



# International Finance Corporation

## JSE PLACEMENT DOCUMENT

for issues of South African Notes with maturities of  
three months or longer from the date of the original issue  
in South Africa

International Finance Corporation (**IFC** or the **Corporation**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes with maturities of three months or longer from the date of the original issue (the **Notes**) under the Global Medium-Term Note Program (the **Program**) described in the prospectus dated June 3, 2008 (as amended, restated or supplemented, the **Prospectus**) upon the terms and conditions of the Notes described therein. The Prospectus is set out in Schedule 1.

This JSE placement document (this **Placement Document**) has been prepared for purposes of listing Notes as described herein (the **South African Notes**) on the Interest Rate Market of the JSE Limited (the **JSE**). This JSE Placement Document includes the Prospectus and will apply to all South African Notes issued by the Corporation under the Program which are to be listed on the Interest Rate Market of the JSE on or after November 24, 2015 (the **Program Date**) and cleared through Strate Proprietary Limited (the **CSD**), a central securities depository licensed under the South African Financial Markets Act, 2012.

The Corporation may from time to time issue one or more Series of South African Notes under the Program, which are to be listed on the Interest Rate Market of the JSE pursuant to this Placement Document, provided that the aggregate outstanding principal amount of all South African Notes issued under the Program from time to time does not exceed ZAR5,000,000,000 (the **Program Amount**) unless such amount is increased by the Corporation. The Corporation may, without the consent of Noteholders (as defined herein), increase the Program Amount by delivering a notice thereof to the Noteholders, the JSE, the CSD and the South African Transfer Agent (as defined herein).

The Corporation may, subject to the Exchange Control Regulations, 1961 (the **Exchange Control Regulations**), issue listed South African Notes with the terms described in the Prospectus as supplemented and/or amended by this JSE Placement Document and the applicable Final Terms. Unlisted South African Notes may not be issued under the Program save with the prior approval of the Financial Surveillance Department of the South Africa Reserve Bank (the **SARB**). South African Notes to be issued pursuant to this JSE Placement Document will be listed on the Interest Rate Market of the JSE. The applicable Final Terms relating to each Series of South African Notes listed on the Interest Rate Market of the JSE will be delivered to the JSE and the CSD before the Issue Date, and the Notes of that Series may then be traded by or through members of the JSE from the date that that Series of South African Notes is listed on Interest Rate Market of the JSE.

As at the Program Date, the Corporation and the Program are rated. The rating assigned to the Corporation and/or the Program, as the case may be, as well as the assigning rating agency(ies), will be specified in the Final Terms (as defined herein). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

---

*Arranger*  
**International Finance Corporation**

*JSE Debt Sponsor*  
**The Standard Bank of South Africa Limited,  
acting through its Corporate and Investment Banking division**

---

The date of this JSE Placement Document is November 24, 2015

---

## IMPORTANT INFORMATION

---

*Capitalised terms used in this section shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

**THE SOUTH AFRICAN NOTES ARE NOT REQUIRED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. ACCORDINGLY, NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “COMMISSION”). THE SOUTH AFRICAN NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.**

No person has been authorized to give any information or to make any representation other than those contained in this JSE Placement Document, the Prospectus and the applicable Final Terms in connection with the offering or sale of the South African Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Corporation or any Dealer or the Arranger. Neither the delivery of this JSE Placement Document, the Prospectus or any applicable Final Terms nor any offering or sale made in connection herewith or therewith shall, under any circumstances, create any implication that there has been no change in the financial condition or affairs of the Corporation since the date hereof or the date upon which this JSE Placement Document has been most recently amended or supplemented or that there has been no adverse change in the financial condition or affairs of the Corporation since the date hereof or the date upon which this JSE Placement Document has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this JSE Placement Document, the Prospectus or any Final Terms and the offering or sale of the South African Notes in certain jurisdictions may be restricted by law. Persons into whose possession this JSE Placement Document, the Prospectus or any Final Terms comes are required by the Corporation, any Dealer and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers, sales and deliveries of South African Notes and the distribution of this JSE Placement Document, the Prospectus and any Final Terms and other offering material relating to the South African Notes see “*Subscription and Sale*” in this JSE Placement Document and “*Plan of Distribution*” in the Prospectus below. This JSE Placement Document, the Prospectus or any Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action has been taken or will be taken to permit an offering of the South African Notes or the distribution of this JSE Placement Document, the Prospectus or any Final Terms in any jurisdiction where any such action is required.

Neither this JSE Placement Document, the Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Corporation or any Dealer to subscribe for, or purchase, any South African Notes. Neither this JSE Placement Document, the Prospectus nor any other information supplied in connection with the Program should be considered as a recommendation by the Corporation or any of the Dealer(s) that any potential investor should purchase any South African Notes. Each investor contemplating purchasing any South African Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Corporation.

**THE SOUTH AFRICAN NOTES ARE NOT OBLIGATIONS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT OR OF ANY GOVERNMENT.**

In connection with the issue and distribution of any Series of South African Notes under the Program, the relevant Dealer(s), if any, that is specified in the applicable Final Terms as the

stabilising manager (**Stabilising Manager**) (or any person acting for the Stabilising Manager) may, if specified in that applicable Final Terms and only if such stabilising is permitted by the debt listings requirements of the JSE and approved by the JSE, over-allot or effect transactions with a view to supporting the market price of the South African Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the issue of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche or 60 days after the date of the allotment of the relevant Tranche. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

The price/yield and amount of a Series of South African Notes to be issued under the Program will be determined by the Corporation and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

In this JSE Placement Document, references to “*Rand*”, “*ZAR*”, “*South African Rand*”, “*R*” and “*cent*” are to the currency of the Republic of South Africa, “*U.S. \$*”, “*USD*” and “*U.S. dollars*” are to United States dollars and references to “*euro*”, “*€*” and “*EUR*” to the currency introduced at the start of the third stage of European Economic and Monetary Union.

**Responsibility Statements:** The Corporation accepts full responsibility for the information contained in this JSE Placement Document, any Final Terms and the annual report (incorporating the Corporation’s audited annual financial statements) of the Corporation (as amended or restated from time to time). To the best of the knowledge and belief of the Corporation (who has taken all reasonable care to ensure that such is the case), the information contained in this JSE Placement Document, which includes the Prospectus as amended, restated or supplemented from time to time, is in accordance with the facts and does not omit anything which would make any statement false or misleading and all reasonable enquiries to ascertain such facts have been made. This JSE Placement Document contains all information required by law and the debt listings requirements of the JSE. Where information contained in this JSE Placement Document has been sourced from a third party, this information has been accurately reproduced and, so far as the Corporation is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

The JSE takes no responsibility for the contents of this JSE Placement Document, any Final Terms, or the annual report (incorporating the Corporation’s audited annual financial statements) of the Corporation (as amended or restated from time to time), it makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of this JSE Placement Document, any Final Terms, or the annual financial statements of the Corporation (as amended or restated from time to time).

This JSE Placement Document is to be read and construed with any amendment or supplement thereto and in conjunction with any other documents which are deemed to be incorporated by reference herein (see the sections headed “*Documents Incorporated by Reference*” in this JSE Placement Document and in the Prospectus below) and, in relation to any Series of South African Notes, should be read and construed together with the Final Terms. This JSE Placement Document shall be read and construed on the basis that such documents are incorporated into and form part of this JSE Placement Document. This JSE Placement Document may only be used for the purposes for which it has been published. The Corporation has not authorised the making or provision of any representation or information regarding the Corporation or the South African Notes other than as contained or incorporated by reference in this JSE Placement Document and the Prospectus, in any other document prepared in connection with the Program or any Final Terms or as expressly approved for such purpose by the Corporation. Any such representation or information should not be relied upon as having been authorised by the Corporation.

The Arranger and the Dealer(s) and any of their respective subsidiaries or holding companies or a subsidiary of their holding company (their **Affiliates**), Standard Bank (the **JSE Debt Sponsor**), other professional advisers and the JSE have not separately verified the information contained

herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger and the Dealer(s) or their Affiliates, the JSE Debt Sponsor, other professional advisers or the JSE as to the accuracy or completeness of the information contained in this JSE Placement Document or any other information provided by the Corporation. The Arranger and the Dealer(s) or their Affiliates, the JSE Debt Sponsor, other professional advisers and the JSE do not accept any liability in relation to the information contained in this JSE Placement Document and any other information provided by the Corporation in connection with the Program.

---

**TABLE OF CONTENTS**

---

	Page
1. DOCUMENTS INCORPORATED BY REFERENCE	6
2. FORM OF SOUTH AFRICAN NOTES	8
3. SOUTH AFRICAN NOTE CONDITIONS	10
4. USE OF PROCEEDS	26
5. SUBSCRIPTION AND SALE	27
6. SETTLEMENT, CLEARING AND TRANSFER	28
7. SOUTH AFRICAN TAXATION	30
8. SOUTH AFRICAN EXCHANGE CONTROL	33
9. GENERAL INFORMATION	34
10. SCHEDULE 1: PROSPECTUS	35

---

## DOCUMENTS INCORPORATED BY REFERENCE

---

*Capitalised terms used in this section entitled “Documents Incorporated by Reference” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

The following documents are deemed to be incorporated by reference into, and to form part of, this JSE Placement Document:

- (a) each supplement to the JSE Placement Document circulated by the Corporation from time to time;
- (b) in respect of each issue of South African Notes, the audited annual financial statements, and notes thereto, of the Corporation (which are prepared on the basis of accounting principles generally accepted in the United States (U.S. GAAP)) for its 3 (three) financial years prior to the Issue Date of such Series of South African Notes and the audited annual financial statements, and notes thereto, of the Corporation in respect of further financial years, as and when such audited financial statements become available;
- (c) in respect of each issue of South African Notes, the published annual report (incorporating the Corporation’s audited annual financial statements, together with reports and the notes thereto) of the Corporation for its 3 (three) financial years prior to the Issue Date of such Series of South African Notes and the published annual report of the Corporation in respect of further financial years, as and when such published annual report becomes available;
- (d) the unaudited interim financial statements of the Corporation, together with such statements, reports and notes attached to or intended to be read with such unaudited interim financial statements as and when such interim financial statements become available;
- (e) the relevant Final Terms relating to each issue of South African Notes which is listed on the Interest Rate Market of the JSE;
- (f) the South African Agency Agreement;
- (g) an annual information statement (the **Information Statement**) which describes the Corporation, including its capital, operations and administration, the Articles of Agreement of the Corporation (the **Articles of Agreement**), the Corporation’s legal status, and its principal financial policies, and contains the Corporation’s most recent audited financial statements;
- (h) the Articles of Agreement; and
- (i) all information pertaining to the Corporation which is relevant to the Program and/or this JSE Placement Document which will be electronically submitted through the Stock Exchange News Service (**SENS**) or similar service established by the JSE, to SENS subscribers, if required,

except that any statement contained in this JSE Placement Document and any of the documents incorporated by reference into this JSE Placement Document shall be deemed to be modified or superseded for the purpose of this JSE Placement Document to the extent that a statement contained in a document subsequently incorporated by reference into this JSE Placement Document modifies or supersedes that statement.

The Corporation will provide without charge to any person, upon written or oral request of such person, a copy of any or all of the documents referred to above which have been incorporated by reference into this JSE Placement Document, excluding any exhibits to those documents unless they are specifically incorporated by reference into those documents, and all of the documents listed under the paragraph entitled “*Documents Incorporated by Reference*” in the Prospectus. Those documents can be requested from Investor Relations, IFC Treasury, 2121 Pennsylvania Avenue NW, Washington, DC 20433, United States of America, telephone number +1 (202) 473-0958 and at [investors@ifc.org](mailto:investors@ifc.org). In addition, such documents will be

available free of charge from the South African Transfer Agent from its Specified Office. In addition, this JSE Placement Document, any supplements to this JSE Placement Document, the Prospectus, any supplements to the Prospectus and any Final Terms will be filed with the JSE which will publish such documents on its website at [www.jse.co.za](http://www.jse.co.za). This JSE Placement Document, any amendments and/or supplements thereto, the applicable Final Terms relating to any issue of listed South African Notes and the audited annual financial statements of the Corporation are also available for inspection on the Corporation's website, [www.ifc.org](http://www.ifc.org).

The Corporation will, for so long as any South African Notes remain outstanding and listed on the Interest Rate Market of the JSE, publish a new JSE Placement Document or a supplement to this JSE Placement Document, as the case may be, on the occasion of any subsequent issue of South African Notes under the Program (pursuant to this JSE Placement Document, as read with the Prospectus) where any of the information contained in this JSE Placement Document (as read with the Prospectus) becomes outdated in a material respect, provided that no amended and restated JSE Placement Document or supplement to this JSE Placement Document will be required in respect of the Corporation's audited annual financial statements if such audited annual financial statements are incorporated by reference into this JSE Placement Document and such audited annual financial statements are submitted to the JSE.

---

## **FORM OF SOUTH AFRICAN NOTES**

---

*Capitalised terms used in this section entitled “Form of South African Notes” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

### **Registered South African Notes**

Each Series of South African Notes issued under the Program pursuant to the Prospectus read together with this JSE Placement Document may be issued in uncertificated form and/or certificated form, as specified in the applicable Final Terms. An issue of South African Notes which is listed on the Interest Rate Market of the JSE will be issued in uncertificated form and held in the CSD. Unlisted South African Notes may not be issued save with the prior approval of the SARB.

Registered South African Notes may only be transferred in accordance with the provisions of Condition 6 (*Transfer of South African Notes and Exchange of Beneficial Interest for an Individual Certificate*) of the South African Note Conditions.

### *Uncertificated South African Notes*

A Series of South African Notes which is listed on the Interest Rate Market of the JSE must, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in accordance with section 33 of the South African Financial Markets Act.

Uncertificated South African Notes will not be represented by any certificate or written instrument. A Series of South African Notes issued in uncertificated form will be held by the CSD (see section headed “*South African Notes held by the CSD*” below), in accordance with the Applicable Procedures.

### *Certificated South African Notes*

A holder of a Beneficial Interest shall be entitled to exchange its Beneficial Interest for an Individual Certificate. South African Notes issued in certificated form will at all times be in the form of Individual Certificates issued to the relevant Noteholder in respect of its respective holdings.

Each Individual Certificate will be registered in the South African Register in the name of the individual Noteholder(s) of that Individual Certificate.

### **South African Notes held by the CSD**

The registered Noteholder of each Series of South African Notes (other than any South African Notes which are represented by Individual Certificates) listed on the Interest rate Market of the JSE and held through the CSD will be reflected in the South African Register in accordance with the Applicable Procedures. To the extent that a Series of South African Notes is held in the CSD, all amounts to be paid and all rights to be exercised in respect of such South African Notes will be paid to and may be exercised by the CSD on behalf of the holders of Beneficial Interests in such South African Notes.

### **Beneficial Interests**

Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for such clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.



The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such Noteholders, may exercise their rights in respect of the South African Notes held by them in the CSD only through their CSD Participants. Euroclear and/or Clearstream, Luxembourg may hold South African Notes through their CSD Participant.

---

## SOUTH AFRICAN NOTE CONDITIONS

---

The following is the text of the additional terms and conditions of the South African Note to be issued by the Corporation pursuant to this JSE Placement Document which will be incorporated by reference into each Series of South African Notes and shall comprise the “South African Note Conditions”. Notwithstanding the provisions of the Prospectus, each Series of South African Note will be issued on, and subject to, the terms and conditions set out in the Prospectus read together with the below South African Note Conditions, as completed and (if applicable) amended by the applicable Final Terms.

### 1. Introduction

- (a) *Program*: The International Finance Corporation (**IFC** or the **Corporation**) has established a Program (the **Program**) for the issuance of Notes.

For the purposes of listing Notes as described herein (the **South African Notes**) on the Interest Rate Market of the JSE Limited (the **JSE**), on November 24, 2015 the Corporation prepared and issued this JSE Placement Document (this **JSE Placement Document**). This JSE placement document, as amended, restated and supplemented from time to time, as well as the South African Note Conditions, as amended, restated and supplemented from time to time, apply to all South African Notes issued by the Corporation under the Program which are to be listed on the Interest Rate Market of the JSE on or after the Program Date and cleared through the CSD.

- (b) *Agency Agreement*: South African Notes issued in accordance with these South African Note Conditions are issued pursuant to an agency agreement dated on or about November 24, 2015 amongst IFC, the South African Calculation Agent, the South African Paying Agent and the South African Transfer Agent (each as defined in South African Note Condition 2(a) (*Definitions*)) (the **South African Agency Agreement**) as amended and restated from time to time and, with respect to such South African Notes, references in the Conditions to the “*Agency Agreement*” are to such agreement.

- (c) *Final Terms*: South African Notes issued under the Program are issued in series (each, a **Series**). Each Series of South African Notes will be the subject of a final terms (the **Final Terms**), the form of which is set out in the section of the Prospectus headed “*Form of Final Terms*”, a copy of which may be obtained free of charge from the Specified Office of the South African Transfer Agent. In addition, copies of the applicable Final Terms relating to South African Notes issued in accordance with these South African Note Conditions will be lodged with the JSE and will be available for viewing on the website of the JSE ([www.jse.co.za](http://www.jse.co.za)) and copies of which may be obtained free of charge from the Specified Office of the South African Transfer Agent. In addition to the provisions already contained in the *Form of Final Terms*, the Final Terms will include provision relating to:

- (i) an indication of examples of methods of distribution such as “Dutch auction” and “private placement”;
- (ii) Last Day to Register;
- (iii) Books Closed Period;
- (iv) value of aggregate of South African Notes in issue;
- (v) confirmation from the Corporation that the Program Amount has not been exceeded as at the date of the Final Terms relating to an issuance of any South African Notes;
- (vi) applicable credit rating;
- (vii) date of credit rating;

- (viii) date of the JSE's approval of this Placement Document;
  - (ix) an issuer responsibility statement which is to be given in accordance with the debt listings requirements of the JSE; and
  - (x) additional terms and conditions.
- (d) *Conditions*: The terms and conditions (the **Conditions**) applicable to each Series of South African Notes shall comprise the Prospectus Conditions (as defined in South African Note Condition 2(a) (*Definitions*)) as amended or replaced by these South African Note Conditions, subject to completion and/or amendment in the applicable Final Terms.
- (e) *The South African Notes*: All subsequent references in these South African Note Conditions to "South African Notes" are to the South African Notes which are the subject of the applicable Final Terms.
- (f) *Summaries*: Certain provisions of these South African Note Conditions are summaries of the South African Agency Agreement and are subject to their detailed provisions. Noteholders are bound by, and are deemed to have notice of, all the provisions of the South African Agency Agreement applicable to them. Copies of the South African Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Office of the South African Transfer Agent.

## 2. **Definitions and Interpretation**

- (a) *Definitions*: In these South African Note Conditions, unless inconsistent with the context or otherwise separately defined in the applicable Final Terms, the following expressions shall have the following meanings:

**Applicable Procedures** means the rules and operating procedures for the time being of the CSD, the CSD Participants and the debt listings requirements of the JSE;

**Beneficial Interest** means, in relation to a Series of South African Notes held by the CSD, the beneficial interest as co-owner of an undivided share of the principal amount of the South African Notes in that Series, as contemplated in section 37(1) of the South African Financial Markets Act. The principal amount of such beneficial interest is determined by reference to the proportion that such Series of South African Notes represents in comparison to the principal amount of all of the South African Notes that have been issued as at such date, as contemplated in section 37(3) of the South African Financial Markets Act;

**Books Closed Period** means, in relation to a Series of South African Notes, the period, as specified in the applicable Final Terms, commencing after the Last Day to Register, during which transfers of any South African Notes will not be registered, or such shorter period as the Corporation and Dealer(s) may decide in order to determine those Noteholders entitled to receive payment of principal or interest;

**Corporation** means International Finance Corporation, an international organisation established by Articles of Agreement among its member countries including South Africa;

**CSD** means Strate Proprietary Limited (registration number 1998/022242/07), licensed as a central securities depository in accordance with section 29 of the South African Financial Markets Act, and any reference to "CSD" shall, whenever the context permits, be deemed to include any successor depository operating in accordance with the South African Financial Markets Act, and any additional or alternate depository approved by the Corporation;

**CSD Participant** means a person accepted by the CSD as a participant, as contemplated in section 31 of the South African Financial Markets Act, and who is

approved by the CSD, in accordance with the rules of the CSD;

**Dealer(s)** means one or more dealers appointed by the Corporation from time to time for a specific issue of South African Notes;

**Exchange Control Regulations** means the Exchange Control Regulations, 1961, promulgated pursuant to the South African Currency and Exchanges Act, 1933;

**Extraordinary Resolution** means a resolution passed at a Meeting duly convened and held in accordance with Condition 8.1 (*Meetings of Noteholders*) by a majority of not less than 66.67 per cent. of the votes cast by Noteholders of outstanding South African Notes of the Applicable Series who are eligible to participate at the relevant Meeting;

**Individual Certificate** means a single certificate in definitive registered form representing those South African Notes for which a Beneficial Interest has been exchanged in accordance with Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*) of these South African Note Conditions;

**Issue Date** means, in relation to a Series of South African Notes, the date specified as such in the applicable Final Terms;

**JSE** means JSE Limited (registration number 2005/022939/06) incorporated with limited liability under, and licensed as an exchange in accordance with the terms of, the South African Financial Markets Act, and any reference to “*JSE*” shall, whenever the context permits, be deemed to include any successor exchange operating in accordance with the South African Financial Markets Act;

**Last Day to Register** means, in relation to a Series of South African Notes, the eleventh calendar day preceding the due date for any payment of principal or interest in respect of that Series of South African Notes being the last date on which the South African Transfer Agent will accept Transfer Forms and record in the South African Register the transfer of South African Notes of that Series and whereafter the South African Register is closed for further transfer or entries until the due date for such payment of principal or interest;

**Noteholders** means the holders of South African Notes recorded as such in the South African Register and **Noteholder** means any one of them, as the context requires;

**Program Date** means November 24, 2015;

**Prospectus** means the Prospectus dated June 3, 2008 as may be supplemented or replaced from time to time;

**Prospectus Conditions** means the summary of the general conditions of the Notes as set out in the section of the Prospectus headed “*Terms and Conditions of the Notes*”;

**R** or **Rand** or **ZAR** or **South African Rand** or **cent** means the lawful currency of South Africa;

**Series** has the meaning given in Condition 1(c) (*Final Terms*);

**South Africa** means the Republic of South Africa;

**South African Banks Act** means the Banks Act, 1990;

**South African Calculation Agent** means Standard Bank, unless the Corporation elects to appoint another entity as Calculation Agent in relation to one or more Series of South African Notes, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Corporation) will be specified in the applicable Final Terms;

**South African Companies Act** means the Companies Act, 2008;

**South African Financial Markets Act** means the Financial Markets Act, 2012;

**South African Note Conditions** means the terms and conditions of the South African Notes set out in this section of this JSE Placement Document headed “*South African Note Conditions*”;

**South African Paying Agent** means Standard Bank, unless the Corporation elects to appoint another entity as Paying Agent in relation to one or more Series of South African Notes, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Corporation) will be specified in the applicable Final Terms;

**South African Register** means the register of Noteholders of South African Notes maintained by the South African Transfer Agent pursuant to Condition 7 (*South African Register*) of these South African Note Conditions, including any Uncertificated Securities Register;

**South African Transfer Agent** means Standard Bank, unless the Corporation elects to appoint another entity as South African Transfer Agent in relation to one or more Series of South African Notes, in which event such entity (and a description of the arrangements pursuant to which such entity has been so appointed by the Corporation) will be specified in the applicable Final Terms;

**Specified Office** means, in relation to each of the Corporation, the South African Paying Agent and the South African Transfer Agent, the address of the office specified in respect of such entity at the end of this JSE Placement Document, or such other address as is notified by such entity (or, where applicable, a successor to such entity) to the Noteholders (in the manner set out in Condition 9(a) (*Notice to Noteholders*) of these South African Note Conditions), as the case may be;

**Standard Bank** means The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division (registration number 1962/000738/06), a public company with limited liability and a registered bank duly incorporated in accordance with the company and banking laws of South Africa;

**Transfer Form** means the written form for the transfer of South African Notes represented by Individual Certificates, in the form approved by the South African Transfer Agent, and signed by the transferor and transferee; and

**Uncertificated Securities Register** means an ‘*uncertificated securities register*’ as contemplated in section 1 of the South African Financial Markets Act.

(b) *Interpretation*: In these South African Note Conditions:

- (i) Capitalised terms used but not defined herein shall have the meanings given to them in the Prospectus Conditions.
- (ii) If there is any conflict or inconsistency between defined terms and provisions set out in the Prospectus Conditions and these South African Note Conditions, then the defined terms and provisions in these South African Note Conditions will prevail. If there is any conflict or inconsistency between defined terms and provisions set out in the applicable Final Terms and the defined terms and provisions set out in these South African Note Conditions, then the defined terms and provisions in the applicable Final Terms will prevail.
- (iii) In respect of the South African Notes, all references in the Prospectus Conditions to the “*agency agreement*” shall be deemed to be to the “**South African Agency Agreement**”, all references in the Prospectus Conditions to the “*Calculation Agent*” shall be deemed to be to the “**South African Calculation Agent**”, all references in the Prospectus Conditions to the “*Global Agent*” and the “*Register*”

shall be deemed to be to the “**South African Register**”, all references in the Prospectus Conditions to the “*Registrar*” and the “*Transfer Agent*” shall be deemed to be to the “**South African Transfer Agent**”, and all references in the Prospectus Conditions to the “*Fiscal Agent*” and “*Paying Agent*” shall be deemed to be to the “**South African Paying Agent**”.

- (iv) Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or repealed and re-enacted from time to time.

### 3. **Form and Denomination**

- (a) *Registered South African Notes*: Each Series of South African Notes will be issued in registered form in South African Rand.
- (b) *Uncertificated South African Notes*: Each Series of South African Notes listed on the Interest Rate Market of the JSE will, subject to applicable laws and Applicable Procedures, be issued in uncertificated form in accordance with section 33 of the South African Financial Markets Act.

Uncertificated South African Notes will not be represented by any certificate or written instrument. A Series of South African Notes issued in uncertificated form will be held by the CSD (see sub-paragraph (d) below headed “*South African Notes held by the CSD*”), in accordance with the Applicable Procedures.

- (c) *Certificated South African Notes*: South African Notes issued in certificated form will be represented by an Individual Certificate in definitive registered form. Each Individual Certificate will be registered in the South African Register in the name of the individual Noteholder(s) of the South African Notes represented by that Individual Certificate.
- (d) *South African Notes held by the CSD*: The registered Noteholder of each Series of South African Notes (other than any South African Notes which are represented by Individual Certificates) listed on the Interest rate Market of the JSE and held through the CSD will be reflected in the South African Register in accordance with the Applicable Procedures. To the extent that a Series of South African Notes is held in the CSD, all amounts to be paid and all rights to be exercised in respect of such South African Notes will be paid to and may be exercised by the CSD on behalf of the holders of Beneficial Interests in such South African Notes.

Where any South African Notes are held by the CSD, each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in such South African Notes (in which regard any certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, in relation to such South African Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest) shall be treated by the Corporation, the South African Paying Agent, the South African Transfer Agent and the relevant CSD Participant as the Noteholder of such South African Notes for all purposes, other than with respect to the payment of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such South African Notes, for which latter purpose the CSD (as the registered Noteholder of such South African Notes named in the South African Register) shall be treated by the Corporation, the South African Paying Agent, the South African Transfer Agent and the relevant CSD Participant as the Noteholder of such South African Notes in accordance with and subject to these South African Note Conditions.

#### 4. **Title**

- (a) *Title to certificated South African Notes:* Each Noteholder of South African Notes represented by an Individual Certificate will be named in the South African Register as the registered Noteholder of such South African Notes. Subject to applicable laws, title to South African Notes represented by an Individual Certificate will be freely transferable and will pass upon registration of transfer in accordance with Condition 6 (*Transfer of South African Notes and Exchange of Beneficial Interest for an Individual Certificate*).

The Corporation, the South African Paying Agent and the South African Transfer Agent shall (except as otherwise required by law) recognise the registered Noteholder of any South African Notes, as the absolute owner of such South African Notes for all purposes (notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof).

- (b) *Title to Beneficial Interests in uncertificated South African Notes:* Title to Beneficial Interests held by CSD Participants directly through the CSD will pass on transfer thereof by electronic book entry in the central securities accounts maintained by the CSD for such CSD Participants, in accordance with the Applicable Procedures (as contemplated in Condition 6(a) (*Transfer of Beneficial Interests*) below). Subject to applicable laws, title to Beneficial Interests held by clients of CSD Participants indirectly through such CSD Participants will be freely transferable and will pass on transfer thereof by electronic book entry in the securities accounts maintained by such CSD Participants for such clients, in accordance with the Applicable Procedures (as contemplated in Condition 6(a) (*Transfer of Beneficial Interests*) below).

The holder of a Beneficial Interest will only be entitled to exchange such Beneficial Interest for South African Notes represented by an Individual Certificate in accordance with Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*) below.

Each Series of South African Notes held by the CSD will be held subject to the South African Financial Markets Act and the Applicable Procedures.

#### 5. **Payments – South African Notes**

- (a) *General:* Only Noteholders of South African Notes named in the South African Register at 17:00 (Johannesburg time) on the relevant Last Day to Register shall be entitled to payments of amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such South African Notes.

Any payments of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any South African Notes shall be made by the South African Paying Agent, on behalf of the Corporation, on the terms and conditions of the South African Agency Agreement and this Condition 5 (*Payments – South African Notes*). The Corporation shall not be responsible for the loss in transmission of any funds paid by the South African Paying Agent to the Noteholders. Any amount paid by the Corporation to the South African Paying Agent (into such separate bank account of the Corporation held with the South African Paying Agent for the South African Notes as is agreed in writing between the Corporation and the South African Paying Agent from time to time) in accordance with the South African Agency Agreement, shall be satisfaction, to the extent of such amount, of the Corporation's obligations to the Noteholders under the terms of the South African Notes, the Conditions and the South African Agency Agreement.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in South Africa. Any reference in the Conditions to any amounts in respect of any South African Notes shall be deemed also to refer to any additional

amounts which may be payable thereunder.

- (b) *Method of payment:* The South African Paying Agent will, on behalf of the Corporation, pay all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of any South African Notes:
- (i) in the case of South African Notes issued in uncertificated form, in immediately available and freely transferable funds, in South African Rand by electronic funds transfer, to the bank account of the CSD, which in turn will transfer such funds, via the CSD Participants, to the holders of Beneficial Interests in such South African Notes; and
  - (ii) in the case of South African Notes represented by an Individual Certificate, in immediately available and freely transferable funds, in South African Rand by electronic funds transfer, to the bank account of the South African Paying Agent whereafter the South African Paying Agent will transfer the funds to the bank account of the person named as the registered Noteholder of such South African Notes in the South African Register or, in the case of joint registered Noteholders, the bank account of the first one of them named in the South African Register in respect of such South African Notes.
- (c) *Beneficial Interests:* Following payment to the CSD of amounts due and payable in respect of South African Notes issued in uncertificated form pursuant to Condition 5(b)(i) above, the relevant funds will be transferred by the CSD, via the CSD Participants, to the holders of Beneficial Interests in such South African Notes.

Each of the persons reflected in the records of the CSD or the relevant CSD Participant, as the case may be, as the holders of Beneficial Interests in South African Notes, will look solely to the CSD or the relevant CSD Participant, as the case may be, for such person's share of each payment so made by the South African Paying Agent, on behalf of the Corporation, to or for the order of the CSD, as the registered Noteholder of such South African Notes.

Neither the South African Paying Agent nor the Corporation will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests.

Payments of amounts due and payable in respect of Beneficial Interests in South African Notes will be recorded by the CSD, distinguishing between interest, principal and any other amount, and such record of payments by the CSD, will be *prima facie* proof of such payments.

- (d) *Payment Date:* If the date for payment (following adjustment, if applicable in accordance with the applicable Business Day Convention) of any amount due and payable in respect of a Series of South African Notes is not a Business Day, then such date for payment shall be the following Business Day, and the Noteholder(s) of such South African Notes will not be entitled to further interest or other payments in respect of any such delay.
- (e) *Cancellation of South African Notes:* No payment of any amount due and payable in respect of any South African Notes which are to be redeemed pursuant to the Conditions shall be made unless, on or before the date of such redemption, the South African Transfer Agent has received written notice at its Specified Offices from the Corporation in respect of the redemption and cancellation of such South African Notes.



- (f) *Surrender of Individual Certificates*: No payment of any amount due and payable in respect of any South African Notes represented by an Individual Certificate which is to be redeemed pursuant to the Conditions shall be made unless, on or before the date of such redemption, the Individual Certificate representing such South African Notes (if any) has been surrendered for cancellation at the Specified Office of the South African Transfer Agent.

If an Individual Certificate representing any South African Notes which are to be redeemed pursuant to the Conditions is not surrendered for cancellation on or before the date of such redemption, as set out in the immediately preceding paragraph, interest (if any) on such South African Notes will cease to accrue in respect of such South African Notes from (and including) the date for redemption.

All documents and Individual Certificates which are required to be presented and/or surrendered to the South African Transfer Agent in accordance with the Conditions must be so presented and/or surrendered at the Specified Office of the South African Transfer Agent.

**6. Transfer of South African Notes and Exchange of Beneficial Interest for an Individual Certificate**

- (a) *Transfer of Beneficial Interests*: Transfers of Beneficial Interests to and from clients of CSD Participants shall occur by way of electronic book entry in the securities accounts maintained by the CSD Participants for such clients, in accordance with the Applicable Procedures. Transfers of Beneficial Interests among CSD Participants shall occur through electronic book entry in the central securities accounts maintained by the CSD for the CSD Participants, in accordance with the Applicable Procedures. Transfers of Beneficial Interests in South African Notes will not be recorded in the South African Register, and the registered Noteholder will be reflected in the South African Register in accordance with the Applicable Procedures.
- (b) *Transfer of South African Notes represented by Individual Certificates*: In order for any transfer of South African Notes represented by an Individual Certificate to be recorded in the South African Register, and for such transfer to be recognised by the Corporation:
- (i) the transfer of such South African Notes must be embodied in a Transfer Form;
  - (ii) the Transfer Form must be signed by the registered Noteholder of such South African Notes and the transferee, or any duly authorised representative of that registered Noteholder or transferee;
  - (iii) the Transfer Form must be delivered to the South African Transfer Agent at its Specified Office together with the Individual Certificate representing the South African Notes that are to be cancelled; and
  - (iv) South African Notes represented by an Individual Certificate may only be transferred, in whole or in part, in amounts of not less than the Specified Denomination (or any multiple thereof).

Subject to this Condition 6(b) (*Transfer of South African Notes represented by Individual Certificates*), the South African Transfer Agent will, within 3 (three) Business Days of receipt by it of a duly completed and signed Transfer Form (or such longer period as may be required to comply with any applicable laws and/or Applicable Procedures), record the transfer of South African Notes represented by an Individual Certificate (or the relevant portion of such South African Notes) in the South African Register, and authenticate and deliver to the transferee at the South African Transfer Agent's Specified Office or, at the risk of the transferee, send by mail to such address as the transferee may request, a new Individual Certificate in respect of the South

African Notes transferred reflecting the outstanding principal amount of the South African Notes transferred.

Where a Noteholder has transferred a portion only of South African Notes represented by an Individual Certificate, the South African Transfer Agent will authenticate and deliver to such Noteholder at the South African Transfer Agent's Specified Office or, at the risk of such Noteholder, send by mail to such address as such Noteholder may request, at the risk of such Noteholder, a new Individual Certificate representing the balance of the South African Notes held by such Noteholder.

The transferor of any South African Notes represented by an Individual Certificate will be deemed to remain the owner thereof until the transferee is registered in the South African Register as the Noteholder thereof.

Before any transfer of South African Notes represented by an Individual Certificate is registered in the South African Register, all relevant transfer taxes (if any) must have been paid by the transferor and/or the transferee and such evidence must be furnished as the Corporation and the South African Transfer Agent may reasonably require as to the identity and title of the transferor and the transferee.

No transfer of any South African Notes represented by an Individual Certificate will be registered whilst the South African Register is closed as contemplated in Condition 7 (*South African Register*).

If a transfer of any South African Notes represented by an Individual Certificate is registered in the South African Register, the Transfer Form and cancelled Individual Certificate will be retained by the South African Transfer Agent.

- (c) *Exchange of Beneficial Interest for an Individual Certificate*: The holder of a Beneficial Interest in South African Notes may, subject to section 42 of the South African Financial Markets Act, by written notice to the CSD Participant (or, if such holder is a CSD Participant, the CSD), request that such Beneficial Interest be exchanged for South African Notes in definitive form represented by an Individual Certificate (the **Exchange Notice**). The Exchange Notice shall specify the name, address and bank account details of the holder of the Beneficial Interest.

The CSD Participant shall, within 7 (seven) Business Days of receipt of the Exchange Notice, from the CSD, notify the South African Transfer Agent that it is required to exchange such Beneficial Interest for South African Notes represented by an Individual Certificate. The South African Transfer Agent will, subject to this Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*), as soon as is practicable but within 14 (fourteen) Business Days of receipt of such notice from the CSD, procure that an Individual Certificate is prepared, authenticated and made available for delivery, on a Business Day falling within the aforementioned 14 (fourteen) Business Day period (the **Exchange Date**), to the CSD Participant at the Specified Office of the South African Transfer Agent.

An Individual Certificate issued pursuant to this Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*) shall, in relation to a Beneficial Interest in any number of South African Notes issued in uncertificated form of a particular principal amount standing to the account of the holder thereof, represent that number of South African Notes of that principal amount, and shall otherwise be in such form as may be agreed between the Corporation and the South African Transfer Agent; provided that if such principal amount is equivalent to a fraction of ZAR1,000,000 or a fraction of any multiple thereof, such Individual Certificate shall be issued in accordance with, and be governed by, the Applicable Procedures.

## 7. **South African Register**

The South African Register will be kept at the Specified Office of the South African Transfer Agent. The South African Register will, in relation to each Series of South African Notes, contain the name, address and bank account details of each Noteholder in respect of that Series. The relevant CSD Participant will, in accordance with the Applicable Procedures, be listed in the South African Register as the registered Noteholder of each Series of South African Notes (other than those South African Notes in that Series which are represented by Individual Certificates) listed on the Interest Rate Market of the JSE. The South African Register will set out the principal amount of the South African Notes in each Series issued to the relevant Noteholder or the principal amount of the South African Notes in each Series transferred to the relevant Noteholder, as the case may be, the Issue Date, the date of transfer of such South African Notes (if applicable) and the date upon which the Noteholder was included in the South African Register. The South African Register will show the serial numbers of the Individual Certificates issued and the reference numbers of South African Notes issued in uncertificated form. The South African Register will be open for inspection during the normal business hours of the South African Transfer Agent to the Corporation (or any person authorised in writing by the Corporation) and any Noteholder (or any person of proven identity authorised in writing by any Noteholder).

The South African Register will be closed during the Books Closed Period. All periods referred to for the closure of the South African Register may, subject to the Applicable Procedures, be shortened by the Corporation from time to time, upon notice thereof to the Noteholders (in the manner set out in Condition 9 (*Notices*) below).

The South African Transfer Agent will amend the South African Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified; provided that the South African Register will only be amended to reflect a transfer of South African Notes if such transfer is carried out in accordance with Condition 6 (*Transfer of South African Notes and Exchange of Beneficial Interest for an Individual Certificate*) above.

## 8. **Meetings of Noteholders and Modifications**

### 8.1 *Meetings of Noteholders*

- (a) *Issue of forms of proxy*: The Noteholder of any South African Notes may obtain an uncompleted and unexecuted Form of Proxy from the South African Transfer Agent.
- (b) *References to deposit/release of South African Notes*: References to the deposit, or release, of South African Notes shall be construed in accordance with the Applicable Procedures.
- (c) *Validity of forms of proxy*: A Form of Proxy shall be valid only if it is deposited at the Specified Office of the South African Transfer Agent, or at some other place approved by the South African Transfer Agent, in accordance with the Applicable Procedures and at least 48 hours before the time fixed for the relevant Meeting or the Chairperson decides otherwise before the Meeting proceeds to business.
- (d) *Record Date*: The Corporation may fix a record date for the purposes of any Meeting of Noteholders of South African Notes or any resumption thereof following its adjournment for want of a quorum provided that such record date is not more than 10 calendar days prior to the time fixed for such Meeting or (as the case may be) its resumption. The person in whose name South African Notes are registered in the South African Register on the record date at the close of business in the city in which the South African Transfer Agent has its Specified Officer shall be deemed to be the Noteholder of such South African Notes for the purposes of such Meeting and notwithstanding any subsequent transfer of such South African Notes or entries in the

South African Register.

- (e) *Convening of meetings:* The Corporation may convene a Meeting at any time, and shall be obliged to do so upon the request in writing of Noteholders holding not less than 10 per cent. in aggregate principal amount of the outstanding South African Notes.
- (f) *Notices:* At least 21 calendar days' notice (exclusive of the calendar day on which the notice is given and of the calendar 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 of all outstanding South African Notes of the Applicable Series and the South African Transfer Agent (with a copy to the Corporation). The notice shall set out the full text of any resolutions to be proposed and shall state that the South African Notes may be deposited with, or to the order of, the South African Transfer Agent, for the purposes of appointing Proxies not later than 48 hours before the time fixed for the Meeting.
- (g) *Chairperson:* An individual (who may, but need not, be a Noteholder) nominated in writing by the Corporation 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 Corporation may appoint a Chairperson. The Chairperson of an adjourned Meeting need not be the same person as was the Chairperson of the original Meeting.
- (h) *Quorum:* The quorum at any Meeting shall be at least two Voters representing or holding not less than the Relevant Fraction provided, however, that, so long as the Relevant Fraction is issued in uncertificated form, a single Proxy representing the Noteholder thereof shall be deemed to represent two Voters for the purpose of forming a quorum.
- (i) *Adjournment for want of a quorum:* If within 15 minutes after the time fixed for any Meeting a quorum is not present, then:
  - (i) in the case of a Meeting requested by Noteholders, it shall be dissolved; or
  - (ii) in the case of any other Meeting, it shall be adjourned for such period (which shall be not less than 14 calendar days and not more than 42 calendar days) and to such time and place as the Chairperson determines; provided, however, that:
    - (A) the Meeting shall be dissolved if the Corporation so decides; and
    - (B) no Meeting may be adjourned more than once for want of a quorum.
- (j) *Adjourned meeting:* The Chairperson may, with the consent of (and shall if directed by) all Noteholders, 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.
- (k) *Notice following adjournment:* Condition 8.1(f) (*Notices*) shall apply to any Meeting which is to be held following an adjournment for want of a quorum save that:
  - (i) 10 calendar days' notice (exclusive of the calendar day on which the notice is given and of the calendar day on which the Meeting is to be held) shall be sufficient; and
  - (ii) the notice shall specifically set out the quorum requirements which will apply when the Meeting is held.

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

- (l) *Participation*: The following may attend and speak at a Meeting:
  - (i) Voters;
  - (ii) representatives of the Corporation and the South African Transfer Agent;
  - (iii) the financial advisers of the Corporation;
  - (iv) the legal counsel to the Corporation and the South African Transfer Agent; and
  - (v) any other person approved by the Meeting.
- (m) *Show of hands*: Every question submitted at 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 Chairperson'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.
- (n) *Poll*: A demand for a poll shall be valid if it is made by the Chairperson, the Corporation or one or more Voters representing or holding not less than one fiftieth of the aggregate principal amount of the outstanding South African Notes. The poll may be taken immediately or after such adjournment as the Chairperson directs, save that any poll demanded on the election of the Chairperson 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 Chairperson directs.
- (o) *Votes*: Every Voter shall have:
  - (i) on a show of hands, one vote; and
  - (ii) on a poll, the number of votes obtained by dividing the aggregate principal amount of the outstanding South African Notes represented or held by him by the unit of South African Rand.

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

- (p) *Validity of proxies*: Any vote by a Proxy in accordance with the Form of Proxy shall be valid even if such Form of Proxy or any instruction pursuant to which it was given has been amended or revoked, provided that the Transfer Agent or the Corporation at its Specified Office has not been notified in writing of such amendment or revocation by the time which is 24 hours before the time fixed for the relevant Meeting. Unless revoked, any appointment of a Proxy under a Form of Proxy in relation to a Meeting shall remain in force if such Meeting following an adjournment, provided 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 if such Meeting is held. Any person appointed to vote at such a Meeting must be re-appointed under the Form of Proxy to vote at the Meeting before it is held.
- (q) *Powers*: A Meeting shall have power (exercisable by Extraordinary Resolution), without prejudice to any other powers conferred on it or any other person:
  - (i) to approve any changes to a particular issuance of South African Notes with the consent of the Corporation; or
  - (ii) to waive any breach or authorise any proposed breach by the Corporation of its obligations under or in respect of the South African Notes or any act or omission which might otherwise constitute an Event of Default under such South African Notes.

- (r) *Resolution binds all Noteholders*: An Extraordinary Resolution shall be binding upon all Noteholders whether or not present at such Meeting and whether or not voting, and each of the Noteholders shall be bound to give effect to it accordingly. Notice of the result of every vote in respect of an Extraordinary Resolution shall be given to the Noteholders and the South African Paying Agent (with a copy to the Corporation) within 14 calendar days of the conclusion of the Meeting in accordance with Condition 8.1(f) (*Notices*). Non-publication shall not invalidate any such resolution.
- (s) *Minutes*: Minutes shall be made of all resolutions passed and proceedings at each Meeting. The Chairperson shall sign the minutes, which shall be *prima facie* evidence of the resolutions passed and/or proceedings recorded therein. Unless and until the contrary is proved, every such Meeting in respect of which minutes have been summarised and signed shall be deemed to have been duly convened and held and all resolutions passed thereat.
- (t) *Written resolution and written consent*: A Written Resolution shall take effect as if it were an Extraordinary Resolution.
- (u) *Mutatis mutandis application*: The provisions of this Condition 8.1 (*Meetings of Noteholders*) shall apply *mutatis mutandis* to the calling and conduct of meetings on an individual Series or Series of South African Notes, as the case may be.

For the purposes of the above Condition 8.1 (*Meetings of Noteholders*), the following expressions have the following meanings:

**Applicable Series** means the Series of South African Notes to which the proposed amendments are relevant;

**Chairperson** means in relation to any Meeting, the individual who takes the chair in accordance with Condition 8.1(g) (*Chairperson*);

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

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

**Proxy** means, in relation to any Meeting, a person appointed to vote under a Form of Proxy by a Noteholder of South African Notes, other than:

- (a) any such person whose appointment has been revoked and in relation to whom the South African Transfer 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,

**Relevant Fraction** means, for all business, 51 per cent. of the aggregate principal amount of the relevant Series of South African Notes provided, however, that in the case of a Meeting which has been resumed after adjournment for want of a quorum it means, for voting on all business, 25 per cent.;

**Voter** means in relation to any Meeting: the bearer of a Form of Proxy, the bearer of an Individual Certificate who produces such Individual Certificate or subject to

Condition 8.1(d) (*Record Date*) above, a Noteholder of South African Notes, in each case in relation to the Applicable Series of South African Notes, provided however that (subject to Condition 8.1(d) (*Record Date*) above), any Noteholder of South African Notes which has appointed a Proxy under a Form of Proxy shall not be a “Voter” except to the extent such appointment has been revoked and the South African Transfer Agent has been notified in writing of such revocation at least 48 hours before the time fixed for such Meeting or in person at such Meeting;

**Written Resolution** means a resolution in writing signed by or on behalf of not less than 66.67 per cent. of the holders of South African Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions of this Condition 8.1 (*Meetings of Noteholders*), whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders of South African Notes. Proposed Written Resolutions shall be circulated to Noteholders in accordance with the debt listings requirements of the JSE and Condition 9 (*Notices*);

**24 hours** means a period of 24 hours including all or part of a Business Day and such period shall be extended by a further period of 24 hours or, to the extent necessary, a period of more than 24 hours until the time which the banks are open for business as aforesaid;

**48 hours** means a period of 48 hours including all or part of a Business Day and such period shall be extended by a further period of 24 hours or, to the extent necessary, a period of more than 24 hours until the time which the banks are open for business as aforesaid.

## 8.2 *Amendment of these Conditions*

These Conditions set out all the rights and obligations relating to the South African Notes and, subject to the further provisions of this Condition 8.2 (*Amendment of these Conditions*), no addition, variation or consensual cancellation of these Conditions shall be of any force or effect unless the JSE has been notified and the amendments have been approved in writing and signed by or on behalf of the Corporation and the Noteholders.

The Corporation may effect, without the consent of Noteholders, any modification of the Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of applicable laws, provided that the JSE shall be immediately notified of such modification. Any such modification shall be binding on the Noteholders and any such modification shall be communicated to the Noteholders in accordance with Condition 9 (*Notices*) as soon as is practicable thereafter.

Subject to the prior formal approval of the JSE, the Corporation may with the prior sanction of an Extraordinary Resolution of Noteholders or with the prior written consent of Noteholders holding not less than 66.67 per cent. in outstanding principal amount of the South African Notes from time to time, amend these Conditions, provided that no such amendment shall be of any force or effect unless notice of the intention to make such amendment shall have been given to all Noteholders in terms of Condition 9 (*Notices*). A SENS announcement in connection with any such amendment will be published in accordance with the debt listings requirements of the JSE

## 9. **Notices**

- (a) *Notice to Noteholders*: Subject to the proviso below, all notices to the Noteholders shall be in writing and shall:
  - (i) be sent by registered mail to the respective postal addresses of Noteholders

appearing in the South African Register or delivered by hand to the respective addresses of Noteholders appearing in the South African Register;

- (ii) in the case of Individual Certificates, be published in a leading English language daily newspaper of general circulation in South Africa; or
- (iii) for so long as South African Notes are listed on the JSE, be published in a daily newspaper of general circulation in Johannesburg or on any electronic news service of general distribution.

A notice given to Noteholders pursuant to Condition 9(a)(i) above shall be deemed to have been received by the Noteholders on the date of delivery, and if sent by registered mail, on the seventh calendar day after the calendar day on which it is sent.

A notice given to Noteholders pursuant to Conditions 9(a)(ii) and (a)(iii) above shall be deemed to have been received by the Noteholders on the date on which such notice is first published in the daily newspaper contemplated in Conditions 9(a)(ii) and 9(a)(iii) above, and if published via an electronic news service, the date on which such notice is published.

Notwithstanding the provisions of Condition 9(a)(i) above, (A) for so long as a Series of South African Notes is held in its entirety by the CSD and (B) in the case of a Series of South African Notes issued in uncertificated form, all notices in respect of such South African Notes shall be delivered by the Corporation via its CSD Participant to the CSD and the JSE, for communication by them to the holders of Beneficial Interests in such South African Notes in accordance with the Applicable Procedures. Each such notice will be deemed to have been received by the holders of Beneficial Interests and the CSD on the calendar day of such delivery by hand or electronic mail.

Where any provision of the Conditions requires notice to be given to the Noteholders, such notice will be given *mutatis mutandis* as set out in this Condition 9(a) (*Notice to Noteholders*), subject to compliance with any other time periods prescribed in the provision concerned.

- (b) *Notice by Noteholders*: All notices to be given by a Noteholder represented by an Individual Certificate to the Corporation or the South African Transfer Agent, as the case may be, shall be in writing and delivered by hand or by registered post, together with a certified copy of that Individual Certificate, in each case to the relevant Specified Office. Each such notice shall be deemed to have been received on the date of delivery (if such notice is delivered by hand) or the tenth Business Day after the date on which such notice is sent by registered mail (if such notice is sent by registered mail).

All notices to be given by any holder of a Beneficial Interest to the Corporation or the South African Transfer Agent, as the case may be, shall be given by such holder through the relevant holder's CSD Participant in accordance with the Applicable Procedures.

## 10. **Costs**

The costs and expenses of the printing, issue and delivery of each Individual Certificate pursuant to Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*) above and all taxes or governmental charges that may be imposed in relation to such Individual Certificate shall be borne by the Noteholder of the South African Notes represented by that Individual Certificate.

Separate costs and expenses relating to the provision of Individual Certificates and/or the transfer of South African Notes represented by Individual Certificates may be levied by other persons, such as CSD Participants, under the Applicable Procedures, and such costs and expenses shall not be borne by the Corporation.



11. **Prescription**

The South African Notes will become void unless presented for payment of principal within a period of three years after their redemption date.

12. **Governing Law**

This JSE Placement Document and all rights and obligations to the South African Notes are governed by, and shall be construed in accordance with, the laws of South Africa in force from time to time.

**SIGNED** at \_\_\_\_\_ on this \_\_\_ day of \_\_\_\_\_ 2015.

For and on behalf of  
**INTERNATIONAL FINANCE CORPORATION**  
(as issuer)

\_\_\_\_\_  
Name:  
Capacity: Authorised signatory

\_\_\_\_\_  
Name:  
Capacity: Authorised signatory

---

**USE OF PROCEEDS**

---

*Capitalised terms used in this section entitled “Use of Proceeds” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

The net proceeds from the issue of each Series of South African Notes will be used for the general operations of the Corporation in accordance with its Articles of Agreement.

---

## SUBSCRIPTION AND SALE

---

*Capitalised terms used in this section entitled “Subscription and Sale” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

### **South African Selling Restrictions**

Each Dealer has (or will have) represented, warranted and agreed that it (i) will not offer South African Notes for subscription, (ii) will not solicit any offers for subscription for or sale of the South African Notes, and (iii) will itself not sell or offer the South African Notes in South Africa in contravention of the South African Companies Act, South African Banks Act, South African Exchange Control Regulations and/or any other applicable laws and regulations of South Africa in force from time to time.

Prior to the issue of any Series of South African Notes under the Program, the Dealer who has (or will have) agreed to place that Series of South African Notes will be required to represent and agree that it will not make an “*offer to the public*” (as such expression is defined in the South African Companies Act, and which expression includes any section of the public) of South African Notes (whether for subscription, purchase or sale) in South Africa. This JSE Placement Document does not, nor is it intended to, constitute a prospectus prepared and registered under the South African Companies Act.

### *Offers not deemed to be offers to the public*

Offer for subscription for, or sale of, South African Notes are not deemed to be offers to the public if:

- (a) made to certain investors contemplated in section 96(1)(a) of the South African Companies Act; or
- (b) the total contemplated acquisition cost of South African Notes, for any single addressee acting as principal, shall be equal to or greater than ZAR1,000,000, or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this JSE Placement Document should not be considered as “*advice*” as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

---

## **SETTLEMENT, CLEARING AND TRANSFER**

---

*Capitalised terms used in this section entitled “Settlement, Clearing and Transfer” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

### **Form of South African Notes**

Each Series of South African Notes will be issued in registered form and will be listed on the Interest Rate Market of the JSE, in which case such Series will be held in uncertificated form by the CSD. The CSD will hold such South African Notes subject to the South African Financial Markets Act and the Applicable Procedures.

A holder of a Beneficial Interest may exchange such Beneficial Interest for South African Notes represented by an Individual Certificate.

### **Clearing Systems**

Each Series of South African Notes will be listed on the Interest Rate Market of the JSE and will be cleared through the CSD which, as the operator of an electronic clearing system, has been appointed by the JSE to match, clear and facilitate the settlement of transactions concluded on the JSE. Each such issue of South African Notes will be issued, cleared and transferred in accordance with the Applicable Procedures and the South African Note Conditions. Each such Series of South African Notes will be cleared and settled through CSD Participants who will comply with the electronic settlement procedures prescribed by the CSD and, in respect of listed South African Notes only, the JSE.

### **CSD Participants**

The CSD maintains accounts only for CSD Participants. As at the Program Date, the CSD Participants which are approved by the CSD, in accordance with the rules of the CSD, to perform electronic settlement are Citibank N.A., South Africa Branch, FirstRand Bank Limited, Nedbank Limited, the South African Reserve Bank, The Standard Bank of South Africa Limited, Standard Chartered Bank, Johannesburg Branch and Société Générale, Johannesburg Branch. Euroclear and Clearstream, Luxembourg will settle offshore transfers through their respective CSD Participants.

Beneficial Interests which are held by CSD Participants will be held directly through the CSD, and the CSD will hold such Beneficial Interests, on behalf of such CSD Participants, through the central securities accounts maintained by the CSD for such CSD Participants. Beneficial Interests which are held by clients of CSD Participants will be held indirectly through such CSD Participants, and such CSD Participants will hold such Beneficial Interests, on behalf of such clients, through the securities accounts maintained by such CSD Participants for their clients. The clients of CSD Participants may include the holders of Beneficial Interests or their custodians.

The clients of CSD Participants, as the holders of Beneficial Interests or as custodians for such Noteholders, may exercise their rights in respect of the South African Notes held by them by the CSD only through their CSD Participants. Euroclear and Clearstream, Luxembourg may hold South African Notes through their respective CSD Participants.

### **Settlement and clearing**

CSD Participants will be responsible for the settlement and payment transfers through the CSD, the JSE and the South African Reserve Bank.

Subject to applicable laws, title to Beneficial Interests held by clients of CSD Participants will be freely transferable and will pass on transfer thereof by electronic book entry in the securities accounts of the clients with the CSD Participants. Subject to applicable laws, title to Beneficial Interests held by CSD Participants will be freely transferable and will pass on transfer thereof by electronic book entry in the CSD Participants' central securities accounts with the CSD. Beneficial Interests may be transferred only in accordance with the Applicable Procedures.

Beneficial Interests may be exchanged for South African Notes represented by Individual Certificates in accordance with Condition 6(c) (*Exchange of Beneficial Interest for an Individual Certificate*) of the South African Note Conditions.

Where a Series of South African Notes is held in its entirety by the CSD, the CSD will be named in the South African Register as the sole Noteholder of such South African Notes and, accordingly, all amounts to be paid and all rights to be exercised in respect of such South African Notes will be paid to, and may be exercised only, by the CSD for the holders of Beneficial Interests in such South African Notes.

Where any South African Notes are held by the CSD, each person shown in the records of the CSD or the relevant CSD Participant, as the case may be, as the holder of a Beneficial Interest in such South African Notes (in which regard any certificate or other document issued by the CSD or the relevant CSD Participant, as the case may be, as to the amount of such South African Notes standing to the account of such person shall be *prima facie* proof of such Beneficial Interest) shall, subject to the South African Note Conditions, be treated by the Corporation, the South African Paying Agent, the South African Transfer Agent and the relevant CSD Participant as the Noteholder of such South African Notes for all purposes, other than with respect to the payment of all amounts (whether in respect of principal, interest or otherwise) due and payable in respect of such South African Notes, in which case the CSD (as the registered Noteholder of such South African Notes named in the South African Register) shall be treated by the Corporation, the South African Paying Agent, the South African Transfer Agent and the relevant CSD Participant as the Noteholder of such South African Notes in accordance with and subject to the South African Note Conditions.

Neither the Corporation nor the South African Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, Beneficial Interests or for maintaining, supervising or reviewing any records relating to Beneficial Interests. Holders of Beneficial Interests may only vote in accordance with the relevant Applicable Procedures.

### **BESA Guarantee Fund Trust**

Noteholders of South African Notes listed on the Interest Rate Market of the JSE will have recourse against the BESA Guarantee Fund Trust only if such South African Notes are traded by or through members of the JSE (in accordance with the Applicable Procedures) via the CSD electronic settlement system.

Claims against the BESA Guarantee Fund Trust may only be made in respect of South African Notes listed on the Interest Rate Market of the JSE and only in accordance with the rules of the BESA Guarantee Fund Trust.

Unlisted South African Notes may not be issued under the Program save with the prior approval of the Financial Surveillance Department of the South African Reserve Bank. Noteholders of South African Notes that are not listed on the Interest Rate Market of the JSE (if any) will have no recourse against the BESA Guarantee Fund Trust. Unlisted South African Notes are not regulated by the JSE.

For purposes of this section, **BESA Guarantee Fund Trust** means the guarantee fund trust operated by the JSE as a separate guarantee fund, in terms of section 8 (1)(h) and 17 (2)(w) of the South African Financial Markets Act.

---

## **SOUTH AFRICAN TAXATION**

---

*Capitalised terms used in this section entitled “South African Taxation” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

*The information below is intended to be a general guide to the relevant tax laws of South Africa as at the Program Date and is not intended as comprehensive advice and does not purport to describe all of the considerations that may be relevant to a prospective purchaser of, or subscriber for, South African Notes. Prospective purchasers of, or subscribers for, South African Notes should consult their own professional advisers in regard to the purchase of, or subscription for, South African Notes and the tax implications thereof. The information contained below sets out guidelines on South African taxation as at the Program Date for taxpayers who hold South African Notes as capital assets. Prospective purchasers of, or subscribers for, South African Notes should consult their own advisers.*

### **South Africa Taxation**

#### ***Taxation of the South African Notes in General***

Under the Articles of Agreement of the Corporation, payments in respect of principal and interest due on the South African Notes are not subject to any tax by a member country. South Africa is a member of the Corporation. Accordingly, the Corporation’s immunities from taxation under the Articles of Agreement have been recognized under South African law, pursuant to Schedule A of Government Gazette No. 15588, Proclamation No. 48, 1994 (19 March 1994).

#### ***Withholding Tax***

A final withholding tax on interest which is levied at the rate of 15 per cent has been introduced from 1 March 2015, applying to interest payments made from a South African source to foreign persons (i.e. non-residents), which are paid or become due and payable on or after that date. The legislation introducing this withholding tax contains certain exemptions, including an exemption for listed debt. South Africa is also a party to double taxation treaties that may provide full or partial relief from the withholding tax on interest, provided that certain requirements are met.

The Corporation and its agents should be exempt from any obligation to withhold or otherwise collect any taxes or duties, including stamp duties, in respect of any payments made on the South African Notes in terms of the immunities from taxation contained in the Articles of Agreement; provided that such immunities shall not apply to acts taken by entities that act as agents of the Corporation when such entities are acting in any other capacity, including as custodians for Noteholders.

In addition, because the South African Notes will be listed on the Interest Rate Market of the JSE, the South African Notes should qualify for the exemption from withholding tax on interest, in respect of listed debt.

#### ***Securities Transfer Tax***

The issue, transfer and redemption of the South African Notes will not attract securities transfer tax under the South African Securities Transfer Tax Act, 2007 (the **STT Act**) because the South African Notes do not constitute “*securities*” as defined in the STT Act. Any future transfer duties and/or taxes that may be introduced in respect of (or applicable to) the transfer of South African Notes will be for the account of Noteholders.

#### ***Value-Added Tax***

No value-added tax (**VAT**) is payable on the issue or transfer of South African Notes. The issue, sale or transfer of South African Notes constitute “*financial services*” as defined in section 2 of the South African Value-Added Tax Act, 1991 (the **VAT Act**). In terms of section 2 of the VAT Act, the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of a debt security constitute a financial service, which is exempt from VAT in terms of section 12(a) of that

Act. The South African Notes constitute “*debt securities*” as defined in section 2(2)(iii) of the VAT Act.

However, commissions, fees or similar charges raised for the facilitation of the issue, allotment, drawing, acceptance, endorsement or transfer of ownership of South African Notes will however be subject to VAT at the standard rate (currently 14 percent), except where the recipient is a non-resident as contemplated below.

Services (including exempt financial services) rendered to non-residents who are not in South Africa when the services are rendered, are subject to VAT at the zero rate in terms of section 11(2)(l) of the VAT Act.

### ***Income Tax***

Under current taxation law effective in South Africa, a “*resident*” (as defined in section 1 of the Income Tax Act, 1962 (the **Income Tax Act**)) is subject to income tax on his/her world-wide income. Accordingly, all Noteholders who are “*residents*” of South Africa will generally be liable to pay income tax, subject to available deductions, allowances and exemptions, on any income (including income in the form of interest) earned pursuant to the South African Notes.

Non-residents of South Africa are subject to income tax on all income derived from a South African source (subject to domestic exemptions or relief in terms of any applicable double taxation treaties). Under current law, interest income is derived from a South African source if it is attributable to an amount incurred by a South African tax resident (unless it is attributable to a foreign permanent establishment of that resident) or if it is derived from the utilisation or application in South Africa by any person of any funds or credit obtained in terms of any form of “*interest bearing arrangement*”. The South African Notes will constitute an “*interest bearing arrangement*”. The Corporation will not be tax resident in South Africa as at the Program Date. However, the funds raised from the issuance of any Series of South African Notes may be partly utilised or applied by the Corporation in South Africa. If this is the case, the interest earned by a non-resident Noteholder should be deemed to be from a South African source and therefore should be subject to South African income tax, unless such income is exempt under section 10(1)(h) of the Income Tax Act (see below).

Under section 10(1)(h) of the Income Tax Act, any amount of interest that is received or accrued by or to a Noteholder who, or which, is not a resident of South Africa during any year of assessment is exempt from income tax, unless:

- (a) that person is a natural person who was physically present in South Africa for a period exceeding 183 days in aggregate during the twelve month period preceding the date on which the interest is received by, or accrues to, that person; or
- (b) the debt from which the interest arises is effectively connected to a permanent establishment of that person in South Africa.

If a Noteholder does not qualify for the exemption under Section 10(1)(h) of the Income Tax Act, an exemption from, or reduction of any South African income tax liability may be available under an applicable double taxation treaty.

Under section 24J of the Income Tax Act, broadly speaking, any discount or premium to the principal amount of a South African Note is treated as part of the interest income on the South African Notes. Interest income which accrues (or is deemed to accrue) to a Noteholder is deemed, in accordance with section 24J of the Income Tax Act, to accrue on a day-to-day basis until that Noteholder disposes of the South African Note or until maturity. This day-to-day basis accrual is determined by calculating the yield to maturity (as defined in Section 24J of the Income Tax Act) and applying this rate to the capital involved for the relevant tax period. Section 24JB deals with the fair value taxation of financial instruments for certain types of taxpayers. Noteholders should seek advice as to whether this provision may apply to them.

Certain entities may be exempt from income tax. Prospective subscribers for or purchasers of the South African Notes are advised to consult their own professional advisors as to whether the interest income earned on the South African Notes will be exempt from tax in terms of the Income Tax Act.

### ***Capital Gains Tax***

Capital gains and losses of residents of South Africa on the disposal of South African Notes are subject to capital gains tax unless the South African Notes are purchased for re-sale in the short term as part of a scheme of profit-making, in which case the proceeds will be subject to income tax. Any discount or premium on acquisition which has already been treated as interest for income tax purposes, under section 24J of the Income Tax Act will not be taken into account when determining any capital gain or loss. In terms of section 24J(4A), an adjusted loss on transfer or redemption will, to the extent that it has previously been included in the taxable income of the holder (as interest), be allowed as a deduction from the income of the holder when it is incurred during the year of assessment in which the transfer or redemption takes place, and accordingly will not give rise to a capital loss.

Capital gains tax under the Eighth Schedule to the Income Tax Act will not be levied in relation to South African Notes disposed of by a person who is not a resident of South Africa unless the South African Notes disposed of are attributable to a permanent establishment of that person through which a trade is carried on in South Africa during the relevant year of assessment.

Purchasers are advised to consult their own professional advisers as to whether a disposal of South African Notes will result in a liability to capital gains tax.

### ***Definition of Interest***

The references to “*interest*” above mean “*interest*” as understood in South African tax law. The statements above do not take any account of any different definitions of “*interest*” or “*principal*” which may prevail under any other law or which may be created by the terms and conditions of the South African Notes or any related documentation.

Pursuant to the Draft Taxation Laws Amendment Bill, 2015, it is proposed that “*interest*” for withholding tax purposes be defined, in order to ensure that there is no confusion with the other definitions related to interest in the Income Tax Act. If this amendment is made, it is only likely to come into force at the end of 2015 with the promulgation of the next Taxation Laws Amendment Act.



---

## **SOUTH AFRICAN EXCHANGE CONTROL**

---

*Capitalised terms used in this section entitled “South African Exchange Control” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

*The Corporation makes no representation and gives no warranty or undertaking, express or implied, and accepts no responsibility for the accuracy or completeness of the information contained in this section.*

*The information below is not intended as advice and it does not purport to describe all of the considerations that may be relevant to a prospective purchaser of, or subscriber for, South African Notes. Prospective purchasers of, or subscribers for, South African Notes who are non-South African residents or who are emigrants from the Common Monetary Area (as defined below) should obtain further professional advice with respect to the purchase of, or subscription for, South African Notes.*

### **Blocked Rand**

“**Blocked Rand**” means those funds which, in accordance with the Exchange Control Regulations, may not be remitted out of South Africa or paid into a non-South African resident’s bank account and may not be used for the purchase of, or subscription for, South African Notes.

### **Emigrants from the Common Monetary Area**

If a Beneficial Interest in South African Notes is held by an emigrant from the Common Monetary Area through the CSD and the emigrant’s CSD Participant, the securities account of such emigrant will be designated as an “*non-resident*” account. Any Individual Certificates issued to holders will be restrictively endorsed “*non-resident*”. Such restrictively endorsed Individual Certificates shall be deposited with an authorised foreign exchange dealer controlling such emigrant’s blocked assets.

Any payments of interest or principal due to an emigrant Noteholder will be deposited into such emigrant’s Blocked Rand account with the authorised foreign exchange dealer controlling such blocked assets. These amounts are not freely transferable from the Common Monetary Area and may only be dealt with in accordance with the Exchange Control Regulations.

### **Non-residents of the Common Monetary Area**

Any Individual Certificate issued to Noteholders who are not resident in the Common Monetary Area will be endorsed “*non-resident*”. If a Beneficial Interest in South African Notes is held by a non-resident of the Common Monetary Area through the CSD and the non-resident’s CSD Participant, the securities account of such holder will be designated as a “*non-resident*” account.

It will be incumbent on any such non-resident to instruct the non-resident’s nominated authorised foreign exchange dealer as to how any funds due to such non-resident in respect of South African Notes are to be dealt with. Such funds may, in accordance with the Exchange Control Regulations, be remitted abroad only if the relevant South African Notes are acquired with foreign currency introduced into South Africa and provided that the relevant Individual Certificates or the relevant securities account, as the case may be, is designated “*non-resident*”.

### **Inward Listing**

Save as disclosed in the Final Terms, the issue and listing of the South African Notes may be an approved inward listing. Accordingly, South African institutional investors may invest in South African Notes based on foreign reference assets or issued by foreign entities, listed on the Interest Rate Market of the JSE, using the permissible foreign portfolio investment allowances.

South African corporates, banks, trusts, partnerships and private individuals may invest in South African Notes without restriction.

For purposes of this section, **Common Monetary Area** means South Africa, Lesotho, Namibia, and Swaziland.

---

## GENERAL INFORMATION

---

*Capitalised terms used in this section entitled “General Information” shall bear the same meanings as used in the Prospectus, except to the extent that they are separately defined in this JSE Placement Document.*

### **Authorisation**

All consents, approvals, authorisations or other orders of any applicable regulatory authorities required by the Corporation, including under the laws of South Africa, where applicable, have been given in respect of the Program, the execution of this JSE Placement Document and the issue of South African Notes under the Program pursuant to the Prospectus (as read with this JSE Placement Document). The issuance of South African Notes has been authorised by resolutions adopted by the board of directions of the Corporation on May 9, 2014

### **Approval and Listing**

This JSE Placement Document, to which the Prospectus is attached, was approved by the JSE, with effect from the Program Date. Subject to approval of the SARB, the Corporation may issue listed South African Notes under the Program. South African Notes issued pursuant to this JSE Placement Document, will be listed on the Interest Rate Market of the JSE.

### **Documents Available for Inspection**

For as long as any South African Notes shall be outstanding or may be issued under the Program, physical copies of the documents incorporated under the section headed “*Documents Incorporated by Reference*” may be obtained free of charge upon request during normal business hours from the Corporation’s offices and the Transfer Agent’s offices as set out at the back of this JSE Placement Document:

### **Material Change**

As at the Program Date, and after due and careful inquiry, there has been no material change in the financial or trading position of the Corporation since the date of the Corporation’s latest audited financial statements. As at the Program Date, there has been no involvement by KPMG LLP in making the aforementioned statement.

### **General Counsel**

The details of the General Counsel of the Corporation are:

IFC Legal Department  
General Counsel  
2121 Pennsylvania Avenue, N.W.  
Washington, DC, 20433  
United States of America

### **Corporate Governance**

The King Report on Governance for South Africa and the King Report and Code of Governance Principles (collectively, the **King III Code**) apply to entities incorporated and resident in South Africa. The Corporation is not incorporated in South Africa. Accordingly, the King III Code is not applicable to the Corporation and the Corporation does not comply with the King III Code.

### **Auditors**

KPMG LLP have acted as the auditors of the financial statements of the Corporation for the financial years ended June 30, 2013, 2014 and 2015 and, in respect of those years, have issued unqualified audit reports.

See further the section of the Prospectus headed “*General Information*” below.

---

**PROSPECTUS**

---



**International Finance Corporation**  
**Global Medium-Term Note Program**  
**for issues of Notes with maturities of**  
**three months or longer**  
**from the date of the original issue**

Under the Global Medium-Term Note Program described in this Prospectus (the “Program”), International Finance Corporation (“IFC” or the “Corporation”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes with maturities of three months or longer from the date of the original issue (the “Notes”) in an unlimited aggregate nominal amount. Notes will be sold through one or more Dealers appointed by the Corporation, or directly by the Corporation itself.

Application has been made for Notes issued under the Program to be admitted to the official list of the Luxembourg Stock Exchange (the “Official List”) and to trading on the regulated market of the Luxembourg Stock Exchange. References in this Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market. Application has also been made for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be so listed on the Stock Exchange of Singapore Limited. The Stock Exchange of Singapore Limited assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained or incorporated by reference in this Prospectus. Admission to the Official List of the Stock Exchange of Singapore Limited is not to be taken as an indication of the merits of the Corporation or the Notes. The Program provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Corporation and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued pursuant to the Program. The applicable Final Terms in respect of the issue of any Notes will specify whether and on which exchange such Notes will be listed or whether such Notes will be unlisted. This Prospectus replaces the prospectus dated November 17, 1999 in relation to the Program, except in relation to Notes issued prior to the date hereof.

Notes of any particular issue will be in bookentry form, or bearer form (“Bearer Notes”) or registered form (“Registered Notes”), as specified in the applicable Final Terms. Bearer Notes may not be offered, sold or delivered within the United States or to U.S. persons as part of their primary distribution. Notes will be issued in the denominations specified in the applicable Final Terms.

Unless an issue of Notes is intended to qualify as a targeted bearer issuance (as defined in “Overview of the Program”), each Series (as defined herein) of Bearer Notes with a maturity at issue of more than one year will be represented on issue by a temporary global note in bearer form (each a “Temporary Global Note”) exchangeable for a permanent global note in bearer form (each a “Permanent Global Note”, and collectively with Temporary Global Notes, “Global Notes”) or, if and to the extent specified in the applicable Final Terms, for Bearer Notes in definitive bearer form (“Definitive Bearer Notes”), upon certification of non-U.S. beneficial ownership. Each Series of Bearer Notes that is issued as part of a targeted bearer issuance will be represented on issue by a Permanent Global Note or, if specified in the applicable Final Terms, Definitive Bearer Notes. Notes denominated and payable in U.S. dollars which will be cleared and settled through the Federal Reserve Bank of New York (“Fed Bookentry Notes”) will be issued in uncertificated bookentry form. Registered Notes will be represented by registered certificates (each a “Certificate”), one Certificate being issued in respect of each Noteholder’s entire interest in Registered Notes of one Series. Global Certificates (“Global Certificates”) may be issued representing all or a portion of a Series of Registered Notes, if specified in the applicable Final Terms.

Depending on their form and Specified Currency (as defined herein), it is expected that Notes will be accepted for clearance through one or more clearing systems, as specified in the applicable Final Terms. These systems will include, in the United States, the system operated by The Depository Trust Company (“DTC”) and, for Fed Bookentry Notes, the Federal Reserve Banks and, outside the United States, those operated by Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). Global Notes may be issued in new global note form if they are intended to be eligible collateral for Eurosystem monetary policy or in classic global note form.

The Program has been rated AAA by Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc. and Aaa by Moody’s Investors Service, Inc. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

***Arranger for the Program***  
**Morgan Stanley**

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

*This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Availability of Information and Incorporation by Reference” below).*

**THE NOTES ARE NOT REQUIRED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. ACCORDINGLY, NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “COMMISSION”). THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.**

No person has been authorized to give any information or to make any representation other than those contained in this Prospectus and the applicable Final Terms in connection with the offering or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Corporation or any Dealer or the Arranger (as defined in “Summary and Overview of the Program”). Neither the delivery of this Prospectus or any applicable Final Terms nor any offering or sale made in connection herewith or therewith shall, under any circumstances, create any implication that there has been no change in the financial condition or affairs of the Corporation since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial condition or affairs of the Corporation since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus or any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Corporation, any Dealer and the Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of the Notes and on the distribution of this Prospectus or any Final Terms, see “Plan of Distribution”.

Neither this Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Corporation or any Dealer to subscribe for, or purchase, any Notes. Neither this Prospectus nor any other information supplied in connection with the Program should be considered as a recommendation by the Corporation or any of the Dealers that any potential investor should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Corporation.

**THE NOTES ARE NOT OBLIGATIONS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT OR OF ANY GOVERNMENT.**

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

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “EUR” and “euro” are to the currency introduced on 1 January 1999 pursuant to the Treaty establishing the European

Community as amended by the Treaty on European Union, references to “pounds”, “sterling”, “£” and “GBP” are to the lawful currency of the United Kingdom, references to “yen” are to the lawful currency of Japan and references to “U.S. dollars”, “\$” and “U.S.\$” are to United States dollars.

## TABLE OF CONTENTS

	<b>Page</b>
Availability of Information and Incorporation by Reference .....	5
Prospectus Supplement .....	7
Final Terms .....	7
Use of Proceeds .....	7
Summary and Overview of the Program.....	8
Risk Factors .....	15
Terms and Conditions of the Notes .....	20
Form of Notes and Provisions Relating to the Notes while in Global Form.....	40
Clearance and Settlement.....	45
Tax Matters.....	49
Currency Conversions.....	53
Plan of Distribution.....	55
Validity of the Notes.....	58
General Information.....	59
Form of Final Terms .....	60

## AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

### Availability of Information

The Corporation prepares:

- (a) unaudited quarterly financial statements and audited annual financial statements;
- (b) an annual information statement (the “Information Statement”) which describes the Corporation, including its capital, operations and administration, the Articles of Agreement of the Corporation (the “Articles of Agreement”), the Corporation’s legal status, and its principal financial policies, and contains the Corporation’s most recent audited financial statements; and
- (c) an annual report, which contains the Corporation’s most recent audited financial statements.

The Corporation is subject to certain information requirements of Regulation IFC, promulgated by the Commission under the United States International Finance Corporation Act of 1955, as amended, and in accordance therewith files with the Commission its unaudited quarterly and audited annual financial statements and its most recent Information Statement and annual report (collectively the “IFC Information”).

In addition, the IFC Information will be filed with the Commission and the Luxembourg Stock Exchange and any other stock exchange on which Notes are listed from time to time and which requires such a filing. The IFC Information may be inspected and copies may be obtained (without charge other than for the IFC Information obtainable from the Commission, which must be paid for at prescribed rates) at the following addresses, and at any other address specified in the applicable Final Terms:

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549

Dexia Banque Internationale à Luxembourg S.A.  
69, route d’Esch  
L-1470 Luxembourg  
Luxembourg

Citibank, N.A., London Branch  
21<sup>st</sup> Floor, Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB

Citibank, N.A., Singapore Branch  
5, Shenton Way, #06-00  
UIC Building  
Singapore 068808

In addition, copies of the Articles of Agreement, the Fiscal Agency Agreement, the Global Agency Agreement and the Deed of Covenant (each as defined under “Terms and Conditions of the Notes”) may be inspected at the above offices of Citibank, N.A., London Branch (the “Global Agent”).

Copies of such documents and the IFC Information also will be available without charge from the office of the Corporation set out at the end of this Prospectus.

### Incorporation by Reference

The Corporation’s latest Information Statement, any unaudited quarterly or annual financial statements filed with the Commission or any stock exchange on which Notes are listed subsequent to the date of such Information Statement and any supplements (other than Final Terms) or amendments to this Prospectus circulated by the Corporation from time to time shall be deemed to be incorporated in, and to form part of, this Prospectus, and references to “this Prospectus” shall mean this document and any documents incorporated by reference in, and forming part of, this document, except, and to the extent, any such document is superseded or modified by any subsequent document incorporated by reference in, and forming part of, this Prospectus. Documents incorporated by reference in, and forming part of, this document may not have been submitted to the same review and clearance procedures to which this Prospectus has been submitted as of the date hereof by any stock exchange or regulatory authority referred to herein.

The Corporation will, in the event of any material change in the financial position of the Corporation which is not reflected in this Prospectus, prepare an amendment or supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue and listing of Notes by the Corporation.

If the terms of the Program are modified or amended in a manner which would make this Prospectus inaccurate or misleading in any material respect, the Corporation will prepare a new prospectus.



Any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of this Prospectus may be obtained (without charge) from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the office of the Corporation set out at the end of this Prospectus and the website of the Corporation ([www.ifc.org](http://www.ifc.org)).

## **PROSPECTUS SUPPLEMENT**

The Corporation has undertaken to the Dealers that if during any time the Prospectus is being used in connection with the offer and sale of Notes, any event shall occur as a result of which, in the judgment of the Corporation, this Prospectus would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading, the Corporation shall prepare an amendment or supplement to this Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer for any such subsequent offering such number of copies of such amendment or supplement hereto as such Dealer may reasonably request.

## **FINAL TERMS**

The Corporation will prepare in respect of each particular issue of Notes a Final Terms (each a “Final Terms”) which will contain the terms of, pricing details for, and settlement and clearance procedures relating to, such issue of Notes and such other information or disclosure as the Corporation considers appropriate. A Final Terms may set out the full text of the terms and conditions of a particular issue of Notes if the Corporation and the relevant Dealer(s) consider it necessary or appropriate.

## **USE OF PROCEEDS**

The net proceeds of the sale of the Notes will be used for the general operations of the Corporation in accordance with its Articles of Agreement.

## SUMMARY AND OVERVIEW OF THE PROGRAM

*This summary must be read as an introduction to this Prospectus. Any decision to invest in any Notes should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this Summary.*

### **The Corporation**

International Finance Corporation is an international organization, established in 1956 to further economic growth in its developing member countries by promoting private sector development. The Corporation is a member of the World Bank Group, which also comprises the International Bank for Reconstruction and Development (the "IBRD"), the International Development Association ("IDA"), the Multilateral Investment Guarantee Agency ("MIGA") and the International Centre for Settlement of Investment Disputes ("ICSID"). It is a legal entity separate and distinct from IBRD, IDA, MIGA and ICSID with its own Articles of Agreement, share capital, financial structure, management, and staff. Membership in the Corporation is open only to member countries of IBRD. The obligations of the Corporation are not obligations of, or guaranteed by, IBRD or any government.

The Corporation's principal office is located at 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, United States of America. Its telephone number is +1 202 458 9230.

The Corporation is an experienced supranational organization providing financing and financial services primarily to the private sector in developing countries that are members of the Corporation. It combines the characteristics of a multilateral development bank with those of a private financial institution. As of June 30, 2007, the Corporation's entire share capital was held by 179 member countries. As of June 30, 2007, member countries of the Organization for Economic Cooperation and Development ("OECD") held 70.34 per cent. of the voting power of the Corporation. The five largest of the Corporation's 179 shareholders are the United States (23.64 per cent. of the total voting power), Japan (5.87 per cent.), Germany (5.36 per cent.), United Kingdom (5.03 per cent.) and France (5.03 per cent.). The Corporation's share capital is provided by its member countries. It raises most of the funds for its investment activities through the issuance of notes, bonds and other debt securities in the international capital markets. Unlike most other multilateral institutions, the Corporation does not accept host government guarantees of its loans. Generally, the Corporation charges market based rates for its loans and seeks market returns on its debt security and equity investments. The financial strength of the Corporation is based principally on the quality of its investment portfolio, its substantial paid-in capital and retained earnings, low debt to equity ratio, the size of its liquid assets portfolio, its diversified earnings base and its consistent profitability.

In partnership with private investors, the Corporation assists in financing the establishment, improvement, and expansion of private sector enterprises by making investments where sufficient private capital is not otherwise available on reasonable terms. The Corporation seeks to bring together domestic and foreign private capital and experienced management and thereby create conditions conducive to the flow of private capital (domestic and foreign) into productive investments in its developing member countries. In this way, the Corporation plays a catalytic role in mobilizing additional funding from other investors and lenders, through parallel loans, loan participations, partial credit guarantees, securitizations and risk sharing facilities ("resource mobilization"). In addition to project finance, corporate lending and resource mobilization, the Corporation offers an array of financial products and technical advisory services to private businesses in the developing world with a view to fulfilling its developmental mission. It also advises member governments on how to create an environment hospitable to the growth of private enterprise and foreign investment.

## Overview of the Program

The following overview is qualified in its entirety by the remainder of this Prospectus.

Issuer:	International Finance Corporation
Description:	Global Medium-Term Note Program
Arranger:	Morgan Stanley & Co. International plc
Dealers:	The Dealers will consist of any of one or more dealers appointed as dealers (as described in “Plan of Distribution”) from time to time for a specific issue of Notes.
Global Agent:	Citibank, N.A., London Branch
Fiscal Agent:	Federal Reserve Bank of New York
Paying Agents:	Dexia Banque Internationale à Luxembourg S.A., for Notes listed on the Luxembourg Stock Exchange, and Citibank, N.A., Singapore Branch, for Notes cleared through The Central Depository (Pte) Limited (“CDP”).
Specified Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Corporation and the relevant Dealers.
Redenomination:	Notes denominated in the currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalization and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalization and/or consolidation will be as specified in the applicable Final Terms.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity of three months or longer from the date of the original issue.
Specified Denomination:	Definitive Notes will be in such denominations as may be specified in the applicable Final Terms.
Method of Issue:	The Notes will be issued through Dealers acting as principal on a syndicated or non-syndicated basis, or on an agency basis. The Corporation may also directly offer and sell Notes to investors, to the extent permitted by applicable law. The Notes will be issued in series (each a “Series”) having one or more dates of issue and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different dates of issue. The specific terms of each Tranche will be set out in the applicable Final Terms.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or

more instalments.

Form of Notes:

The Notes may be issued in bookentry form, bearer form or in registered form. Fed Bookentry Notes, which are Notes denominated and payable in U.S. dollars cleared through the bookentry system of the Federal Reserve Banks (the “Federal Reserve”), will be in bookentry form and may not be exchanged for Notes in registered form or for Notes in bearer form.

Unless the issuance is intended to qualify as a targeted bearer issuance described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(iii) (a “targeted bearer issuance”), each Tranche of Bearer Notes will be represented upon initial issuance by a Temporary Global Note which may be exchanged (i) after a period of not less than 40 days from the date of issue for either (a) a Permanent Global Note upon certification of non-U.S. beneficial ownership in accordance with the applicable rules and regulations promulgated by the U.S. Treasury, or (b) Definitive Bearer Notes upon certification of non-U.S. beneficial ownership in accordance with the applicable rules and regulations promulgated by the U.S. Treasury; or (ii) if the applicable Final Terms so provides, in certain circumstances, for certificates representing Registered Notes (“Certificates”) representing the amount of Notes so exchanged, in each case as provided in the applicable Final Terms. Each Tranche of Bearer Notes issued as part of a targeted bearer issuance will be represented upon initial issuance by a Permanent Global Note or, if specified in the applicable Final Terms, Definitive Bearer Notes.

Each Tranche of Registered Notes will be represented upon initial issuance by one or more Certificates, each evidencing an individual Noteholder’s entire interest in such Registered Notes. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.

Clearing Systems:

It is expected that Notes will be accepted for clearance through one or more clearing systems as specified in the applicable Final Terms. These systems will include, in the United States, the system operated by DTC and, for Fed Bookentry Notes, the Federal Reserve and, outside the United States, those operated by Euroclear and Clearstream, Luxembourg and, if so specified in the applicable Final Terms in the case of Notes listed on the Stock Exchange of Singapore Limited, CDP, and in relation to any Series, such other clearing system as specified in the applicable Final Terms.

Initial Delivery of Notes:

On or before the issue date for each Tranche of Bearer Notes, if the relevant Global Note is intended to be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations, such Global Note will be delivered to a common safekeeper (the “Common Safekeeper”) for Euroclear and Clearstream, Luxembourg (such Global Notes are issued in new global note (“NGN”) form). On or before

the issue date for each Tranche of Bearer Notes, if the relevant Global Note is not intended to be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations, unless otherwise agreed among the Corporation, the Global Agent and the relevant Dealer, the Corporation will deposit (i) a Temporary Global Note representing Bearer Notes (except in the case of a targeted bearer issuance); or (ii) a Permanent Global Note or Definitive Bearer Notes in the case of a targeted bearer issuance with a common depository (the “Common Depository”) for Euroclear and Clearstream, Luxembourg, CDP, or any other clearing system specified in the applicable Final Terms (such Global Notes are issued in classic global note (“CGN”) form).

On or before the issue date for each Tranche of Registered Notes, unless otherwise agreed among the Corporation, the Global Agent and the relevant Dealer, the Global Agent will deposit a Global Certificate representing Registered Notes with a custodian for, to be registered in the name of a nominee of, DTC, or any other clearing system specified in the applicable Final Terms.

Description of Notes:

Notes may be either interest bearing at fixed or floating rates or non-interest bearing, with principal repayable at a fixed amount or by reference to one or more indices or formulae or any combination of the above, as specified in the applicable Final Terms.

Fixed Rate Notes:

Notes which are expressed to be Fixed Rate will bear interest at the rate or rates specified in the applicable Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 or 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the applicable Final Terms) as adjusted for any applicable margin.

Interest periods will be specified in the applicable Final Terms.

Zero Coupon:

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Fixed Redemption Amount:

Notes which have a fixed redemption amount will be redeemable at par or at a specified amount above or below par.

Redemption by Instalments:

The applicable Final Terms in respect of each Series of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes

	may be redeemed.
Automatic Early Redemption:	The applicable Final Terms may provide that Notes of a Series will be redeemed automatically prior to their stated maturity on the basis that the interest payable on such Notes reaches or exceeds a benchmark determined in relation to one or more interest rates, exchange rates or stock market or commodities indices or formulae or a combination thereof as may be specified in, or otherwise provided in such Final Terms.
Optional Redemption:	The applicable Final Terms will state whether Notes may be redeemed prior to their stated maturity in whole or in part at the option of the Corporation and/or the holders, and, if so, the terms applicable to such redemption. Any limitations imposed by applicable law relating to the redemption of Notes denominated in any Specified Currency will be specified in the applicable Final Terms.
Other Notes:	Terms applicable to variable redemption amount Notes with a maturity at issue of one year or less, high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Notes that the Corporation and any Dealer or Dealers may agree to issue under the Program will be set out in the applicable Final Terms.
Status of Notes:	The Notes will constitute direct, unconditional, general and unsecured obligations of the Corporation ranking <i>pari passu</i> and without any preference among themselves and <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Corporation. The Notes will not be obligations of the International Bank for Reconstruction and Development or of any government.
Negative Pledge:	None
Events of Default:	With respect to each Series of Notes, if the Corporation shall either (i) fail to pay when due the principal of, premium (if any), or interest on, any Note of such Series or (ii) fail to pay when due, in aggregate an amount equal to or exceeding U.S.\$20,000,000 or its equivalent in any other relevant currency or currencies, of the principal of, premium (if any), or interest on, any Note of another Series or any notes, bonds or similar obligations (other than the Notes) which shall have been issued, assumed or guaranteed by the Corporation and, in either case, such failure shall continue for a period of 90 days, then at any time thereafter and during the continuance of such failure, the holder of any Note of such Series may deliver or cause to be delivered to the Corporation at its principal office in the City of Washington, District of Columbia, United States of America, written notice that such holder elects to declare all Notes of such Series held by it (the serial numbers and denominations of which shall be set forth in such notice) to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Corporation, such Notes shall become due and payable together with accrued interest thereon, unless prior to that time all such

defaults shall have been cured.

Rating:

The Program has been rated AAA by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("S&P") and Aaa by Moody's Investors Service ("Moody's"). As defined by S&P, an "AAA" rating means that the ability of the Corporation to meet its financial commitment on its obligations is extremely strong. As defined by Moody's, an "Aaa" rating means that the Corporation's ability to meet its financial obligations is judged to be of the highest quality, with minimal credit risk.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Taxation:

The Notes and interest thereon are not exempt from taxation generally.

Under the Articles of Agreement, payments in respect of principal, premium (if any), and interest due on the Notes are not subject to any tax by a member country (i) which tax discriminates against the Notes solely because they are issued by the Corporation or (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Corporation.

Under the Articles of Agreement, the Corporation is not under any obligation to withhold or pay any tax imposed by any member country in respect of the Notes. Accordingly, payments in respect of principal, premium (if any) and interest due on the Notes will be paid to the Fiscal Agent or the Global Agent without deduction in respect of any such tax. However, tax withholding requirements may apply to payments made by financial intermediaries acting in any capacity other than as the Corporation's Fiscal Agent, Global Agent or paying agent.

Governing Law:

English, New York, or such other law as is specified in the applicable Final Terms. Fed Bookentry Notes will be governed by the laws of the State of New York.

Listing:

Application has been made for Notes issued under the Program to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange. However, specific Series of Notes may be listed on the Stock Exchange of Singapore Limited or on other stock exchanges or may be unlisted. The applicable Final Terms in respect of any Series of Notes will specify whether such Notes will be unlisted or listed on the Luxembourg Stock Exchange, the Stock Exchange of Singapore Limited or any other stock exchange.

Selling Restrictions:

The sale and delivery of Notes, and the distribution of offering material relating to the Notes, are subject to certain restrictions in the United States and in certain other jurisdictions as set forth in this Prospectus and as may be set forth in the applicable Final Terms. In particular, the Notes are not required to be registered under the United States



Securities Act of 1933. Bearer Notes may not be offered, sold or delivered within the United States or to U.S. persons in connection with their primary distribution. See “Plan of Distribution”.

## **RISK FACTORS**

*The following section does not describe all the risks (including those relating to each prospective investor's particular circumstances) with respect to an investment in the Notes of a particular series, including the interest rate, exchange rate or other indices, relevant specified currencies, calculation formulae, and redemption, option and other rights associated with such Notes or when the investor's currency is other than the Specified Currency of issue or in which the payment of such Notes will be made. Prospective investors should refer to and carefully consider the applicable Final Terms for each particular issue of Notes, which may describe additional risks associated with such Notes. The risks in the following section and the applicable Final Terms are provided as general information only. The Corporation disclaims any responsibility to advise prospective investors of such risks as they exist at the date of this Prospectus or Final Terms or as such risks may change from time to time. Prospective investors should consult their own financial and legal advisors about risks associated with an investment in an issue of Notes. Certain Notes are complex financial instruments and may not be suitable for all investors. Prospective investors should have the financial status and sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Prospectus and the applicable Final Terms and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Prospective investors should have the ability and expertise, and/or access to the appropriate analytical resources to analyze such investment, to evaluate the sensitivity of such investment to changes in economic conditions, interest rate, exchange rate or other indices, the relevant calculation formulae, the redemption, option and other rights associated with such investment, and other factors which may have a bearing on the merits and risks of such investment, and the suitability of such investment in such investor's particular circumstances. In addition, prospective investors should have the financial capacity to bear the risks associated with any investment in such Notes and should review, among other things, the most recent audited and unaudited financial statements, if any, of the Corporation incorporated by reference into this Prospectus when deciding whether or not to purchase any Notes. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this section.*

### **Interest Rate Risks**

An investment in Notes the principal or premium of which is determined by reference to one or more interest rate indices, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risk that the resulting interest rate will be less than that payable on a conventional debt security issued by the Corporation at the same time and that the investor could lose all or a substantial portion of the principal of its Note or that no premium may be payable thereon. The secondary market for such Notes will be affected by a number of factors independent of the creditworthiness of the Corporation and the value of the applicable interest rate index or indices, including the volatility of such interest rate index or indices, the method of calculating the index, principal or premium, the time remaining to the maturity of the Notes, the outstanding nominal amount of the Notes and market interest rates. The value of any applicable interest rate indices should not be taken as an indication of the future performance of such interest rate indices during the term of any Note.

### **Exchange Rate Risks and Exchange Controls**

Notes may be denominated or payable in one of a number of currencies. For investors whose financial activities are denominated principally in a currency (the "Investor's Currency") other than the Specified Currency or where principal of, premium (if any) or interest on Notes is payable by reference to a Specified Currency index other than an index relating to the Investor's Currency, an investment in the Notes entails significant risks that are not associated with a similar investment in a security denominated in that Investor's Currency.

Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Specified Currency and the Investor's Currency and the possibility of the imposition or modification of exchange controls by the country of the Specified Currency or the Investor's Currency. Such risks generally depend on economic and political events over which the Corporation has no control. In recent years, rates of exchange have been volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative,

however, of fluctuations that may occur in the future. Depreciation of the Specified Currency against the Investor's Currency would result in a decrease in the Investor's Currency equivalent yield on a Note denominated in that Specified Currency, in the Investor's Currency equivalent value of the principal payable at maturity of such Note and generally in the Investor's Currency equivalent market value of such Note. An appreciation of the Specified Currency against the Investor's Currency would have the opposite effect. In addition, depending on the specified terms of a Note denominated in, or the payment of which is related to the value of, one or more currencies, changes in exchange rates relating to any of the currencies involved may result in a decrease in such Note's effective yield and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of a Note to the investor.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a Specified Currency at the time of payment of principal premium (if any) or interest in respect of a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for payment on any particular Note may not be available when payments on such Note are due.

### **Structure Risks**

An investment in a Structured Note issued by the Corporation entails risks (which may be significant) not associated with an investment in a conventional debt security issued by the Corporation. A "Structured Note" is a Note with principal, premium (if any) or interest determined by reference to one or more interest rate indices or currency or currency units (including exchange rates and swap indices between currencies or currency units), or one or more stock market, commodities or other indices or formulae (each an "Applicable Index") (other than a single conventional interest rate index or formula, such as LIBOR) or features such as embedded options, caps or floors. Such risks may include, without limitation, the possibility that an Applicable Index may be subject to significant changes, that changes in an Applicable Index may not correlate with changes in interest rates or exchange rates generally or with changes in other indices, that two or more indices or formulae that may be expected to move in tandem or in any other relation to each other may unexpectedly converge or diverge or otherwise not move as expected, that the resulting interest rate may be less than that payable on a conventional debt security issued by the Corporation at the same time or that no interest may be payable, that the repayment of principal may occur at times other than that expected by the investor, that the investor may lose a substantial portion of the principal of its Note (whether payable at maturity, upon redemption or otherwise), that the amount of premium based on appreciation rights payable may be substantially less than anticipated or that no such premium is payable, that Structured Notes may have more volatile performance results, and that the effects of currency devaluations and (as discussed under "Risk Factors — Exchange Rate Risks and Exchange Controls") the imposition or modification of exchange controls by authorities with jurisdiction over a relevant currency may be greater for Structured Notes than for conventional debt securities issued by the Corporation. Such risks generally depend on a number of factors, including financial, economic and/or political events over which the Corporation has no control. In addition, if an Applicable Index used to determine the amount of interest payable contains a spread or margin multiplier or if the Applicable Index used to determine the principal, premium (if any) or interest payable is subject to some other leverage factor, the effect of any change in such Applicable Index on the principal, premium (if any) or interest may be magnified. If an Applicable Index includes, or is subject to, a maximum ("cap") or minimum ("floor") interest rate limitation, the interest or principal payable on such Structured Note may be less than that payable on a conventional debt security issued by the Corporation at the same time. Two issues of Structured Notes issued at the same time and with interest rates determined by reference to the same Applicable Index and otherwise comparable terms may have different interest rates and yields when issued and thereafter if the frequency of interest rate adjustments for each issue is different. In recent years, certain interest rates, currencies, currency units, exchange rates and stock market, commodities or other indices have been highly volatile and such volatility may continue in the future. Fluctuations in any particular interest rate, currency, currency unit, exchange rate or such other index that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

The timing of changes in the level of an Applicable Index may affect the actual yield to an investor, even if the average level is consistent with the investor's expectation. In general, the earlier a change in the level of an Applicable Index occurs, the greater the effect on an investor's yield. This is especially the case with Structured Notes providing for repayment of principal at one or more times prior to maturity. As a result, the

effect on an investor's yield of an Applicable Index level that is lower (or higher) during earlier periods than the rate anticipated by the investor may not be offset by a later equivalent increase (or reduction).

Any optional redemption feature of Notes is likely to affect the market value of such Notes. During any period in which such Notes are subject to redemption at the option of the Corporation, their market value generally will not rise substantially above the redemption price because of the increased likelihood of redemption by the Corporation, and this also may be true prior to any such period. The Corporation may be expected to redeem such Notes in circumstances where the Corporation's cost of borrowing is lower than the interest rate on such Notes. At such times, an investor generally would not be able to reinvest redemption proceeds at an effective interest rate which is as high as the interest rate on such Notes, and such reinvestment might only be at a significantly lower rate. Investors should consider the related reinvestment risk in light of other investments that may be available to such investors. A partial redemption of an issue of Notes also may adversely affect liquidity for the remaining outstanding Notes of such issue.

Investors in Structured Notes should have the ability and expertise, and/or access to appropriate analytical resources, to analyze quantitatively the effect (or value) of any redemption, cap or floor, or other features of such Structured Notes, and the resulting impact on the value of such Structured Notes.

### **Market Liquidity and Yield Risks**

Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. This is particularly the case for Structured Notes that are especially sensitive to interest rate, currency or other market risks, that are designed for specific investment objectives, or strategies or that have been structured to meet the investment requirements of limited categories of investors, which may have a more limited secondary market and less or no liquidity and may experience more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of Structured Notes.

Depending upon the type of Notes, market conditions and other factors, investors seeking to sell relatively small or relatively large amounts of Notes may not be able to do so at prices comparable to those that may be available to other investors.

The secondary market for an issue of Notes also will be affected by a number of other factors independent of the creditworthiness of the Corporation and the value of any Applicable Index. These factors may include the complexity and volatility of such Applicable Index, the method of calculating the principal, premium (if any) or any interest to be paid in respect of such Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any amortization or optional redemption features of such Notes, the amount of other securities linked to such Applicable Index, the amount of such Notes being sold in the secondary market from time to time, any legal restrictions limiting demand for such Notes, the availability of comparable securities, and the level, direction and volatility of market interest rates generally. Such factors will also affect the market value of the Notes.

No investor should purchase Notes unless such investor understands and is able to bear the risk that certain Notes may not be readily saleable, that the value of Notes will fluctuate over time, and that such fluctuations may be significant and could result in significant losses to such investor. This is particularly the case for investors whose circumstances may not permit them to hold the Notes until maturity.

In addition to the foregoing considerations, the following additional considerations, among others, relate to the Notes indicated below.

The market value of Notes bearing interest at a Floating Rate with caps or floors generally are more volatile than those of Notes bearing interest at a Floating Rate linked to the same Applicable Index without caps or floors, especially when the Applicable Index approaches the cap or floor. Similarly, the prices of Notes bearing interest at a Floating Rate with an Applicable Index containing a rate multiplier or other leverage factor greater than one generally are more volatile than those for Notes bearing interest at a Floating Rate linked to the same Applicable Index without such a rate multiplier or other leverage factor.

In the case of Notes bearing interest at a Floating Rate with an interest rate equal to a fixed rate less a rate based upon an Applicable Index, the interest rate will vary in the opposite direction of changes in such Applicable Index. The prices of such Notes typically are more volatile than those of conventional floating rate debt securities issued by the Corporation based on the same Applicable Index (and with otherwise comparable terms). This increased volatility is due to the fact that an increase in the Applicable Index not only decreases the interest rate (and consequently the value) of such Note, but also reflects an increase in prevailing interest rates, which further adversely affects the value of such Note.

In the case of Notes that bear interest at a rate that the Corporation may elect to convert from a Fixed Rate to a Floating Rate, or from a Floating Rate to a Fixed Rate, the ability of the Corporation to convert the interest rate will affect the secondary market and the value of such Notes since the Corporation may be expected to elect such conversion when it would be expected to produce a lower overall cost of borrowing to the Corporation. If the Corporation elects to convert from a Fixed Rate to a Floating Rate, the Margin may be lower (if being added to the Applicable Index) or higher (if being subtracted from the Applicable Index) than prevailing spreads at the time of such conversion on other floating rate securities issued by the Corporation with comparable maturities using the same Applicable Index, and the interest rate at any time may be lower than that payable on other securities of the Corporation. Conversely, if the Corporation elects to convert from a Floating Rate to a Fixed Rate, the Fixed Rate may be lower than prevailing interest rates on other securities of the Corporation.

The prices at which zero coupon instruments, such as Zero Coupon Notes, interest components and, in certain cases, principal components, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest-bearing securities with comparable maturities. This also is generally true in the case of other instruments issued at a substantial discount or premium from the nominal amount payable on such instruments, such as Notes issued at a substantial discount to their nominal amount or Notes issued with significantly above-market interest rates. Generally, the longer the remaining term of such instruments, the greater their price volatility as compared to that for conventional interest-bearing securities with comparable maturities.

### **Legal Investment Risks**

Investors should consult their own legal advisors in determining whether and to what extent Notes constitute legal investments for such investors and whether and to what extent Notes can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisors or regulators in determining the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include Notes. Investors should review and consider such restrictions prior to investing in Notes.

### **Risk Factors relating to the Corporation**

As described in more detail in the Corporation's Information Statement, the Corporation is an experienced supranational organization providing financing and financial services primarily to the private sector in developing countries that are members of the Corporation. The Corporation's investment products include, among others, loans, equity and quasi-equity investments, guarantees and partial credit guarantees, and client risk management products. The Corporation's disbursed investment portfolio is diversified by country, region, industry, sector and project type, and it operates under a comprehensive enterprise risk management framework. The value of the Corporation's investments, and the financial returns on them, are subject to the risk of adverse changes in the financial condition of the Corporation's clients, which may arise from factors specific to a particular client or industry or from changes in the macroeconomic environment or the financial markets in the countries in which a client operates.

### **Minimum Specified Denominations**

In relation to any issue of Bearer Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be

traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Bearer Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the “Conditions” and each a “Condition”) that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the applicable Final Terms, will apply to the Notes referred to in such Final Terms. If Notes are to be printed in definitive form either (i) the full text of these Conditions together with the relevant provisions of the Final Terms or (ii) these Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on the Definitive Bearer Notes (as defined below) or on the Certificates (as defined below) relating to such Registered Notes (as defined below).*

The Bearer Notes and the Registered Notes (each as defined in Condition 1(a)) are issued pursuant to an Amended and Restated Global Agency Agreement (as amended or supplemented as at the date of issue of the Notes (the “Issue Date”)), dated as of June 3, 2008 (the “Global Agency Agreement”) between the Corporation, Citibank, N.A., London Branch, as global agent and the other agents named therein and, in the case of Bearer Notes and Registered Notes to be cleared through The Central Depository (Pte) Limited, as supplemented by the Supplemental Agency Agreement dated as at June 3, 2008 (the “Supplemental Agency Agreement”) between the Corporation and Citibank, N.A., Singapore Branch, as Singapore paying agent, and the other agent named therein and, in the case of Bearer Notes and Registered Notes governed by English law, with the benefit of an Amended and Restated Deed of Covenant (as amended or supplemented as at the Issue Date, the “Deed of Covenant”) dated as of June 3, 2008 executed by the Corporation in relation to the Notes. The original executed Deed of Covenant is held by the global agent. The Global Agency Agreement includes forms of the Notes (other than Fed Bookentry Notes (as defined in Condition 1(a)) and the receipts (if any) for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments, the coupons (if any) attaching to interest-bearing Notes in bearer form (the “Coupons”) and the talons (if any) for further Coupons relating to such Notes (the “Talons”). The global agent, the paying agents, the registrar, the transfer agents, the exchange agent(s), the determination agent(s) and the calculation agent(s) are referred to below respectively as the “Global Agent”, the “Paying Agents” (which expression shall also include the Global Agent and such additional paying agents the Corporation may appoint from time to time or in connection with particular issues of Notes), the “Registrar”, the “Transfer Agents”, the “Exchange Agent(s)”, “the Determination Agent(s)” and the “Calculation Agent(s)” (which expressions shall include their respective successors and any additional agents appointed as such by the Corporation from time to time). The Global Agent, the Registrar, the Transfer Agent, the Exchange Agent(s), the Determination Agent(s), the Calculation Agent(s) and the Federal Reserve Bank of New York are together referred to herein as the “Agents”. Unless otherwise specified in these Conditions, the Calculation Agent will be Citibank, N.A., London Branch. The Noteholders (as defined below), the holders (the “Couponholders”) of the interest coupons appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons, and the holders of the receipts for the payment of instalments of principal relating to Bearer Notes of which the principal is payable in instalments are bound by and are deemed to have notice of all of the provisions of the Global Agency Agreement, the Deed of Covenant and the Final Terms relevant to such Notes. Copies of the Global Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Global Agent, the Registrar and the Transfer Agents.

The Fed Bookentry Notes are issued in accordance with a uniform fiscal agency agreement effective as of July 20, 2006 (as amended and supplemented from time to time, the “Fiscal Agency Agreement”) and made between the Corporation and the Federal Reserve Bank of New York, as fiscal and paying agent (the “Fiscal Agent”). Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Fiscal Agent.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the Federal Reserve Bank of New York for Fed Bookentry Notes or the person in whose name a Registered Note is registered, and “holder” (in relation to a Bearer Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or, in relation to a Fed Bookentry Note, the Federal Reserve Bank of New York or, in relation to a Registered Note, the person in whose name a Registered Note is registered, as the case may be.

For Notes which are not Definitive Bearer Notes, Fed Bookentry Notes or individually certificated Registered Notes represented by Certificates (each as defined in Condition 1(a)), references in these

Conditions to terms specified on a Note or specified hereon shall be deemed to include references to terms specified in the applicable Final Terms issued in respect of a particular issue of Notes of which such Note forms a part (each a “Final Terms”) and which will be attached to such Note. For Notes which are Fed Bookentry Notes, references in these Conditions to terms specified on a Fed Bookentry Note or specified hereon shall be deemed to be references to the Final Terms applicable to such Fed Bookentry Note.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series. All capitalized terms that are not defined in these Conditions will have the meanings given to them in the applicable Final Terms.

## **1. Form, Denomination, Title and Specified Currency**

(a) *Form:* Each issue of Notes of which this Note forms a part (the “Notes”) is issued as:

- (i) bearer notes (“Bearer Notes”) in the nominal amount of a Specified Denomination (as defined in Condition 1(b));
- (ii) uncertificated bookentry notes (“Fed Bookentry Notes”) in the nominal amount of a Specified Denomination; and/or
- (iii) registered notes other than those registered notes issued in exchange for Fed Bookentry Notes (“Registered Notes”) in the nominal amount of a Specified Denomination,

as specified on such Note, and these Conditions must be read accordingly. An issue of Notes may comprise either Bearer Notes only, Registered Notes only, Registered Notes and Bearer Notes only, or Fed Bookentry Notes only (except as provided in Condition 2(b)).

Bearer Notes may be issued in global form and/or definitive bearer form (“Definitive Bearer Notes”). Bearer Notes in definitive form are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, except in the case of Notes that do not bear interest, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the nominal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) in global and/or definitive form. Except as provided in Condition 2(c), one Certificate (including Certificates in global form) representing the aggregate nominal amount of Registered Notes held by the same holder will be issued to such holder, unless more than one Certificate is required for clearance and settlement purposes. Each Certificate will be numbered serially with an identifying number, which will be recorded in the register (the “Register”) kept by the Registrar.

(b) *Denomination:* “Specified Denomination” means the denomination or denominations specified on such Note.

(c) *Title:*

- (i) Title to Bearer Notes and Receipts, Coupons and Talons shall pass by delivery.
- (ii) The Corporation may deem and treat the Federal Reserve Bank of New York, in respect of all Fed Bookentry Notes, as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary and all payments to or on the order of the Federal Reserve Bank of New York and such registered owner, respectively, shall be valid and effective to discharge the liability of the Corporation with respect to such Fed Bookentry Notes to the extent of the sum or sums so paid. As custodian of Fed Bookentry Notes, the Federal Reserve Bank of New York may deem and treat other Federal Reserve Banks and Branches and Holding Institutions (as defined below) located in the Second Federal Reserve District holding any Fed Bookentry Notes as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to or on the order of such Federal Reserve Banks or Branches or Holding Institutions, as the case may be, shall be valid and effective to discharge the liability of the Corporation with respect to such Fed Bookentry Notes to the extent of the sum or sums paid. A “Holding Institution” is a depository or other



designated institution that has an appropriate bookentry account with a Federal Reserve Bank or Branch.

The Corporation, the Global Agent, the Paying Agents, the Registrar and the Transfer Agents shall be entitled to deem and treat the bearer of any Bearer Note, Receipt, Coupon or Talon, or the Federal Reserve Bank of New York for Fed Bookentry Notes, or the registered holder of any Registered Note, to be the absolute owner thereof for the purpose of making payments and for all other purposes, whether or not such Bearer Note, Receipt, Coupon or Talon, Fed Bookentry Note or Registered Note is overdue and regardless of any notice of ownership, trust or an interest therein, any writing thereon (or on the Certificate representing it) or any notice of any previous theft or loss thereof (or of the related Certificate), and all payments on a Note or Coupon to such holder shall be deemed valid and effectual to discharge the liability of the Corporation in respect of such Note or Coupon to the extent of the sum or sums so paid.

- (iii) Title to Registered Notes shall pass by registration in the Register in accordance with the provisions of the Global Agency Agreement or otherwise in accordance with applicable law.

(d) *Specified Currency*: The Specified Currency of any Note is as specified hereon. Unless otherwise specified hereon, all payments of principal and interest in respect of a Note shall be made in the Specified Currency.

## **2. Transfers of Registered Notes and Exchanges of Bearer Notes**

### *(a) Transfers:*

- (i) Subject as provided in Condition 2(g), Registered Notes may be transferred in whole or in part in a Specified Denomination upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed. In the case of a transfer of part only of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the interest in the Notes not transferred shall be issued to the transferor. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the transferee's aggregate interest in the Notes shall only be issued against surrender of the Certificate representing its existing interest in the Notes.
- (ii) Registered Notes may not be exchanged for Bearer Notes.

(b) *Transfer of Fed Bookentry Notes*: Fed Bookentry Notes may be transferred between Holding Institutions, in Federal Reserve Districts where the respective Federal Reserve Banks have adopted appropriate procedures, in accordance with such procedures. Fed Bookentry Notes may not be exchanged for Registered Notes or for Bearer Notes.

(c) *Partial Exercise of Options or Partial Redemption in Respect of Registered Notes*: In the case of a partial redemption (in respect of an exercise of the Corporation's or the Noteholder's option or otherwise) of Registered Notes represented by a single Certificate, a new Certificate in respect of the balance of the interest in any such Registered Notes not redeemed shall be issued to the holder to reflect the exercise of such option. In the case of a partial exercise of an option (other than in respect of optional redemption), one or more new Certificates may be issued to the relevant holders reflecting such exercise. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.

(d) *Exchange of Bearer Notes*: Subject as provided in Condition 2(g), and if so provided hereon, Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes of the same Series at the request in writing of the relevant Noteholder and upon surrender of each Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where such Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(c)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

(e) *Delivery of New Certificates and Notes:* New Certificate(s) or Note(s) issued upon any transfer, exchange, partial redemption or partial exercise of options in accordance with this Condition 2 shall be mailed by uninsured post at the risk of the holder entitled to the new Certificate or Note to such address as may be so specified in the request for transfer or exchange, or in the redemption exercise notice delivered by the holder requesting such transfer, exchange or partial redemption, to the relevant Transfer Agent or Registrar, as the case may be (in respect of Registered Notes), or (if no address is so specified) as appears in the Register, or otherwise in accordance with the customary procedures of the relevant Transfer Agent, the Registrar or the Fiscal Agent, as the case may be, 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.

(f) *Exchange Free of Charge:* Exchanges of Bearer Notes for Registered Notes and registrations of transfers of Certificates shall be effected without charge by or on behalf of the Corporation, the Registrar or the Transfer Agents, provided that the transferor or holder shall bear the expense of the issue and delivery of any Registered Note and shall make any 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).

(g) *Closed Periods:* No transfer of a Registered Note or the exchange of a Bearer Note for one or more Registered Note(s) will be effected (i) in the case of a transfer of a Registered Note or exchange of a Bearer Note, during the period of 15 days immediately preceding the due date for any payment of principal, redemption amount or premium (if any) in respect of that Note, or, in the case of a transfer of a Fed Bookentry Note, during the period of 10 days immediately preceding the due date for any payment of principal, redemption amount or premium (if any) in respect of that Note, (ii) during the notice period immediately preceding any date on which Notes may be called for redemption by the Corporation at its option pursuant to Condition 5(c), (iii) after any such Note has been called for redemption or (iv) during the period of 7 days ending on (and including) any Record Date (as defined in Condition 6(c)). If specified hereon that Bearer Notes may be exchanged for Registered Notes, then any such Bearer Note called for redemption may be exchanged for one or more Registered Note(s) not later than the relevant Record Date, provided that the Certificate in respect of such Registered Note(s) is simultaneously surrendered.

(h) *Provisions Concerning Transfers:* All transfers of Registered Notes and entries on the Register will be made in accordance with the relevant procedures of the Registrar. A copy of the relevant procedures will be made available by the Registrar to any holder of a Registered Note upon request.

### **3. Status of Notes**

The Notes are direct, unconditional, general and unsecured obligations of the Corporation ranking *pari passu* and without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Corporation.

THE NOTES ARE NOT OBLIGATIONS OF THE INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT OR OF ANY GOVERNMENT.

### **4. Interest**

(a) *Interest on Fixed Rate Notes:* Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h).

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

(i) **Interest Payment Dates:**

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(h). Such Interest Payment Date(s) is/are either specified hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified hereon, Interest Payment Date shall mean each date which falls the number of months or other

period specified hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention:

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes:

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

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

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

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

(B) Screen Rate Determination for Floating Rate Notes

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

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

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

quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

- (y) If the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London Branch of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (z) If paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Corporation suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(iv) **Rate of Interest for Index Linked Interest Notes:**

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

(c) *Zero Coupon Notes:* Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as described in Condition 5(b)(i)).

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

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

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

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

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

(h) *Calculations:* The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated. If the Calculation Amount is not specified hereon, the Calculation Amount shall equal the minimum Specified Denomination.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*: The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Global Agent, Fiscal Agent, the Corporation, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated needs to be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Definitions*: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

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

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

- (i) if “Actual/Actual” or “Actual/Actual - ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;

- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified hereon, 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>2</sub> will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, 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:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” 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 D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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 D<sub>2</sub> will be 30;

- (vii) if “Actual/Actual-ICMA” is specified hereon,
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Payment Date; or

- (viii) in all other cases, such other basis as may be agreed, as specified hereon.

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

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

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

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

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



or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period specified as such hereon or, if none is so specified, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

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

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

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

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

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

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

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

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

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

## **5. Redemption, Purchase and Options**

(a) *Final Redemption:* Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (b) below, its final Instalment Amount.

(b) *Redemption by Instalments:* Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(c) *Early Redemption Amounts:*

(i) Notes Other than Zero Coupon Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (ii) below), upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(ii) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon it becoming due and payable as provided in Condition 9, shall be the Amortized Face Amount (calculated as provided below) of such Note unless the Early Redemption Amount is linked to an index and/or a formula, or unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (which, if none is specified hereon, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (both before and, to the extent permitted by applicable law, after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

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

(d) *Redemption at the Option of the Corporation:* If Call Option is specified hereon as applicable, the Corporation may, on giving not less than 14 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

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

In the case of a partial redemption of Notes other than Fed Bookentry Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or, in the case of Registered Notes, shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on the Luxembourg Stock Exchange or any other stock exchange and the rules of that stock exchange so require, the Corporation shall, once in each year in which there has been a partial redemption of the Notes, cause to be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a newspaper having general circulation in Luxembourg or, as specified by such other stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered. In the case of a partial redemption of Fed Bookentry Notes, each such Note will be redeemed in

the amount of its *pro rata* share of the aggregate amount of such partial redemption and thereafter shall be treated as being outstanding as to its unredeemed balance.

(e) *Redemption at the Option of Noteholders:* If Put Option is specified hereon as applicable, the Corporation shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 46 nor more than 60 days' notice to the Corporation (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

In the case of a Note which is not a Fed Bookentry Note, to exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. In the case of a Fed Bookentry Note, if the holder wishes to exercise such option, the holder must give notice thereof to the Corporation through the relevant Holding Institution. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Fiscal Agency Agreement or the Global Agency Agreement) without the prior consent of the Corporation.

(f) *Automatic Early Redemption:* If Automatic Early Redemption is specified hereon as applicable, the Corporation shall redeem all of the Notes on the Optional Redemption Date at their Optional Redemption Amount together with interest accrued to the date fixed for redemption.

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

(h) *Purchases:* The Corporation may at any time purchase or otherwise acquire Notes in the open market or otherwise. Notes purchased or otherwise acquired by the Corporation may be held or resold or, at the discretion of the Corporation, surrendered to the Global Agent for cancellation (together with (in the case of Definitive Bearer Notes) any unmatured Coupons, unexchanged Talons or Receipts attached thereto or purchased therewith). If purchases are made by tender, tenders must be made available to all Noteholders of the same Series alike.

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

## **6. Payments**

(a) *Bearer Notes:*

- (i) Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a check payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.
- (ii) Notwithstanding the foregoing, if the Specified Currency of any Bearer Notes or payments thereunder are otherwise to be made in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Corporation shall have appointed Paying Agents with specified offices outside the

United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is then permitted by U.S. law.

Payments of principal, premium (if any) and interest in respect of Bearer Notes represented by a Global Note in classic global note (“CGN”) form will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. A record of which payment made against presentation or surrender of such Global Note in CGN form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made. If the Global Note is in new global note (“NGN”) form, the Corporation shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the Global Note in NGN form will be made to its holder. Each payment so made will discharge the Corporation’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

(b) *Fed Bookentry Notes:*

- (i) Payments of principal and interest on the Notes will be payable at a designated office or agency of the Corporation in New York City in U.S. dollars to the holder on the Fed Bookentry Record Date (as defined below), provided that, at the Corporation’s option, principal and interest in respect of Fed Bookentry Notes may be paid by credit to a Federal Reserve Bank or branch account of Holding Institutions holding such Fed Bookentry Notes. The Federal Reserve Bank of New York, 33 Liberty Street, New York, New York 10045, will act as the Fiscal Agent for the Notes pursuant to the Fiscal Agency Agreement. The “Fed Bookentry Record Date” for the purpose of payment of interest or principal on the Fed Bookentry Notes shall be as of the close of business at the Fiscal Agent on the day preceding the due date for payment thereof. If any such day is not a day on which the Fiscal Agent is open for business, the Fed Bookentry Record Date shall be the next preceding day on which the Fiscal Agent is open for business.
- (ii) Noteholders will not be entitled to any interest or other payment for any delay after the due date if any date for payment is not a day on which the Fiscal Agent is open for business, and the Noteholder will not be entitled to payment until the next following day on which the Fiscal Agent is open for business.

(c) *Registered Notes:*

- (i) Payments of principal (which for the purposes of this Condition 6(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the same manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by check drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (iii) Registered Notes held through The Depository Trust Company (“DTC”) will be paid as follows:
- (A) if the Specified Currenc(y/ies) for payment is(are) U.S. dollars, payments of principal, premium (if any), and/or interest will be made in accordance with Conditions 6(c)(i) and (ii).
  - (B) if the Specified Currenc(y/ies) for payment is(are) a currency other than U.S. dollars, payments of principal and interest will be made by the Global Agent in the relevant currency to the Exchange Agent who will make payments in such currency by wire transfer of same day funds to the designated account in such currency of DTC participants entitled to receive the relevant payment who have made an irrevocable election prior to 5:00 p.m. New York City time on the third day on which banks are open for business in New York City (a “DTC Business Day”) following the applicable Record Date in the case of interest and the twelfth calendar day prior to the payment date for the payment of principal to receive that payment in such currency. In the case of DTC participants entitled to receive the relevant payments but who have not elected to receive payments in such currency, the Exchange Agent, after converting amounts in such currency into U.S. dollars as necessary to make payments in U.S. dollars, will deliver U.S. dollar amounts in same day funds to DTC for payment through its settlement system to such DTC participants. The Global Agency Agreement sets out the manner in which such conversions or such elections are to be made.
- (iv) Noteholders will not be entitled to any interest or other payment for any postponed payment resulting from the application of Condition 6(h) if the Noteholder is late in surrendering its Certificate (if required to do so) or if its Certificate cannot be surrendered to a Transfer Agent that is open for business on the day of such surrender or if a check mailed in accordance with this Condition 6(c) arrived after the due date for payment.

(d) *Payments Subject to Law:* All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents:* The Fiscal Agent, the Global Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Corporation and their respective specified offices are listed below. The Fiscal Agent, the Global Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Corporation and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Corporation reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Global Agent, any other Paying Agent, the Registrar, any Transfer Agent, any Calculation Agent or any other agent and to appoint a substitute Fiscal Agent or Global Agent and/or additional or other Paying Agents, Registrars, Transfer Agents, Calculation Agents or any other agent; provided that the Corporation shall at all times maintain (i) a Fiscal Agent with respect to Fed Bookentry Notes, (ii) a Global Agent with respect to Bearer Notes and Registered Notes, (iii) for Registered Notes, a Registrar and Transfer Agent in New York City and a Transfer Agent having its specified office in a European city which, so long as Notes are listed on the Luxembourg Stock Exchange, will be Luxembourg, (iv) for Bearer Notes, a Paying Agent having its specified office in a European city which, so long as the Notes are listed on the Luxembourg Stock Exchange, will be Luxembourg, (v) for so long as any Notes are listed on the Singapore Exchange Securities Trading Limited (and that Exchange so requires), a paying agent (which may be the Global Agent) having a specified office in Singapore, (vi) one or more Calculation Agent(s) if specified hereon, and (vii) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Corporation shall appoint a Paying Agent in New York City in respect of any Bearer Notes the Specified Currency of which is U.S. dollars or payments in respect of which are otherwise to be made in U.S. dollars in the circumstances described in Condition 6(a)(ii).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13.

(f) *Unmatured Coupons and Receipts and Unexchanged Talons:*

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), they should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Interest Note or Index Linked Note, any unexpired Coupon relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupon.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, any Receipt relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of such Receipt.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Corporation may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender, if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons:* On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Global Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

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

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

(i) *Currency of Payment*: If any payment in respect of this Note is payable in a Specified Currency other than U.S. dollars that is no longer used by the government of the country issuing such currency for the payment of public and private debts or used for settlement of transactions by public institutions in such country or within the international banking community, or in a Specified Currency that is not expected to be available, when any payment on this Note is due as a result of circumstances beyond the control of the Corporation, the Corporation shall be entitled to satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the noon buying rate in U.S. dollars in the City of New York for wire transfers for such Specified Currency as published by the Federal Reserve Bank of New York on the second Business Day prior to such payment or, if such rate is not available on such second Business Day or is not so published, on the basis of the rate most recently available to the Calculation Agent on or prior to such second Business Day. Any payment made by the Corporation under such circumstances in such other currency or U.S. dollars will constitute valid payment, and will not constitute a default in respect of this Note. For the purpose of this Condition 6(i), “Business Day” means a day on which the Federal Reserve Bank of New York is open for business in New York City.

## **7. Taxation**

The Notes (and any interest thereon) are not exempt from taxation generally.

Under the Articles of Agreement constituting the Corporation, the Corporation is not under any obligation to withhold or pay any tax imposed by any member country in respect of the Notes. Accordingly, payments in respect of principal, premium (if any), and interest due on the Notes will be paid to the Global Agent or the Fiscal Agent, as the case may be, without deduction in respect of any such tax.

Under the Articles of Agreement constituting the Corporation, payments in respect of principal, premium (if any), and interest due on the Notes are not subject to any tax by a member (i) which tax discriminates against the Notes solely because they are issued by the Corporation, or (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Corporation.

## **8. Prescription**

Other than for Notes, Receipts and Coupons governed by the laws of the State of New York, claims against the Corporation for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof. As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or surrender of the relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation or surrender. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortized Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it and (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it.

## **9. Events of Default**

With respect to a Series of Notes, if the Corporation shall either (a) fail to pay when due the principal of, premium (if any), or interest on, any Note of such Series or (b) fail to pay when due in aggregate an amount equal to or exceeding U.S.\$20,000,000 or its equivalent in any other relevant currency or currencies of the principal of, premium (if any), or interest on, any Note of another Series, or any notes, bonds or similar obligations (other than the Notes) which shall have been issued, assumed or guaranteed by the Corporation and, in either case, such failure shall continue for a period of 90 days, then at any time thereafter and during the continuance of such failure, the holder of any Note of such Series may deliver or cause to be delivered to the Corporation at its principal office in the City of Washington, District of Columbia, United States of America, written notice that such holder elects to declare all Notes of such Series held by it (the serial numbers

and denominations of which shall be set forth in such notice) to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Corporation, such Notes shall become due and payable together with accrued interest thereon, unless prior to that time all such defaults shall have been cured.

For the purpose of this Condition 9, any payment obligations that are denominated in a currency other than U.S. dollars shall be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency quoted by a leading commercial bank in London on the day on which default in respect of payment thereon is made (or, if for any reason such rate is not available on that day, on the first day thereafter on which such rate is available or as otherwise determined by the Global Agent or the Fiscal Agent, as the case may be, after consultation with the Corporation).

## **10. Meeting of Noteholders and Modifications**

(a) *Meetings of Noteholders:* The Global Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Global Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the Rate(s) of Interest in respect of the Notes or to vary the method or basis of calculating the Interest Amount(s) or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or other redemption amount is specified, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest or redemption amount, (v) to vary any method of, or basis for, calculating any redemption amount, including the method of calculating the Amortized Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) 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 (viii) 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 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the applicable Final Terms in relation to such Series.

(b) *Modification of Global Agency Agreement and Fiscal Agency Agreement:* The Corporation shall only permit any modification of, or any waiver or authorization of any breach or proposed breach of or any failure to comply with, the Global Agency Agreement and the Fiscal Agency Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the Noteholders.

## **11. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations, and the rules and regulations of relevant stock exchanges and clearing systems, at the specified office of the Paying Agent in Luxembourg (in the case of Bearer Notes, Receipts, Coupons or Talons), and of the Registrar (in the case of Certificates), or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Corporation 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 Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Corporation on demand the amount payable by the Corporation in respect of such Notes,



Certificates, Receipts, Coupons or further Coupons) and otherwise as the Corporation may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12. Further Issues**

The Corporation may from time to time without the consent of the Noteholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects save for the issue date and the first payment of interest thereon) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Corporation 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 further Tranche of Notes of the same Series as the Notes.

## **13. Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register. Notices to holders of Registered Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Unless otherwise specified hereon, notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*), and so long as the Notes listed on the Luxembourg Stock Exchange, published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in the daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and in respect of Notes listed on the Stock Exchange of Singapore Limited, in a leading English language daily newspaper with general circulation in Singapore (which is expected to be *The Business Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe or Singapore, as applicable. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Other than in the case of Notes listed on the Luxembourg Stock Exchange or the Stock Exchange of Singapore Limited and the rules of the relevant stock exchange so require, until such time as any Definitive Bearer Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Holders of Coupons, Receipts and Talons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Notices to be given by any holder of the Notes (other than Fed Bookentry Notes) shall be in writing and given by lodging the same, together with the relative Note or Certificate, with the Global Agent or the Fiscal Agent, as the case may be. In the case of Bearer Notes, so long as any of such Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Global Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Global Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **14. Contracts (Rights of Third Parties) Act 1999**

In respect of any Notes, Receipts and Coupons governed by English law, unless specified otherwise in the Notes, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **15. Governing Law and Jurisdiction**

(a) *Governing Law:* The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, either English law, the laws of the State of New York, or such other law as is specified hereon. The governing law of Partly Paid Notes shall not be the laws of the State of New York.

(b) *Jurisdiction:* With respect to any legal action or proceedings (“Proceedings”) in the courts of England arising out of or in connection with any Notes, Receipts, Coupons or Talons, the Corporation irrevocably submits to the non-exclusive jurisdiction of the courts of England.

(c) *Service of Process:* The Corporation irrevocably appoints its office at 12<sup>th</sup> Floor, Millbank Tower, 21-24 Millbank, London SW1P 4QP as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. If the Corporation no longer maintains an office in England or if for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Corporation irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

**FORM OF NOTES AND PROVISIONS  
RELATING TO THE NOTES WHILE IN GLOBAL FORM**

*Words and expressions defined or used in “Terms and Conditions of the Notes” shall have the same meaning in this section.*

The Corporation and the relevant Dealer(s) shall agree on the form of Notes to be issued in respect of any issue of Notes. The form may be either registered, bookentry (for Notes denominated and payable in U.S. dollars to be cleared and settled through the Federal Reserve Banks) or bearer and will be specified in the applicable Final Terms. Notes payable in certain Specified Currencies may only be issued in global form.

**Registered Notes**

Each Series of Registered Notes sold in primary distribution entirely to investors in the United States shall, unless otherwise specified in the applicable Final Terms, initially be represented by a single Certificate in registered global form (a “Global Certificate”) deposited on its Issue Date with Citibank, N.A., London Branch (the “Custodian”) as custodian for, and registered in the name of a nominee of, DTC (a “DTC Global Certificate”).

Each Series of Registered Notes sold in primary distribution entirely to investors outside the United States shall, unless otherwise specified in the applicable Final Terms, initially be represented by one or more Global Certificates deposited on its or their Issue Date with the Custodian as depository for, and registered in the name of a nominee of, whichever clearing system(s) is agreed between the Corporation and the relevant Dealer(s) and specified in the applicable Final Terms.

Each Series of Registered Notes sold in primary distribution both within the United States and outside the United States shall, unless otherwise specified in the applicable Final Terms, initially be represented by one or more Global Certificates. A DTC Global Certificate in respect of Notes sold within the United States will be deposited on its Issue Date with the Custodian as custodian for, and registered in the name of a nominee of, DTC. The same or one or more other Global Certificates in respect of Notes sold outside the United States will be deposited on its or their Issue Date with the Custodian as depository for, and registered in the name of a nominee of, either DTC or the relevant clearing system(s) agreed between the Corporation and the relevant Dealer(s) and specified in the applicable Final Terms.

Registered Notes may, if so specified in the applicable Final Terms, initially be issued in definitive registered form represented by Certificates registered in the names of the beneficial owners thereof. Otherwise, Certificates registered in the names of beneficial owners will only be available (i) in the case of Notes initially issued as Bearer Notes, as described under “Bearer Notes” below; or (ii) in the case of Registered Notes initially represented by Global Certificates (other than Notes in certain Specified Currencies), in certain circumstances described below. Certificates to be issued at the request of a beneficial owner in respect of such owner’s Notes will be issued at the expense of such owner.

Unless otherwise specified in the applicable Final Terms, interests in a Global Certificate will be exchangeable for Registered Notes represented by Certificates registered in the names of the beneficial owners thereof only if such exchange is permitted by applicable law and (i) in the case of a DTC Global Certificate, DTC notifies the Corporation that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the DTC Global Certificate, or ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), or is at any time no longer eligible to act as such and the Corporation is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or (ii) in the case of any other Global Certificate, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (iii) if principal in respect of any Note is not paid when due, by the Noteholder giving notice to the Global Agent of its election for such exchange. In such circumstances, the Corporation will cause sufficient Certificates to be executed and delivered as soon as practicable (and in any event within 45 days of the occurrence of such circumstances) to the Registrar for completion, authentication and delivery to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Corporation and the Registrar may require to complete, execute and deliver such Certificates. Registered Notes shall not be exchangeable for Bearer Notes.

If so specified in the applicable Final Terms, interests in a Global Certificate may be exchanged for, or transferred to transferees who wish to take delivery thereof in the form of, interests in a DTC Global Certificate, and interests in a DTC Global Certificate may be exchanged for, or transferred to transferees who wish to take delivery thereof in the form of, interests in a Global Certificate. Any such exchange or transfer shall be made in accordance with the rules and operating procedures of DTC, Euroclear, and Clearstream, Luxembourg, and in compliance with the provisions of Clauses 7 and 9 of the Global Agency Agreement.

DTC has advised the Corporation that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of DTC Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in DTC Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant DTC Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant DTC Global Certificates in exchange for Certificates registered in the name(s) of beneficial owners of Registered Notes.

Except as described above, so long as a DTC Global Certificate is deposited with DTC or its custodian, Certificates registered in the name(s) of beneficial owners of Registered Notes will not be eligible for clearing or settlement through DTC or any other clearing system.

### **Fed Bookentry Notes**

On initial issue, all Notes denominated and payable in U.S. dollars which will be cleared and settled through the Federal Reserve Banks will be issued in uncertificated bookentry form only through the Federal Reserve Bank of New York and held by Holding Institutions designated by the relevant Dealer(s). After initial issue, all Fed Bookentry Notes will continue to be held by such Holding Institutions unless an investor arranges for the transfer of its Fed Bookentry Notes to another Holding Institution.

### **Bearer Notes**

Except as provided below, each Tranche of Bearer Notes with a maturity at issue of more than one year will initially be represented by a Temporary Global Note without Coupons, which (i) in the case of NGNs, will be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the relevant Issue Date or (ii) in the case of CGNs, will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on the relevant Issue Date. Interests in a Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note without Coupons or, if and to the extent specified in the applicable Final Terms, for Bearer Notes in definitive form, for interests in a Global Certificate or for Certificates registered in the name(s) of beneficial owners of Registered Notes. Bearer Notes may be exchanged for Registered Notes if and to the extent specified in the applicable Final Terms. Bearer Notes that are issued as part of a targeted bearer issuance will initially be represented by a Permanent Global Note or, if specified in the applicable Final Terms, Definitive Bearer Notes.

### **Initial Issue of Notes**

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

Global Notes which are issued in CGN form and Certificates may be delivered on or prior to the original Issue Date of the Tranche to a Common Depository.

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

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

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

### **Provisions relating to Bearer Notes while in Global Form**

Each Temporary Global Note and each Permanent Global Note will contain provisions which apply to the Bearer Notes while they are in global form, some of which supplement the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

*Exchange.* A Temporary Global Note is exchangeable in whole or in part (free of charge to the holder) either (i) after a period of not less than 40 days from the Issue Date, for either interests in a Permanent Global Note representing Bearer Notes (if the Global Note is in CGN form, or if the Global Note is in NGN form, the Corporation will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system) or, if and to the extent specified in the applicable Final Terms, for Definitive Bearer Notes, in each case upon certification as to non-U.S. beneficial ownership by the relevant clearing system in the form set out in the Global Agency Agreement; or (ii) in certain circumstances, if the applicable Final Terms so provides, for interests in a Global Certificate or for Certificates registered in the names of beneficial owners of Registered Notes. If one or more Temporary Global Notes are exchanged in whole or in part for Definitive Bearer Notes under (i) above, such Definitive Bearer Notes shall be issued in Specified Denominations of the minimum Specified Denomination only.

A Permanent Global Note (other than for Notes denominated in certain Specified Currencies) is exchangeable in whole (free of charge to the holder) for Definitive Bearer Notes if the Permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by such holder giving notice to the Global Agent. A Permanent Global Note is also exchangeable in whole or in part (free of charge to the holder) for interests in a Global Certificate or for Certificates registered in the name(s) of the beneficial owners on or after the Exchange Date (as defined below), if and to the extent specified in the applicable Final Terms. On or after any Exchange Date, the holder of a Permanent Global Note may surrender the Permanent Global Note to or to the order of the Global Agent. In exchange for the Permanent Global Note, the Corporation will deliver, or cause the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Bearer Notes (having attached to them all Coupons and Talons in respect of interest which has not already been paid on the Permanent Global Note and security-printed in accordance with any applicable legal and stock exchange requirements), Global Certificate(s) or Certificates registered in the names of the beneficial owners of Registered Note(s), as the case may be, each in or substantially in the form attached to the Global Agency Agreement. On exchange in full of the Permanent Global Note, the Corporation will, if the holder so requests, ensure that it is cancelled and returned to the holder.

“Exchange Date” means a day falling, in the case of exchange of a Temporary Global Note for a Permanent Global Note or Definitive Bearer Notes, not less than 40 days from the Issue Date, and, in the case of exchange of any Global Note, Definitive Bearer Notes or Global Certificates for Certificates registered in the names of the beneficial owners of Registered Notes or interests in a Global Certificate, not less than five days after the day on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Global Agent is located and, if applicable, in the cities in which the relevant clearing systems are located.

*Payments.* Prior to the Exchange Date, payments on a Temporary Global Note will be made only against certification of non-U.S. beneficial ownership by the relevant clearing system. On or after the Exchange Date, no payments will be made on the Temporary Global Note unless exchange for interests in a Permanent Global Note (or, if specified in the applicable Final Terms, for Definitive Bearer Notes, or for individual Certificates)

is improperly withheld or refused. Payments under the Global Note in CGN form will be made to its holder against presentation for endorsement and, if no further payment is to be made, surrender of the Permanent Global Note to or to the order of the Global Agent or such other Paying Agent as shall have been provided in a notice to the Noteholders for such purpose. If the Permanent Global Note is in CGN form, a record of each payment so made will be endorsed in the appropriate schedule to the Permanent Global Note, which endorsement will be *prima facie* evidence that such payment has been made. If the Permanent Global Note is in NGN form, the Corporation shall procure, that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Permanent Global Note will be reduced accordingly. Payments under the Global Note in NGN form will be made to its holder. Each payment so made will discharge the Corporation's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

*Notices.* So long as Bearer Notes are represented by a Permanent Global Note and the Permanent Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, except that if and so long as a Series of Bearer Notes is listed on the Luxembourg Stock Exchange or the Stock Exchange of Singapore Limited and the rules of that exchange so require, notices shall also be published, in the case of Notes listed on the Luxembourg Stock Exchange, either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, in the case of Notes listed on the Stock Exchange of Singapore Limited, in a leading newspaper with general circulation in Singapore (which is expected to be *The Business Times*).

*Prescription.* Other than for Notes governed by the laws of the State of New York, claims against the Corporation for principal and interest in respect of a Permanent Global Note will become prescribed unless the Permanent Global Note is presented for payment within the number of years from the appropriate Relevant Date (as described in Condition 8) as specified in the applicable Final Terms.

*Purchase and cancellation.* Cancellation of any Bearer Note which the Corporation elects to be cancelled following its purchase will be effected by reduction in the nominal amount of the Permanent Global Note.

*Default.* The holder of a Permanent Global Note may cause the Permanent Global Note or a portion of it to become due and repayable in circumstances described in Condition 9 by stating in the notice to the Corporation the nominal amount of Notes which is being declared due and repayable. Following the giving of notice of an event of default, the holder of a Permanent Global Note which is governed by English law and executed as a deed poll may elect that the Permanent Global Note becomes void as to a specified portion and that the persons entitled to such portion as accountholders with a clearing system acquire direct enforcement rights against the Corporation under the Deed of Covenant.

*Redemption at the option of the Corporation.* No drawing of Notes will be required under Condition 5(c) in the event that the Corporation exercises its call option set forth in that Condition while an issue of Bearer Notes is represented by a Permanent Global Note in respect of less than the aggregate nominal amount of such Bearer Notes then outstanding. In these circumstances, the relevant clearing systems will allocate the redemption of Bearer Notes as between holders.

*Redemption at the option of a Noteholder.* Any Noteholder's option set out in Condition 5(d) to require the Corporation to redeem Notes may be exercised by the holder of a Permanent Global Note giving notice to the Global Agent of the nominal amount of Bearer Notes in respect of which the option is exercised and, where the Permanent Global Note is in CGN form, presenting the Permanent Global Note for endorsement of exercise within the time limits specified in Condition 5(d). Where the Permanent Global Note is in NGN form, the Corporation shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

*NGN nominal amount.* Where the Permanent Global Note is in NGN form, the Corporation shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

**Meetings**

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be deemed to be two persons for the purposes of any quorum requirements of a meeting of Noteholders. At any such meeting, the Noteholder shall have one vote in respect of each Specified Denomination of Notes for which such Global Note may be exchanged or, in the case of Registered Notes, one vote in respect of each minimum Specified Denomination comprising such Noteholder's holding, whether or not represented by a Global Certificate.

**Partly Paid Notes**

The provisions relating to partly-paid Notes ("Partly Paid Notes") are not set out in this Prospectus, but will be contained in the applicable Final Terms and thereby in the Global Notes. Partly Paid Notes governed by the laws of the State of New York will not be issued. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Bearer Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Corporation may forfeit such Notes and shall have no further obligation to their holder in respect of them.

## CLEARANCE AND SETTLEMENT

### Introduction

The Program has been designed so that Notes may be held through one or more international and domestic clearing systems, principally, the bookentry systems operated by the Federal Reserve and DTC in the United States, and by Euroclear and Clearstream, Luxembourg in Europe. Electronic securities and payment transfer, processing, depository and custodial links have been established among these systems and others, either directly or indirectly through custodians and depositories, which enable Notes to be issued, held and transferred among the clearing systems across these links. Special procedures have been established among the Global Agent and these clearing systems to facilitate clearance and settlement of certain Notes traded across borders in the secondary market. Cross-market transfers of Notes denominated in certain currencies and issued in global form (as described below) may be cleared and settled using these procedures on a delivery against payment basis. Cross-market transfers of Notes in other than global form may be cleared and settled in accordance with other procedures established for this purpose among the Global Agent and the relevant clearing systems.

The relationship between the Corporation and the holder of a Registered Note, a Fed Bookentry Note or a Bearer Note is governed by the terms and conditions of that Note. The holder of a Global Note or a Global Certificate will be one or more clearing systems. The beneficial interests in Notes held by a clearing system will be in bookentry form in the relevant clearing system or a depository or nominee on its or their behalf. Each clearing system has its own separate operating procedures and arrangements with participants or accountholders which govern the relationship between them and the relevant clearing system and to which the Corporation is not and will not be a party. The Corporation will not impose fees payable by any holder with respect to any Notes held by one or more clearing systems; however, holders of beneficial interests in Notes may incur fees payable in respect of the maintenance and operation of the bookentry accounts in which Notes are held.

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

Citibank, N.A., London Branch (“Citibank”) is the Global Agent for Notes held through DTC, Euroclear, Clearstream, Luxembourg and such other clearing systems as may be specified in the applicable Final Terms. The Federal Reserve Bank of New York is the fiscal and paying agent for U.S. dollar denominated Notes issued in the United States and held through the bookentry system operated by the Federal Reserve Banks.

### The Global Agent and Paying Agents

Citibank will act as the Global Agent for Notes issued under the Program. Citibank has direct custodial and depository linkages with, and (unless otherwise provided in the applicable Final Terms) will act as custodian for Global Notes or Global Certificates held by, DTC, Euroclear and Clearstream, Luxembourg to facilitate issue, transfer and custody of Notes in these clearing systems. As necessary (and as more fully described below), Citibank will act as Registrar, Transfer Agent, Exchange Agent, Determination Agent and Paying Agent and, from time to time, Calculation Agent for the Notes as may be specified in the applicable Final Terms. Citibank, N.A., Singapore Branch will act as Singapore Paying Agent for Notes held through CDP.



## **The Clearing Systems**

### *Federal Reserve Bookentry System*

The Federal Reserve Banks operate the Federal bookentry system which provides bookentry holding and settlement for all U.S. dollar denominated securities issued by the U.S. government, certain of its agencies and international organizations (including the Corporation) in which the United States is a member. The system enables specified depositories and other institutions with an appropriate account with a Federal Reserve Bank or Branch (“Holding Institutions”) to hold, make payments and transfer securities and funds through the Federal Reserve Bank’s Fedwire electronic funds transfer system.

### *DTC*

DTC is a limited-purpose trust company organized under the laws of the State of New York, and is a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearance and settlement of transactions between DTC participants through electronic bookentry changes in accounts of DTC participants.

### *Euroclear*

Euroclear is incorporated in Belgium and has branch offices in Amsterdam, Paris and London. Euroclear holds securities for participating organizations and facilitates multicurrency clearance and settlement of securities transactions between its and Clearstream, Luxembourg accountholders through electronic bookentry changes in accounts of its accountholders.

### *Clearstream, Luxembourg*

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its participating organizations and facilitates multicurrency clearance and settlement of securities transactions between its and Euroclear’s accountholders through electronic bookentry changes in accounts of its accountholders.

### *Other Clearing Systems*

Any other clearing system which the Corporation, the Global Agent and the relevant Dealer(s) agree shall be available for a particular issue of Notes will be described in the applicable Final Terms, together with the clearance and settlement procedures for such clearing system.

## **Clearance and Settlement Procedures – Primary Distribution**

### *Introduction*

Distribution of Notes will be through one or more of the clearing systems described above or any other clearing system specified in the applicable Final Terms. Payment for Notes will be on a delivery versus payment or free delivery basis, as more fully described in the applicable Final Terms.

### *Registered Notes and Fed Bookentry Notes*

The Corporation and the relevant Dealer(s) shall agree whether global clearance and settlement procedures or specific clearance and settlement procedures should be available for any issue of Notes, as specified in the applicable Final Terms. Clearance and settlement procedures may vary according to the Specified Currency of issue. The customary clearance and settlement procedures are described under the specific clearance and settlement procedures below. Application will be made to the relevant clearing system(s) for the Notes of the relevant issue to be accepted for clearance and settlement and the applicable clearance numbers will be specified in the applicable Final Terms.

Unless otherwise agreed between the Corporation and the Global Agent, Citibank, N.A., acting through its relevant office, will act as the custodian or depository for all Notes in global form.

#### (i) Global Clearance and Settlement – Specified Currencies

Global clearance and settlement of Notes denominated in certain Specified Currencies will take place through those clearing systems specified in the applicable Final Terms. The procedures

expected to be followed are those which relevant clearing systems have established to clear and settle single global issues in the Specified Currency and will be set out in the applicable Final Terms.

(ii) **Specific Clearance and Settlement – Federal Reserve Bank of New York**

The Federal Reserve Bank of New York will take delivery of and hold Fed Bookentry Notes as record owner and custodian for other Federal Reserve Banks and for Holding Institutions located in the Second Federal Reserve District. Holding Institutions located in other Federal Reserve Districts can hold Fed Bookentry Notes through their respective Federal Reserve Banks or Branches.

The aggregate holdings of Fed Bookentry Notes of each Holding Institution will be reflected in the bookentry account of such Holding Institution with its Federal Reserve Bank or Branch. The Notes may be held of record only by Holding Institutions, which are entities eligible to maintain bookentry accounts with the Federal Reserve Banks. A Holding Institution may not be the beneficial holder of a Note. Beneficial holders will ordinarily hold the Notes through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. Each Holding Institution, and each other intermediate holder in the chain to the ultimate beneficial holder, will have the responsibility of establishing and maintaining accounts for its customers having interests in Fed Bookentry Notes.

Federal Reserve Banks will be responsible only for maintaining the bookentry accounts of Holding Institutions, effecting transfers on their books and ensuring that payments from the Corporation, through the Federal Reserve Bank of New York, are credited to appropriate Holding Institutions. With respect to Fed Bookentry Notes, Federal Reserve Banks will act only on the instructions of Holding Institutions for which they maintain such Fed Bookentry Notes. The Federal Reserve Banks will not record pledges of Fed Bookentry Notes.

(iii) **Specific Clearance and Settlement – DTC**

Registered Notes which are to be cleared and settled through DTC will be represented by a DTC Global Certificate. DTC participants acting on behalf of DTC investors holding Registered Notes through DTC will follow the delivery practices applicable to DTC's Same-Day Funds Settlement System. Registered Notes will be credited to DTC participants' securities accounts following confirmation of receipt of payment to the Corporation on the relevant Issue Date.

(iv) **Specific Clearance and Settlement – Euroclear and Clearstream, Luxembourg**

Registered Notes which are to be cleared and settled through Euroclear and Clearstream, Luxembourg will be represented by one or more Global Certificates registered in the name of a nominee of the Euroclear and Clearstream, Luxembourg depositaries. Investors holding Registered Notes through Euroclear and Clearstream, Luxembourg will follow the settlement procedures applicable to conventional eurobonds. Registered Notes will be credited to Euroclear and Clearstream, Luxembourg participants' securities clearance accounts either on the Issue Date or on the settlement day following the relevant Issue Date against payment in same day funds (for value on the relevant Issue Date).

*Bearer Notes*

The Corporation will make applications to Euroclear and Clearstream, Luxembourg for acceptance in their respective bookentry systems of any issue of Bearer Notes. Customary clearance and settlement procedures for each such clearing system applicable to bearer eurobonds denominated in the Specified Currency will be followed, unless otherwise specified in the applicable Final Terms.

**Clearance and Settlement Procedures – Secondary Market Transfers**

*Transfers of Registered Notes*

Transfers of interests in a Global Certificate within the various clearing systems which may be clearing and settling interests therein will be made in accordance with the usual rules and operating procedures of the relevant clearing system applicable to the Specified Currency and the nature of the transfer. Further details concerning such rules and procedures may be set forth in the applicable Final Terms.

For issues that are cleared and settled through both DTC and another clearing system, because of time zone differences, in some cases the securities account of an investor in one clearing system may be credited during the settlement processing day immediately following the settlement date of the other clearing system and the cash account will be credited for value on the settlement date but may be available only as of the day immediately following such settlement date.

The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a DTC Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a DTC Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a definitive security in respect of such interest.

#### *Transfers of Fed Bookentry Notes*

Transfers of Fed Bookentry Notes between Holding Institutions can be made through the Federal Reserve Communications System.

#### *Transfer of Bearer Notes*

Transfers of interests in a Temporary Global Note or a Permanent Global Note and of Definitive Bearer Notes held by a clearing system will be made in accordance with the normal euromarket debt securities operating procedures of the relevant clearing system.

#### *General*

Although DTC, Euroclear and Clearstream, Luxembourg have established procedures to facilitate transfers of beneficial interests in Notes in global form among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Corporation, the Global Agent or any other agent will have responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective obligations under the rules and procedures governing their operations.

#### *Pre-issue Trades Settlement*

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the Commission under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

## TAX MATTERS

*United States Internal Revenue Service Circular 230 Notice: To ensure compliance with U.S. Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the U.S. Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.*

The following is a summary of the provisions of the Articles of Agreement concerning taxation of the Notes and of certain anticipated United States federal income, withholding and estate tax consequences resulting from the ownership of the Notes. This summary does not cover all of the possible tax consequences relating to the ownership of the Notes and the receipt of interest thereon, and it is not intended as tax advice to any person. It addresses only holders who are initial purchasers of the Notes at the initial offering price and hold the Notes as capital assets, and does not address special classes of holders, such as dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, banks, tax-exempt entities, life insurance companies, persons holding Notes as a hedge or hedged against interest rate or currency risks or as part of a straddle or conversion transaction, or holders whose functional currency is not the U.S. dollar. Investors who purchase Notes at a price other than the offering price should consult their tax advisor as to the possible applicability to them of the amortizable bond premium or market discount rules. This summary is based upon the United States federal income, withholding and estate tax laws as currently in effect and as currently interpreted and does not include any description of the tax laws of any state, local or foreign government that may apply.

*Prospective purchasers of Notes should consult their own tax advisors concerning the application of the United States federal income, withholding and estate tax laws, as well as the possible application of the tax laws of any other jurisdiction, to their particular situation.*

A discussion of any special anticipated United States federal income, withholding and estate tax consequences associated with a particular issue of Notes will be included in the applicable Final Terms. Prospective purchasers of Notes issued at a discount, Notes issued at a premium, Notes with a maturity of one year or less, Notes with variable maturities or interest payment dates, instalment Notes, Dual Currency Notes, Party Paid Notes, or Notes providing for principal or interest payments that are variable or contingent for United States federal income tax purposes should consult the applicable Final Terms for any special United States federal income, withholding and estate tax considerations with respect to such Notes.

### **Taxation of the Notes in General**

The Notes and the interest thereon generally will be subject to taxation, including United States federal income taxation. Under the Articles of Agreement, however, the Notes and the interest thereon are not subject to any tax by a member country of the Corporation (i) which tax discriminates against the Notes solely because they were issued by the Corporation, or (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Corporation. The imposition of United States federal income tax in the manner described herein is not inconsistent with the Articles of Agreement.

### **United States Federal Income Taxation**

#### *Bearer Notes*

Notes issued as Bearer Notes under this Program may, in certain circumstances, be treated by the U.S. Internal Revenue Service as registered notes and not as bearer notes for U.S. federal income tax purposes. Any reference to “Bearer Notes” in this section assumes that such Bearer Notes will be treated as bearer notes for U.S. federal income tax purposes.

### *Treatment of Qualified Stated Interest*

Under the Internal Revenue Code of 1986, as amended (the “Code”), a holder of a Note who or which is (i) a United States citizen or resident alien individual, (ii) a United States domestic corporation, (iii) an estate subject to United States federal income taxation on a net income basis in respect of a Note or (iv) a trust if a United States court can exercise primary supervision over the trust’s administration and one or more United States persons are authorized to control all substantial decisions of the trust (a “U.S. Holder”) will be taxable on the qualified stated interest accrued or received on such Note in accordance with such U.S. Holder’s method of accounting for United States federal income tax purposes. Qualified stated interest is interest that is payable at a single fixed rate at least annually. Notes bearing interest other than qualified stated interest and Notes issued at a discount may be subject to the original issue discount provisions of the Code.

If an interest payment is denominated in or determined by reference to a currency other than the U.S. dollar (a “foreign currency”), the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. Accrual basis U.S. Holders may determine the amount of income recognized with respect to such interest payments in accordance with either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars. Under the first method, the amount of income recognized will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year).

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

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, an accrual basis U.S. Holder will recognize ordinary income or loss measured by the difference between (x) the average exchange rate used to accrue interest income, or the exchange rate as determined under the second method described above if the U.S. Holder elects that method, and (y) the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

The United States Treasury Department has issued to the Corporation a ruling dated February 14, 1992 (the “Ruling”) regarding certain United States federal tax consequences of the receipt of interest on securities issued by the Corporation. The Ruling provides that interest paid by the Corporation on such securities, including payments attributable to accrued original issue discount, constitutes income from sources without the United States.

Because, under the Ruling, interest and original issue discount on the Notes is treated as income from sources without the United States, interest paid by the Corporation would ordinarily not be subject to United States federal income tax, including withholding tax, if paid to a nonresident alien individual (or foreign estate or trust not subject to United States federal income tax on a net income basis) or to a foreign corporation (a “non-U.S. Holder”), whether or not such person is engaged in trade or business in the United States. However, absent any special statutory or treaty exception, such income would be subject to United States federal income tax in the following cases: (a) such interest is derived by such person in the active conduct of a banking, financing or similar business within the United States and such interest is attributable to an office or other fixed place of business of such person within the United States or (b) such person is a foreign corporation taxable as an insurance company carrying on a United States insurance business to which such interest is attributable.

### *Purchase, Sale and Retirement of the Notes*

A U.S. Holder's initial tax basis in a Note will generally be its U.S. dollar cost. The U.S. dollar cost of Notes purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market (within the meaning of Treasury Regulations Section 1.988-2(a)(2)(iv)) purchased by a cash basis U.S. Holder (or an electing accrual basis U.S. Holder), on the settlement date for the purchase. A U.S. Holder's initial tax basis in a Note may be adjusted in certain circumstances, such as, in the case of an accrual basis U.S. Holder, the accrual of interest income.

A U.S. Holder generally will recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the adjusted tax basis of the Note. The amount realized on a sale or retirement for an amount in a foreign currency will be the U.S. dollar value of such amount on the date of sale or retirement or, in the case of Notes traded on an established securities market (within the meaning of Treasury Regulations Section 1.988-2(a)(2)(iv)) sold by a cash basis U.S. Holder (or an electing accrual basis U.S. Holder), on the settlement date for the sale. Except to the extent described in the next succeeding paragraph or attributable to accrued but unpaid interest, gain or loss recognized on the sale or retirement of a Note will be capital gain or loss. Capital gain of a non-corporate U.S. Holder that is recognized in taxable years beginning before January 1, 2011 is generally taxed at a maximum rate of 15 per cent. where the holder has a holding period greater than one year.

Gain or loss recognized by a U.S. Holder on the sale or retirement of a Note that is attributable to changes in exchange rates will be treated as ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

A United States person generally will not be entitled to deduct any loss sustained on the sale or other disposition (including the receipt of principal) of Bearer Notes (other than Bearer Notes having a maturity of one year or less from the date of issue) and must treat as ordinary income any gain realized on the sale or other disposition (including the receipt of principal) of Bearer Notes (other than Bearer Notes having a maturity of one year or less from the date of issue).

A non-U.S. Holder generally will not be taxable on gain or loss on the sale or exchange of a Note unless ownership of the Note is effectively connected with the conduct of a trade or business in the United States or, in the case of a nonresident alien individual, such individual is present in the United States for 183 or more days in the taxable year of the sale or exchange and certain other conditions are met.

### *Exchange of Amounts in Foreign Currency*

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

### **United States Federal Withholding Tax**

Under the Articles of Agreement, the Corporation is not under any obligation to withhold or pay any tax imposed by any member on the interest on the Notes. The Ruling confirms that neither the Corporation nor an agent appointed by it as principal for the purpose of paying interest on securities issued by the Corporation is required to withhold tax on interest paid by the Corporation. Payments of interest and accrued original issue discount on the Notes will therefore be made to the Fiscal Agent without deduction in respect of any such tax.

### **United States Federal Estate Tax**

In the case of United States federal estate tax, the Ruling determined that, unless an applicable death tax convention with a foreign country provides otherwise, securities of the Corporation are deemed to be situated without the United States for purposes of the United States federal estate tax and are not includible in the value of the gross estate for purposes of such tax in the case of the estate of a nonresident of the United States who is not a citizen of the United States.

### **United States Information Reporting and Backup Withholding**

The Corporation is not subject to the reporting requirements that generally are imposed by United States law with respect to certain payments of interest or principal on debt obligations, nor is it subject to backup withholding obligations imposed in certain circumstances by United States law with respect to such payments. While temporary regulations issued by the Internal Revenue Service confirm that the backup withholding requirements do not apply to any paying agent of the Corporation with respect to the Notes, the Fiscal Agent may file information returns with the Internal Revenue Service with respect to payments on the Notes made within the United States to certain non-corporate United States persons as if such returns were required.

Brokers, trustees, custodians and other intermediaries within the United States are subject to reporting and backup withholding requirements with respect to certain payments on the Notes received by them for the account of certain non-corporate United States persons, and foreign persons receiving payments on the Notes within the United States may be required by such intermediaries to establish their status in order to avoid information reporting and backup withholding by such intermediaries in respect of such payments.

## CURRENCY CONVERSIONS

### Payments for Notes

Investors will be required to pay for Notes in the applicable Specified Currency. Each Dealer may, under certain terms and conditions, arrange for the conversion of the Investor's Currency into the Specified Currency to enable investors whose financial activities are denominated principally in the Investor's Currency to pay for the Notes in the Specified Currency. Each such conversion will be made by such Dealer (in this respect acting as principal and not as an agent of the Corporation) on such terms and subject to such conditions, limitations and charges as such Dealer may from time to time establish in accordance with its regular foreign exchange practices, and subject to any applicable laws and regulations. All costs of conversion will be borne by such investors of the Notes.

### Payments on Notes

Payments in respect of such Notes will be made in the Specified Currency for principal, premium (if any) and/or interest payments as specified in the applicable Final Terms. Currently, there are limited facilities in the United States for the conversion of U.S. dollars into foreign currencies and vice versa. In addition, most banks in the United States do not currently offer non-U.S. dollar denominated checking or savings account facilities in the United States. Accordingly, unless otherwise specified in the applicable Final Terms, payments in respect of Notes in a Specified Currency other than U.S. dollars will be made to an account outside the United States.

Noteholders holding interests in a DTC Global Note denominated in a Specified Currency other than U.S. dollars ("DTC Noteholders") will receive payments in U.S. dollars, unless they elect to receive such payments in the Specified Currency. In the event that a DTC Noteholder shall not have made such election, payments to such DTC Noteholder will be converted to U.S. dollars by the Exchange Agent. The U.S. dollar amount in respect of any payment to be paid to a DTC Noteholder who did not make a timely election to receive payment in the Specified Currency will be based on the Exchange Agent's spot rate for the purchase of U.S. dollars with the aggregate amount of the Specified Currency payable to all DTC Noteholders receiving U.S. dollar payments, for settlement on the applicable Payment Date, at a time and date immediately preceding such Payment Date, unless otherwise specified in the applicable Final Terms. If such spot rate is not available, the Exchange Agent will obtain a bid quotation from a leading foreign exchange bank in London or New York City selected by the Exchange Agent for such purchase. All costs of any such conversion into U.S. dollars will be borne by the relevant DTC Noteholder by deduction from such payments. If no spot rate or bid quotation is available, the Exchange Agent will make payments in the Specified Currency to Noteholders who were expecting to receive U.S. dollars, provided that such payment will only be made to such a Noteholder if and when the Exchange Agent has been notified of the Specified Currency account to which such payment should be made.

A DTC Noteholder may elect to receive payment of the principal and premium (if any) of, or interest with respect to, the Notes in the Specified Currency (other than U.S. dollars) by notifying DTC prior to 5:00 p.m. Eastern Standard Time ("E.S.T.") on the third DTC Business Day following the applicable record date in the case of interest, and the twelfth calendar day prior to the payment date for the payment of principal, of (i) such holder's election to receive all or a portion of such payment in the Specified Currency for value the relevant due date for interest payment or final redemption, as the case may be, and (ii) wire transfer instructions to an account denominated in the Specified Currency with respect to any payment to be made in the Specified Currency. Such election shall be made by the Noteholder holding its interest in a DTC Global Note and any such election in respect of that payment shall be irrevocable. An indirect DTC participant must notify the DTC Noteholder through which it is holding its interest in a DTC Global Note of such election and wire transfer instructions prior to 5:00 p.m. E.S.T. on the first DTC Business Day following the applicable record date. DTC will notify the Exchange Agent of such election and wire transfer instructions and of the amount of the Specified Currency to be converted into U.S. dollars, prior to 5:00 p.m. E.S.T. on the fifth DTC Business Day following the applicable record date in the case of interest and the tenth calendar day prior to the payment date for the payment of principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC, and by DTC to the Exchange Agent, on or prior to such dates, the DTC Noteholder will receive payment in the Specified Currency outside DTC. Otherwise, only U.S. dollar payments will be made by the Exchange Agent. Payments in the Specified Currency (other than U.S. dollars)



outside DTC will be made by wire transfer of same day funds in accordance with the relevant wire transfer instructions for value the relevant payment date.

## PLAN OF DISTRIBUTION

### Dealers

The Program provides for the appointment of dealers in respect of any particular issue of Notes (all such dealers together, the “Dealers”). Morgan Stanley & Co. International plc (“Morgan Stanley”) is arranger of the Program pursuant to a Program Agreement between the Corporation and Morgan Stanley, dated June 3, 2008. There are no sponsoring dealers under the Program. Any Dealer will be able to purchase Notes on an underwritten basis, either individually or as part of a syndicate, or on an agency basis.

### Standard Provisions

Notes may be sold from time to time by the Corporation to or through any one or more Dealers and by the Corporation itself. The arrangements under which the Notes may from time to time be agreed to be sold by the Corporation to or through the Dealers are set out in the Standard Provisions dated as of June 3, 2008 (as amended or supplemented from time to time, the “Standard Provisions”). The Standard Provisions will be incorporated by reference into the terms agreement by which Dealers are appointed in respect of a particular issue of Notes.

Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the method of distribution of the Notes, the price at which such Notes will be purchased by the relevant Dealer(s) and the commissions or other agreed deductibles (if any) which are payable or allowable by the Corporation in respect of such purchase. In addition, each placement of Notes is subject to certain conditions, including the condition that there shall not have occurred any national or international calamity or development, crisis of a political or economic nature, or change in the money or capital markets in which the Notes are being offered, the effect of which on such financial markets shall be such as in the judgment of the relevant Dealer(s) or the Corporation materially adversely affects the ability of the relevant Dealer(s) to sell or distribute the Notes, whether in the primary market or in respect of dealings in the secondary market.

### Sales Restrictions

No action has been or will be taken in any jurisdiction by any Dealer or the Corporation that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus, or any part thereof including any Final Terms, or any other offering or publicity material relating to the Notes, in such jurisdiction. The relevant Dealer(s) (and the Corporation in connection with sales of Notes on its own behalf) will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells, or delivers Notes or has in its possession or distributes this Prospectus, or any part thereof including any Final Terms, or any such other material, in all cases at its own expense.

No Dealer is authorized to make any representation or use any information in connection with the issue, offering and sale of the Notes other than as contained in this Prospectus, the applicable Final Terms or such other information relating to the Corporation and/or the Notes which the Corporation has authorized to be used.

Selling restrictions may be modified by the agreement of the Corporation and the relevant Dealer(s) following a change in any relevant law, regulation or directive. Selling restrictions may also be added to reflect the requirements of any particular Specified Currency. Any such modification or addition will be set out in the Final Terms issued in respect of each issue of Notes to which such modification or addition relates or in a supplement to this Prospectus.

### United States

The Notes are not required to be registered under the U.S. Securities Act of 1933, as amended.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions, except in certain transactions permitted by U.S. tax regulations. Accordingly, under U.S. federal tax laws and regulations, Bearer Notes (including Temporary Global Notes and Permanent Global Notes) with a maturity of more than one year may not be offered or sold during the restricted period (as

defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) within the United States or to United States persons (each as defined below) other than to an office located outside the United States of a United States financial institution (as defined in United States Treasury Regulations Section 1.165-12(c)(1)(v)), purchasing for its own account or for resale or for the account of certain customers, that provides a certificate stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Code, and the United States Treasury Regulations thereunder, or to certain other persons described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(1)(iii)(B). Moreover, such Bearer Notes may not be delivered in connection with their sale during the restricted period within the United States. Any distributor (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4)) participating in the offering or sale of Bearer Notes with a maturity of more than one year must agree that it will not offer or sell during the restricted period any such Bearer Notes within the United States or to United States persons (other than the persons described above), it will not deliver in connection with the sale of such Bearer Notes during the restricted period any such Bearer Notes within the United States and it has in effect procedures reasonably designed to ensure that its employees and agents who are directly engaged in selling the Bearer Notes are aware of the restrictions on offers and sales described above. No Bearer Notes (other than a Temporary Global Note and certain Bearer Notes described in the following paragraph) with a maturity of more than one year may be delivered, nor may interest be paid on any such Bearer Note, until the person entitled to receive such Bearer Note or such interest furnishes a written certificate to the effect that the relevant Bearer Note (i) is owned by a person that is not a United States person, (ii) is owned by a United States person that is a foreign branch of a United States financial institution purchasing for its own account or for resale, or is owned by a United States person who acquired the Bearer Note through the foreign branch of such a financial institution and who holds the Bearer Note through such financial institution on the date of certification, provided, in either case, that such financial institution provides a certificate to the Corporation or the distributor selling the Bearer Note to it, within a reasonable time of selling the Bearer Note, stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Code and the United States Treasury Regulations thereunder, or (iii) is owned by a financial institution for purposes of resale during the restricted period. A financial institution described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) must certify that it has not acquired the Bearer Note for purposes of resale directly or indirectly to a United States person or to a person within the United States. In the case of a Note represented by a Permanent Global Note, such certification must be given in connection with notation of a beneficial owner's interest therein.

A Bearer Note will not be subject to the certification requirements described in the preceding paragraph if the Bearer Note is sold during the restricted period and all of the following conditions are satisfied: (i) the interest and principal with respect to the Bearer Note are denominated only in the currency of a single foreign country; (ii) the interest and principal with respect to the Bearer Note are payable only within that foreign country; (iii) the Bearer Note is offered and sold in accordance with practices and documentation customary in that foreign country; (iv) the distributor of the Bearer Note agrees to use reasonable efforts to sell the Bearer Note within that foreign country; (v) the Bearer Note is not listed, or the subject of an application for listing, on an exchange located outside that foreign country; (vi) the U.S. Internal Revenue Service has designated the foreign country as a foreign country in which certification under Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(i) is not permissible; (vii) the issue of the Bearer Note is subject to guidelines or restrictions imposed by governmental, banking or securities authorities in that foreign country; and (viii) more than 80 per cent., by value, of the Bearer Notes included in the offering of which the Bearer Note is a part are sold to non-distributors by distributors maintaining an office located in that foreign country. Bearer Notes that are convertible into U.S. dollar denominated debt obligations or which are otherwise linked by their terms to the U.S. dollar are not eligible for the certification exemption described in this paragraph. The only foreign countries that have been designated as foreign countries in which certification under Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(i) is not permissible are Switzerland and Germany.

Each Temporary Global Note, Permanent Global Note or Bearer Note with a maturity of more than one year, and any Talons and Coupons relating to such Bearer Notes, will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

As used herein, “United States person” means any citizen or resident of the United States, any corporation, partnership or other entity created or organized in or under the laws of the United States and any estate or trust the income of which is subject to United States federal income taxation regardless of its source, and “United States” means the United States of America (including the states thereof and the District of Columbia) and its possessions. Other terms used herein have the meanings given to them by the Code and the Treasury Regulations issued thereunder.

#### *United Kingdom*

Each Dealer will be required to represent, warrant and agree that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

#### *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”) and each Dealer will be required to represent, warrant and agree that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Financial Instruments and Exchange Law and any applicable laws, regulations and ministerial guidelines of Japan.

#### *Singapore*

Each dealer acknowledges that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

#### *France*

Any offer of Notes in France pursuant to this Prospectus falls within Article L.411-2 of the *Code monétaire et financier*. This Prospectus has not been reviewed by the *Autorité des marchés financiers*.

## **VALIDITY OF THE NOTES**

The validity of the Notes will be passed on by the General Counsel, or the Deputy General Counsel, of the Corporation and by Sullivan & Cromwell LLP (as to Notes governed by New York law) and Linklaters LLP (as to Notes governed by English law), counsel to the Dealers, each of which, with respect to certain matters, will rely upon counsel to the Corporation. It is expected that the validity of Notes governed by the law of any other jurisdiction will be passed on by counsel to the relevant Dealers at the time of issue.

The opinions of counsel to the Corporation, Sullivan & Cromwell LLP and Linklaters LLP will be conditioned upon, and subject to certain assumptions regarding, future action required to be taken by the Corporation and the Global Agent or the Fiscal Agent in connection with the issuance and sale of any particular Note, the specific terms of Notes and other matters which may affect the validity of Notes but which cannot be ascertained on the date of such opinions.

## GENERAL INFORMATION

1. The execution of all documents associated with the Program and, subject to the borrowing limit authorized by the Board of Directors of the Corporation from time to time, the creation, issue, sale execution and delivery of the Notes has been authorized by resolutions approved by the Board of Directors of the Corporation.

2. Application has been made for Notes issued under the Program to be admitted to the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

3. There has been no significant change in the financial position of the Corporation since June 30, 2007.

4. The Corporation is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Corporation is aware) during the 12 months preceding the date of this Prospectus which are likely to have, or have had in the recent past, significant effects on the financial position of the Corporation.

5. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

6. For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Global Agent:

- (i) the Global Agency Agreement (which includes the form of the Global Notes, the Definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
- (ii) the Fiscal Agency Agreement (which includes the form of the Definitive Registered Bookentry Notes);
- (iii) the Program Agreement;
- (iv) the Deed of Covenant;
- (v) the Articles of Agreement of the Corporation;
- (vi) the documents incorporated by reference in this Prospectus;
- (vii) each Final Terms (other than for an unlisted Series of Notes);
- (viii) a copy of this Prospectus together with any supplement to this Prospectus or further Prospectus; and
- (ix) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus and the Final Terms for Notes that are admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

7. Copies of the latest Information Statement and the latest unaudited quarterly financial statements of the Corporation may be obtained, and copies of the Global Agency Agreement, the Fiscal Agency Agreement and the Deed of Covenant will be available for inspection, at the specified office of the Global Agent during normal business hours, so long as any of the Notes is outstanding.

8. Deloitte & Touche LLP of 555 12th Street NW, Washington, DC 20004-1207, U.S.A. have audited, and rendered their report dated August 3, 2007, February 13, 2008 as to Note X (which expresses an unqualified opinion and includes explanatory paragraphs that describe the adoption, as described in Note A, of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, and the restatement described in Note X).

## FORM OF FINAL TERMS

### Final Terms dated [●]

#### International Finance Corporation

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under its

#### Global Medium-Term Note Program

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated June 3 [and the supplemental Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Prospectus [as so supplemented]. Full information on International Finance Corporation (the “**Corporation**”) and the offer of the Notes is only available on the basis of the combination of this Final Terms and the Prospectus [as so supplemented]. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at [address] [and] [website] and copies may be obtained from [address].

#### **THE NOTES ARE NOT AN OBLIGATION OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT OR OF ANY GOVERNMENT.**

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

1. Issuer: International Finance Corporation
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]  
(i) Series: [ ]  
(ii) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [ ] *(If these Final Terms specify “Temporary Global Notes exchangeable for individual Definitive Bearer Notes on Exchange Date”, Notes may only be issued in Specified Denomination(s))*  
(ii) Calculation Amount: [ ]
7. [(i)] Issue Date: [ ]  
[(ii)] Interest Commencement Date: [ ]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*

9. Interest Basis:  % Fixed Rate]  
 [*specify reference rate*] +/-  % Floating Rate]  
 Zero Coupon]  
 Index Linked Interest]  
 Other (*specify*)]  
(further particulars specified below)
10. Redemption/Payment Basis:  Redemption at par]  
 Index Linked Redemption]  
 Dual Currency]  
 Partly Paid]  
 Instalment]  
 Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12. Put/Call Options:  Corporation Call]  
 Automatic Call]  
 Investor Put]  
[(further particulars specified below)]
13. Status of the Notes: Senior
14. Method of distribution:  Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions:  Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount
- (iv) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]*]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA)/ISDA)/other]
- (vi) Determination Dates: [ ] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. Floating Rate Note Provisions:  Applicable/Not Applicable]  
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): [ ]
- (ii) Specified Interest Payment Dates: [ ]



- (iii) First Interest Payment Date: [ ]
- (iv) Interest Period Date: [ ]  
(Not applicable unless different from Interest Payment Date)
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (vi) Business Centre(s): [ ]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [ ]
- (ix) Screen Rate Determination:
- Reference Rate: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (x) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Rate of Interest: [ ] per cent. per annum
- (xiii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiv) Day Count Fraction: [ ]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortization Yield: [ ] per cent. per annum
  - (ii) Any other formula/basis of determining amount payable: [ ]
18. Index Linked Interest Note/other variable-linked interest Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]

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

## **PROVISIONS RELATING TO REDEMPTION**

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

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice period: [ ]
- Call Option II (Automatic): [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period: [ ]
- (iv) Automatic redemption events: *[give details]*
21. Put Option: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period [ ]
22. Final Redemption Amount of each Note: [ ] per Calculation Amount
- In cases where the Final Redemption Amount is Index Linked or other variable-linked:
- (i) Index/Formula/variable: *[give or annex details]*
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [ ]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Determination Date(s): [ ]
- (v) Provisions for determining Final Redemption Amount where calculation by reference [ ]

to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

- (vi) Payment Date: [ ]
- (vii) Minimum Final Redemption Amount: [ ] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [ ] per Calculation Amount

23. Early Redemption Amount:

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

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

24. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note on the Exchange Date]

[Temporary Global Note exchangeable for individual Definitive Bearer Notes on Exchange Date]

Exchange Date in respect of Temporary Global Note: [ ]

Registered Notes:

[Global Registered Certificate available on Issue Date]

[Individual Definitive Registered Certificates available on Issue Date]

Fed Bookentry Notes:

[Fed Bookentry Notes available on Issue Date]

25. New Global Note (NGN):

[Yes/No]

26. Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/*give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs, 15(ii), 16(vi) and 18(x) relate.*]

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. *If yes, give details.*]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Corporation to forfeit the Notes and interest due on late payment]:

[Not Applicable/*give details*]

29. Details relating to instalment Notes: amount of each instalment, date on

[Not Applicable/*give details*]

which each payment is to be made:

- 30. Redenomination, renominialization and reconventioning provisions: [Not Applicable/The following provisions apply:[ ]]
- 31. Consolidation provisions: [Not Applicable/The following provisions apply:[ ]]
- 32. Additional terms: Applicable [*give details*]
  - (i) Governing law: [New York/English/other]

**DISTRIBUTION**

- 33. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis, if such entities are not the same as the Managers.)*
- (ii) Date of Terms Agreement: [ ]
- (iii) Stabilizing Manager(s) (if any): [Not Applicable/*give name*]
- 34. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
- 35. Total commission and concession: [ ] per cent. of the Aggregate Nominal Amount
- 36. Additional selling restrictions: [Not Applicable/*give details*]

**RESPONSIBILITY**

The Corporation accepts responsibility for the information contained in this Final Terms. [Third party information has been extracted from [*source*]]. The Corporation confirms that such information has been accurately reproduced and that, so far as it is aware it is able to ascertain from information published by [*source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Corporation:

By: .....  
Duly authorized

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Luxembourg/Singapore/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]
- (Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)*

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)*

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Save as discussed in “Plan of Distribution” in the Prospectus, so far as the Corporation is aware, no person involved in the offer of the Notes has an interest material to the offer.]

### 4. OPERATIONAL INFORMATION

Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*Include this text if “Yes” selected in which case the Notes must be issued in NGN form*]

ISIN Code: [ ]

Common Code: [ ]

CUSIP: [ ]

CINS: [ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and The Depository Trust Company and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)[ and address(es)]*]

[Bookentry system of the Federal Reserve Banks]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [ ]

**5. GENERAL**

Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable]

**PRINCIPAL OFFICE  
OF THE CORPORATION**  
**International Finance Corporation**  
2121 Pennsylvania Avenue, N.W.  
Washington, DC 20433  
U.S.A.

**FISCAL AGENT**  
**Federal Reserve Bank of New York**  
33 Liberty Street  
New York, NY 10045  
U.S.A.

**GLOBAL AGENT, PRINCIPAL PAYING AGENT,  
REGISTRAR AND TRANSFER AGENT, EXCHANGE AGENT, DETERMINATION AGENT AND  
CALCULATION AGENT**

**Citibank, N.A., London Branch**  
21<sup>st</sup> Floor, Citigroup Centre  
Canada Square, Canary Wharf  
London E14 5LB

**SINGAPORE PAYING AGENT**  
**Citibank, N.A., Singapore Branch**  
5 Shenton Way, #06-00  
UIC Building  
Singapore 068808

**LISTING AGENT (LUXEMBOURG), PAYING AGENT  
AND TRANSFER AGENT**

**Dexia Banque Internationale à Luxembourg S.A.**  
69 route d'Esch  
Luxembourg, L-1470  
Luxembourg

**AUDITORS TO THE CORPORATION**

**Deloitte & Touche LLP**  
555 12<sup>th</sup> Street, N.W.  
Washington, DC 20004-1207  
U.S.A.

**LEGAL ADVISERS TO THE DEALERS**

*In respect of English law*

**Linklaters LLP**  
1345 Avenue of the Americas  
New York, NY 10105  
U.S.A.

*In respect of United States law*

**Sullivan & Cromwell LLP**  
1701 Pennsylvania Avenue, N.W.  
Washington, DC 20006  
U.S.A.



**THE CORPORATION**  
**International Finance Corporation**  
2121 Pennsylvania Avenue, N.W.  
Washington, DC 20433  
United States of America  
Contact: Martin Habel

**ARRANGER**  
**International Finance Corporation**  
2121 Pennsylvania Avenue, N.W.  
Washington, DC 20433  
United States of America  
Contact: Martin Habel

**JSE DEBT SPONSOR**  
**The Standard Bank of South Africa Limited,**  
**acting through its Corporate and Investment Banking division**  
30 Baker Street  
3<sup>rd</sup> Floor East  
Rosebank  
Johannesburg, 2196  
South Africa  
P O Box 61690  
Marshalltown, 2107  
Johannesburg  
South Africa  
Contact: Natalie Di-Sante

**CALCULATION AGENT, TRANSFER AGENT AND PAYING AGENT**  
**The Standard Bank of South Africa Limited,**  
**acting through its Corporate and Investment Banking division**  
25 Sauer Street  
Johannesburg, 2001  
South Africa  
P O Box 61690  
Marshalltown, 2107  
Johannesburg  
South Africa  
Contact: Pepsi Vermeulen

**LEGAL ADVISORS TO THE CORPORATION AS TO SOUTH AFRICAN LAW**  
**Bowman Gilfillan Incorporated**  
165 West Street  
Sandton, 2196  
South Africa  
PO Box 785812  
Sandton, 2146  
South Africa  
Contact: Casper van Heerden

**AUDITORS**  
**INDEPENDENT AUDITORS OF THE CORPORATION**  
**KPMG LLP**  
Suite 12000  
1801 K Street, N.W.  
Washington, DC 20006  
United States of America  
Contact: Mark A. McFaddin