to the claims of all Senior Creditors (as defined below). Accordingly, amounts due and payable in respect of such principal and interest shall be due and payable in such winding up only if and to the extent that the Issuer could be considered solvent at the

time of payment thereof and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (i) it is able to pay its debts to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities to Senior Creditors.

A report as to the solvency of the Issuer by two Directors of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors or, if the Issuer is being wound up, its liquidator shall, in the absence of proven error, be treated and accepted by the Issuer, the Trustee and the Noteholders as correct and sufficient evidence thereof.

For the purposes of this Condition 3:

“**Assets**” means the non-consolidated gross assets of the Issuer as shown by the then latest published balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as two Directors of the Issuer, the Auditors or the liquidator of the Issuer (as the case may be) may determine to be appropriate;

“**Auditors**” means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee after consultation with the Issuer;

“**Liabilities**” means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for Assets; and

“**Senior Creditor**” means any creditor of the Issuer whose claims have been accepted by the liquidator in the winding up of the Issuer not being a creditor:

- (i) whose right to repayment ranks or is expressed to rank postponed to or subordinate to that of unsubordinated creditors of the Issuer; or
- (ii) whose right to repayment is made subject to a condition or is restricted (whether by operation of law or otherwise) or is expressed to be restricted in each case such that the amount which may be claimed for his own retention by such creditor in the event that the Issuer is not solvent is less than in the event that the Issuer is solvent; or
- (iii) whose debt is irrecoverable or expressed to be irrecoverable unless the persons entitled to payment of principal and interest in respect of the Notes recover the amounts of such principal and interest which such persons would be entitled to recover if payment of such principal and interest to such persons were not subject to any condition.

(b) *Set-off*

Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each Noteholder shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of such set-off, counter-claim or retention.

4. INTEREST

Each Note bears interest on its outstanding principal amount from 30 May, 2001 (the “**Issue Date**”) at the rate of 8.00% per annum (the “**Interest Rate**”), payable semi-annually in arrear in equal instalments on 30 May and 30 November in each year, commencing 30 November, 2001 (each, an “**Interest Payment Date**”), subject as provided in Condition 6. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an “**Interest Period**”.

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation of the relevant Certificate, payment of principal is improperly withheld or refused, in which event interest shall continue to accrue at such rate (after as well as before judgment) in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

If interest is required to be calculated for any period of less than a year it shall be calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

5. REDEMPTION AND PURCHASE

(a) *Final Redemption*

Unless previously redeemed (with the consent of the Financial Services Authority (the “FSA”), if required by the FSA), or purchased and cancelled as provided below, each Note shall be redeemed on 30 May, 2031 at its principal amount, subject as provided in Condition 6.

(b) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part (with the consent of the FSA, if required by the FSA), at any time, on giving not less than 30 nor more than 60 days’ notice to the Noteholders (which notice shall be irrevocable) at their principal amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before giving such notice that it has or will become obliged to pay additional amounts as described under Condition 7 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Noteholders.

(c) *Purchase*

The Issuer or any of its subsidiaries or any holding company (within the meaning of section 736 of the Companies Act 1985) of the Issuer or any other subsidiary of such holding company (with the consent of the FSA, if required by the FSA) may at any time purchase Notes in the open market or otherwise at any price, subject to the requirements (if any) of any listing authority and/or any stock exchange on which any Note is listed and/or traded.

(d) *Cancellation*

All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation (with the consent of the FSA, if required by the FSA), by surrendering the Certificate representing the Notes to the Registrar, and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. PAYMENTS

(a) *Principal*

Payments of principal in respect of the Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (b) below.

(b) *Interest*

Interest on the Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Note shall be made in US\$ by cheque drawn on a bank in New York City and mailed (uninsured and at the risk of the holder) to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in US\$ maintained by the payee with a bank in New York City.

(c) *Payments subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, or any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) Paying Agents having specified offices in at least two major European cities (including London) so long as the Notes are listed on the official list of the UK Listing Authority in its capacity as competent authority under the Financial Services Act 1986 and admitted to trading on the London Stock Exchange's market for listed securities and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

The Issuer undertakes that, if the conclusions of the ECOFIN Council meeting of November 26-27, 2000, are implemented, it will ensure that it maintains a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the Directive (as defined below).

(e) *Non-Business Days*

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation and where payment is to be made by transfer to an account maintained with a bank in U.S. dollars, on which foreign exchange transactions may be carried on in U.S. dollars in New York City.

7. TAXATION

All payments of principal and interest in respect of the Notes 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 the United Kingdom 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 Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with United Kingdom other than the mere holding of such Note; or
- (ii) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day; or
- (iii) if such withholding or deduction may be avoided by the holder's complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that he is not entitled so to comply or to make such declaration or claim; or

- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 (the “Directive”) or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) if such withholding or deduction could be avoided by presenting the relevant Note to another Paying Agent in a Member State of the EU.

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

Any reference in these Conditions to “principal” or “interest” (other than such interest as is referred to in Condition 9(d)) shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom by virtue of being resident for tax purposes in that jurisdiction, references in this Condition 7 to the United Kingdom shall be construed as references to the United Kingdom and to such other jurisdiction.

8. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them save in respect of Withheld Amounts (as defined in Condition 9). Claims in respect of principal comprised in a Withheld Amount and claims in respect of interest comprised in, or accrued on, a Withheld Amount will, in the case of such principal, become void ten years and, in the case of such interest, become void five years after the due date for payment as specified in Condition 9 or, if the full amount of the moneys payable has not been duly received by the Issuing and Paying Agent, another Paying Agent, the Registrar, a Transfer Agent or the Trustee, as the case may be, on or prior to such date, the date on which notice is given in accordance with Condition 13 that the relevant part of such moneys has been so received.

9. EVENTS OF DEFAULT

(a) *Events of Default*

- (i) If, otherwise than for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, an order is made or an effective resolution is passed for the winding-up of the Issuer, the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount, plus accrued interest as provided in the Trust Deed.
- (ii) If default is made in the payment of principal or interest due in respect of the Notes and such default continues for a period of 14 days, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Issuer provided that the Issuer shall not be in default if during the 14 days’ grace period, it satisfies the Trustee that such sums (the “Withheld Amounts”) were not paid (i) in order to comply with any fiscal or other law, regulation or order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the relevant Paying Agent, Registrar, Transfer Agent or the holder of any Note or (ii) (subject as provided in the Trust Deed) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said 14-day grace period by independent legal advisers acceptable to the Trustee.

(b) *Remedies*

- (i) If the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it under these Conditions (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes) and without prejudice to paragraph (a) above, the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of such Notes sooner than the same would otherwise have been payable by it.
- (ii) Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in paragraph (a) and (b)(i) above or submitting a claim in the winding-up of the Issuer will be available to the Trustee or the holders of Notes.

(c) *Enforcement*

The Trustee need not take any such action or proceedings as referred to in paragraphs (a) and/or (b)(i) above unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes then outstanding and (ii) it shall have been indemnified to its satisfaction. No Noteholder may proceed directly against the Issuer or submit a claim in the winding-up of the Issuer unless the Trustee having become bound so to proceed or being able to submit such a claim, fails to do so in each case within a reasonable time and such failure is continuing. In such a case the relevant Noteholder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings against the Issuer and/or submit a claim in the winding-up of the Issuer, but only to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so in respect of his Notes.

(d) *Withheld Amounts*

If lawful, Withheld Amounts or sums equal to Withheld Amounts shall be placed promptly on interest-bearing deposit all as more particularly described in the Trust Deed. If subsequently it shall be or become lawful to pay any Withheld Amount to the relevant Noteholders or if such payment is possible as soon as any doubt as to the validity or applicability of any such law, regulation or order as is mentioned in Condition 9(a)(ii) above is resolved, notice shall be given in accordance with Condition 13. The notice shall specify the date (which shall be no later than seven days after the earliest date thereafter upon which such interest-bearing deposit falls or may (without penalty) be called due for repayment) on and after which payment in full of such Withheld Amounts shall be made. On such date, the Issuer shall be bound to pay such Withheld Amount together with interest accrued on it. For the purposes of Condition 9(a)(ii), this date shall be the Relevant Date for such sums. The obligations of the Issuer under this paragraph (d) shall be in lieu of any other remedy against it in respect of Withheld Amounts. Payment will be made subject to applicable laws, regulations or court orders, but, in the case of any payment of any Withheld Amounts without prejudice to Condition 7. Interest accrued on any Withheld Amount shall be paid net of any taxes required by applicable law to be withheld or deducted and the Issuer shall not be obliged to pay any additional amount in respect of any such withholding or deduction.

10. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10% in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of

such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest on the Notes, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate of interest in respect of the Notes, (iv) to vary the currency of payment or denomination of the Notes, (v) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

(b) *Modification of the Trust Deed*

The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 13.

(c) *Substitution*

The Trustee (if it is satisfied that so to do would not be materially prejudicial to the interests of Noteholders) may agree, if requested by the Issuer and subject to such amendment of the Trust Deed and such other conditions as the Trustee may reasonably require, but without the consent of the Noteholders, to the substitution, subject to the Notes being unconditionally and irrevocably guaranteed by the Issuer (on a subordinated basis equivalent to that described in Condition 3) of a subsidiary of the Issuer or a holding company of the Issuer or another subsidiary of any such holding company in place of the Issuer as principal debtor under the Trust Deed and, the Notes and as a party to the Agency Agreement and so that the claims of the Noteholders may, in the case of the substitution of a holding company of the Issuer in the place of the Issuer, also be subordinated to the rights of Senior Creditors of that holding company but not further or otherwise.

In the case of a substitution under this Condition 10, the Trustee may agree, without the consent of the Noteholders, to a change of law governing the Notes, and/or the Trust Deed insofar as it relates to such Notes provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of holders of the Notes.

(d) *Entitlement of the Trustee*

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

11. REPLACEMENT OF CERTIFICATES

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and listing authority and/or stock exchange regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on

demand the amount payable by the Issuer in respect of such Certificate) and otherwise as the Issuer may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the Notes shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

13. NOTICES

Notices to the holders of the Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

14. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking proceedings unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

15. RIGHTS OF THIRD PARTIES

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

16. GOVERNING LAW AND JURISDICTION

- (a) The Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law.
- (b) The Courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Notes and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed and the Notes may be brought in such courts.