

OFFERING MEMORANDUM



U.S.\$35,000,000,000  
Programme for the issuance of  
Euro Medium-Term Notes, Series B

Under the Programme for the issuance of Euro Medium-Term Notes, Series B described in this Offering Memorandum (the “**Programme**”), Citigroup Inc. (the “**Issuer**” or “**Citigroup**”) may from time to time issue senior notes (the “**Senior Notes**”) and subordinated notes (the “**Subordinated Notes**” and, together with the Senior Notes, the “**Notes**”) with a maturity of nine months or more, subject to compliance with all laws, regulations and directives. The aggregate principal amount of Notes outstanding at any time will not exceed U.S.\$35,000,000,000 (or the equivalent in other currencies).

Application has been made to list the Notes issued under the Programme described in this Offering Memorandum during the period of twelve months after the date hereof on the Luxembourg Stock Exchange, however the Issuer is not required to maintain the listing of any Notes so listed. Notes may also be listed on any other stock exchange as set out in the relevant Pricing Supplement.

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**Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to United States persons (as defined herein). For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Memorandum or any pricing supplement and other offering material relating to the Notes, see “Subscription and Sale”.**

The Notes will not be deposits or savings accounts but are unsecured debt obligations of Citigroup. The Notes will not be insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

Arranger

**Citigroup**

Dealer

**Citigroup**

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Offering Memorandum and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Memorandum should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Pricing Supplement (as defined herein).

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Memorandum or any other document entered into in connection with the Programme or any information supplied by the Issuer or such other information as is in the public domain in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers (as defined in "Subscription and Sale"). Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the financial position or affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Memorandum or any Pricing Supplement and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. In addition, the Issuer has not authorised any offer of Notes having a maturity of one year or more to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the "**Regulations**"). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

Neither this Offering Memorandum nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Offering Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Dealers have not separately verified the information contained in this Offering Memorandum. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Memorandum. Neither this Offering Memorandum nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Offering Memorandum (or any information incorporated herein by reference) should purchase Notes. Each purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum (and any information incorporated herein by reference) and its purchase of Notes should be based upon such investigation as it deems necessary. No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

The Issuer has not authorised any offer of Notes having a maturity of one year or more to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (the

“**Regulations**”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the Regulations or otherwise in compliance with all applicable provisions of the Regulations.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$35,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into United States dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement (as defined under “Subscription and Sale”)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In this Offering Memorandum, unless otherwise specified, references to “**U.S.\$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**£**”, “**GBP**” and “**Sterling**” are to the lawful currency for the time being of the United Kingdom and references to “**€**”, “**EUR**” or “**Euro**” are to the single currency adopted by those states participating, from time to time, in European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER (IF ANY) WHICH IS SPECIFIED IN THE RELEVANT PRICING SUPPLEMENT AS THE STABILISING MANAGER (OR ANY PERSON ACTING FOR THE STABILISING MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE 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. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.**

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## DOCUMENTS INCORPORATED BY REFERENCE

*The following documents are incorporated in, and form part of, this Offering Memorandum together with any relevant Pricing Supplement:*

- (1) the most recently published audited consolidated financial statements, and any unaudited consolidated interim financial statements published subsequently to such annual financial statements, of the Issuer from time to time;
- (2) the most recent Annual Report on Form 10-K of the Issuer filed with the United States Securities and Exchange Commission (the “**Commission**”);
- (3) all quarterly interim reports on Form 10-Q and any other reports filed by the Issuer with the Commission pursuant to Section 13, 14 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations thereunder, subsequent to the date of the financial statements included in the Annual Report on Form 10-K referred to in sub-clause (2) above; and
- (4) all amendments and supplements to this Offering Memorandum prepared by the Issuer from time to time,

save that any statement contained in this Offering Memorandum or in any of the documents incorporated by reference in, and forming part of, this Offering Memorandum shall be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

The reports referred to in sub-clauses (2) and (3) above will be filed by the Issuer with the Commission and will be available to the public on the Commission’s Internet Site (address: <http://www.sec.gov>).

The Issuer will, at the specified offices of the Paying Agents (as defined herein), make available free of charge a copy of this Offering Memorandum (and any document incorporated by reference in this Offering Memorandum, other than exhibits to such documents). Requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg (the “**Luxembourg Listing Agent**”).

## SUPPLEMENTS TO THIS OFFERING MEMORANDUM

The Issuer has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that so long as any Notes remain outstanding and are listed on the Luxembourg Stock Exchange, if there shall occur any adverse change in the business or financial position of the Issuer or any change in the information set out under “Terms and Conditions of the Notes”, that is material in the context of issuance under the Programme, the Issuer will either prepare an amendment or supplement to this Offering Memorandum or publish a new Offering Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

## SUMMARY OF THE PROGRAMME

*The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Memorandum. Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

Issuer:	Citigroup Inc.
Arranger:	Citigroup Global Markets Limited
Dealers:	Citigroup Global Markets Limited and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A.
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg
Listing:	Each Series may be listed on the Luxembourg Stock Exchange and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.
Clearing Systems:	Euroclear and/or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.
Initial Programme Amount:	Up to U.S.\$35,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all possess identical terms, except that, <i>inter alia</i> , the issue date and the amount of the first payment of interest may be different for different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Method of issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates 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 fungible with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Pricing Supplement.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of a Temporary Global Note. Each Temporary Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system or delivered outside a clearing system, as agreed by the Issuer and the relevant Dealer. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes on or after the date (the “ <b>Exchange Date</b> ”) which is the first day following the later of (x) 40 days after the later of the commencement of the offering of Notes of the relevant Tranche and the date of issue thereof (the “ <b>Initial Distribution Compliance Period</b> ”) and (y) if either the commencement of the offering of Notes of any other Tranche of the same Series or the date of

issue thereof falls within the Initial Distribution Compliance Period, 40 days after the later of the commencement of the offering of such Tranche and the date of issue thereof, in each case only upon certification as to non-U.S. beneficial ownership. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Currencies:

Notes may be denominated in U.S. dollars, Euro and any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Pricing Supplement, all as described in “Terms and Conditions of the Notes”. Unless otherwise specified in the Pricing Supplement relating to any series of Subordinated Notes, payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy and insolvency of the Issuer. See Condition 4(b) (*Status — Status of Subordinated Notes*).

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

Maturities:

Notes may be issued with any maturity of nine months or more, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption:

Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.

Notes specified as exchangeable Notes in the relevant Pricing Supplement (“**Exchangeable Notes**”) may be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination thereof (“**Deliverable Assets**”). An investment in an Exchangeable Note which may be exchangeable or convertible into or exercisable for or payable in Deliverable Assets may entail significant risks that are not associated with a similar investment in a debt instrument that has a fixed principal amount, is denominated in U.S. dollars and bears interest at either a fixed rate or a floating rate determined by reference to published interest rate references. The risks of a particular Exchangeable Note will depend on the terms of such Note but may include, without limitation, the possibility of significant changes in the prices of securities, currencies, intangibles, goods, articles or commodities or of other objective price, economic or other measures making up the Deliverable Assets. Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the Deliverable Assets. In recent years, currency exchange rates and prices for various types of assets which may comprise the Deliverable Assets for a particular Tranche of Exchangeable Notes have been highly volatile and such volatility may be expected in the future. Fluctuation in prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of an Exchangeable Note.



	The relevant Pricing Supplement will specify the terms of such Exchangeable Notes.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption:	Notes will be subject to early redemption for tax reasons as described in Condition 10(b) ( <i>Redemption and Purchase — Redemption for tax reasons</i> ).
Interest:	Notes may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked. The method of calculating interest may vary between the issue date and maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Negative Pledge:	The Senior Notes will have the benefit of a negative pledge as described in Condition 5 ( <i>Negative Pledge</i> ).
Cross Default:	None.
Taxation:	All payments in respect of Notes will be made free and clear of withholding taxes of the United States of America, unless such withholding is required by law. In that event, the Issuer will (except as provided in Condition 12 ( <i>Taxation</i> )) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. See “Tax Redemption” above.
Redenomination:	In respect of any Tranche of Notes, if the country of the Specified Currency is, becomes, or announces its intention to become, a Participating Member State, the Notes may be redenominated in Euro in accordance with Condition 22 ( <i>Redenomination</i> ) if so specified in the relevant Pricing Supplement.
Governing Law:	English law, except for the subordination provisions set out in Condition 4(b) ( <i>Status — Status of Subordinated Notes</i> ) which are governed by New York law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a Deed of Covenant dated 30 August 2004, a copy of which will be provided free of charge, upon oral or written request, for inspection at the Specified Office of the Fiscal Agent.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom and Japan, see “Subscription and Sale” below.

## FORMS OF THE NOTES

Unless otherwise specified in the applicable Pricing Supplement, each Tranche of Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons, which will be deposited on or around the issue date of the relevant Tranche with a depositary or a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system or delivered outside a clearing system, as otherwise agreed by the Issuer and the relevant Dealer. Any reference in this section “Forms of the Notes” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

### **Temporary Global Note exchangeable for Permanent Global Note**

A Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), without interest coupons, not earlier than the Exchange Date (as defined in “Summary of the Programme — Forms of Notes”) for the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of any period of notice specified in the relevant Pricing Supplement;
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) if principal in respect of any Note of that Series is not paid when due or (c) with the consent of the Issuer.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Pricing Supplement specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than the Exchange Date (as defined in “Summary of the Programme — Forms of Notes”) for the relevant Tranche of the Notes upon



certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the initial principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

#### **Exchange of Notes**

Each exchange of an interest in a Temporary Global Note or Permanent Global Note as described above will be made free of any charge to the bearer.

#### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions that would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

#### **Legend concerning United States persons**

Each Note (irrespective of whether it is in global form or definitive form) and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

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

The sections referred to in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

## TERMS AND CONDITIONS OF THE NOTES

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

### 1. Introduction

#### (a) Programme

Citigroup Inc. (the “**Issuer**”) has established a Euro Medium-Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$35,000,000,000 in aggregate principal amount of notes (the “**Notes**”) outstanding at any one time.

#### (b) Pricing Supplement

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a pricing supplement (the “**Pricing Supplement**”) which supplements these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

#### (c) Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated 30 August 2004 (as amended or supplemented from time to time, the “**Agency Agreement**”) between the Issuer, Citibank, N.A. as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

#### (d) The Notes

All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.

#### (e) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

#### (a) Definitions

In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Pricing Supplement;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Pricing Supplement;

“**Business Day**” means:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“**Calculation Agent**” means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

“**Capital Securities Guarantees**” means the guarantees issued by the Issuer in connection with the 7<sup>3</sup>/<sub>4</sub>% Trust Preferred Securities of Citigroup Capital II, the 6<sup>7</sup>/<sub>8</sub>% Capital Securities of Citigroup Capital VI, the 7.125% Capital Securities of Citigroup Capital VII, the 6.950% Capital Securities of Citigroup Capital VIII, the 6% Capital Securities of Citigroup Capital IX and the 6.10% Capital Securities of Citigroup Capital X and any guarantee now or hereafter entered into by the Issuer in respect of any preferred or preference security, including trust preferred securities, that is by its terms subordinated to or ranks *pari passu* with the Junior Subordinated Debt;

“**Coupon Sheet**” means, in respect of a Note, a coupon sheet relating to the Note;

“**Day Count Fraction**” means (subject as provided in Condition 6 and Condition 7), in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if “**Actual/365**” or “**Actual/Actual**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;

- (iii) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (v) if **“30E/360”** or **“Eurobond Basis”** is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

**“Early Redemption Amount (Tax)”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**“Early Termination Amount”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

**“Extraordinary Resolution”** has the meaning given in the Agency Agreement;

**“Final Redemption Amount”** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**“Fixed Coupon Amount”** has the meaning given in the relevant Pricing Supplement;

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

**“Indebtedness”** means any and all obligations of a corporation for money borrowed which in accordance with U.S. generally accepted accounting principles would be reflected on the balance sheet of such corporation as a liability on the date as of which the Indebtedness is to be determined;

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

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

**“Interest Determination Date”** has the meaning given in the relevant Pricing Supplement;

**“Interest Payment Date”** means the date or dates specified as such in, or determined in accordance with, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**“ISDA Definitions”** means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.);

**“Issue Date”** has the meaning given in the relevant Pricing Supplement;

**“Junior Subordinated Debt”** means the 6.950% Junior Subordinated Deferrable Interest Debentures due 15 September 2031 of the Issuer, the 7.125% Junior Subordinated Deferrable Interest Debentures due

31 July 2031 of the Issuer, the 7<sup>3</sup>/<sub>4</sub>% Junior Subordinated Deferrable Interest Debentures due 1 December 2036 of the Issuer, the 6<sup>7</sup>/<sub>8</sub>% Junior Subordinated Deferrable Interest Debentures due 15 March 2029 of the Issuer, the 6% Junior Subordinated Deferrable Interest Debentures due 14 February 2033 of the Issuer and the 6.10% Junior Subordinated Deferrable Interest Debentures due 30 September 2033 of the Issuer, all other notes or other obligations which may be issued under the Junior Subordinated Debt Indenture dated 23 July 2004, between the Issuer and JPMorgan Chase Bank and any indebtedness that is by its terms subordinated to or ranks *pari passu* with the Junior Subordinated Debt;

“**Margin**” has the meaning given in the relevant Pricing Supplement;

“**Maturity Date**” has the meaning given in the relevant Pricing Supplement;

“**Maximum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Minimum Redemption Amount**” has the meaning given in the relevant Pricing Supplement;

“**Non-United States Person**” means a person who is not a United States Person;

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Pricing Supplement;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Pricing Supplement;

“**Participating Member State**” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

“**Payment Business Day**” means:

(i) if the currency of payment is Euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not Euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“**Person**” means any individual, company, corporation, firm, partnership, limited liability company, joint venture, association, trust, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency *provided, however, that*:

(i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“**Put Option Notice**” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Put Option Receipt**” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;



**“Rate of Interest”** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in relevant Pricing Supplement, or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

**“Reference Banks”** has the meaning given in the relevant Pricing Supplement or, if none, four (or if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**“Reference Price”** has the meaning given in the relevant Pricing Supplement;

**“Reference Rate”** has the meaning given in the relevant Pricing Supplement;

**“Relevant Date”** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**“Relevant Financial Centre”** has the meaning given in the relevant Pricing Supplement;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (including, without limitation, the Reuters Markets 3000 and Telerate) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Time”** has the meaning given in the relevant Pricing Supplement;

**“Reserved Matter”** means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

**“Senior Indebtedness”** means

- (i) the principal, premium, if any, and interest in respect of
  - (A) indebtedness of the Issuer for money borrowed; and
  - (B) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by the Issuer including all indebtedness (whether now or hereafter outstanding) issued under the indenture dated as of 15 March 1987 between the Issuer and the Bank of New York, as trustee, as the same may be amended, modified or supplemented from time to time;
- (ii) all capital lease obligations of the Issuer;
- (iii) all obligations of the Issuer issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Issuer and all obligations of the Issuer under any conditional sale or title retention agreement (but excluding trade accounts payable in the ordinary course of business);
- (iv) all obligations, contingent or otherwise, of the Issuer in respect of any letters of credit, banker’s acceptance, security purchase facilities and similar credit transactions;
- (v) all obligations of the Issuer in respect of any interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements;
- (vi) all obligations of the type referred to in clauses (i) to (v) above of other Persons for the payment of which the Issuer is responsible or liable as obligor, guarantor or otherwise; and
- (vii) all obligations of the type referred to in clauses (i) to (vi) of other Persons secured by any lien on any property or asset of the Issuer (whether or not such obligation is assumed by the Issuer), except that Senior Indebtedness shall not include the Subordinated Notes, the debt securities issued



under the indenture dated as of 17 July 1998 between the Issuer and The First National Bank of Chicago (the name of which is now Bank One Trust Company, N.A.), as supplemented, the debt securities issued under the indenture dated as of 12 April 2001 between the Issuer and J.P. Morgan Trust Company, N.A., as supplemented, any such indebtedness or guarantee that is by its terms subordinated to or ranks *pari passu* with the Subordinated Notes, any indebtedness between or among the Issuer and its Affiliates, including any Junior Subordinated Debt, any Capital Securities Guarantees and all other debt securities and guarantees in respect of those debt securities issued to any other trust, or a trustee of such trust, partnership or other entity affiliated with the Issuer which is a financing vehicle of the Issuer (a “**Financing Entity**”) in connection with the issuance by such Financing Entity of preferred securities, capital securities or other preference stock guaranteed by the Issuer pursuant to an instrument that ranks *pari passu* with, or junior to, the Capital Securities Guarantees;

“**Significant Subsidiary**” means a Subsidiary, including its Subsidiaries, which meets any of the following conditions:

- (i) the Issuer and its other Subsidiaries’ investments in and advances to the Subsidiary exceed 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (ii) the Issuer and its other Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (iii) the Issuer and its other Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of the Subsidiary exceeds 10% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year. For the purposes of making such prescribed income test, the following shall be applicable:
  - (A) when a loss has been incurred by either the Issuer and its Subsidiaries consolidated or the tested Subsidiary, but not both, the equity in the income or loss of the tested Subsidiary shall be excluded from the income of the Issuer and its Subsidiaries consolidated for purposes of the computation; and
  - (B) if income of the Issuer and its Subsidiaries consolidated for the most recent fiscal year is at least 10% lower than the average of the income for the last five fiscal years, such average income shall be substituted for the purposes of the computation. Any loss years shall be omitted for purposes of computing average income;

“**Specified Currency**” has the meaning given in the relevant Pricing Supplement;

“**Specified Denomination(s)**” has the meaning given in the relevant Pricing Supplement;

“**Specified Office**” of any Agent means the office specified against its name in Schedule 2 of the Agency Agreement or, in the case of any Agent not originally party thereto, specified by notice to the Issuer in accordance with the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Pricing Supplement;

“**Subsidiary**” means any corporation of which securities entitled to elect at least a majority of such corporation’s directors shall at the time be owned, directly or indirectly, by the Issuer and/or one or more Subsidiaries;

“**Talon**” means a talon for further Coupons;

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“**TEFRA D Rules**” means the U.S. Treasury regulation §§ 1.163-5(c)(1) and 1.163-5(c)(2)(i)(D);

“**Treaty**” means the Treaty establishing the European Community, as amended by the Treaty on European Union;

“**United States**” means the United States of America, which includes only the States and the District of Columbia;

“**United States Person**” means:

- (i) any individual who is a citizen or resident of the United States;

- (ii) any corporation, partnership or other entity created or organised in or under the laws of the United States;
- (iii) any estate if the income of such estate falls within the federal income tax jurisdiction of United States regardless of the source of such income; and
- (iv) any trust if a United States court is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or the trust elects under U.S. Treasury Regulations to be treated as a United States person;

“**Voting Stock**” means capital stock the holders of which have general voting power under ordinary circumstances to elect at least a majority of the directors of a corporation, provided that capital stock which carries only a right to vote conditional on the happening of an event shall not be considered voting stock, whether or not such event has happened; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation*

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is “not applicable”, then such expression is not applicable to the Notes.

### 3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. A person who is not a holder of a Note or Coupon has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such Note or Coupon.

### 4. Status

(a) *Status of Senior Notes*

If specified in the applicable Pricing Supplement, Notes issued on an unsubordinated basis (“**Senior Notes**”) constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and will at all times rank *pari passu* and rateably without any preference among the obligations of the Issuer in respect of other Senior Notes of the same Series of the Issuer and (subject to any applicable statutory exceptions and without prejudice to the provisions of Condition 5 (*Negative Pledge*)) at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) *Status of Subordinated Notes*

If specified in the applicable Pricing Supplement, Notes issued on a subordinated basis (“**Subordinated Notes**”) are subordinated and junior, to the extent and in the manner set out herein, in right of payment to the prior payment in full of Senior Indebtedness and will rank *pari passu* in right of payment with the debt securities issued or issuable by the Issuer under the indenture dated as of 12 April 2001 between the Issuer and J.P. Morgan Trust Company, N.A.

In the event that the Issuer shall default in the payment of any principal (or premium, if any) or interest due and payable, after any applicable grace period, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, on any Senior Indebtedness then, unless such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities by set-off or otherwise) shall be made or agreed to be made on account of the principal, premium (if any) or interest on any of the Subordinated Notes, or in respect of any redemption, retirement or acquisition of any of the Subordinated Notes, except that holders of Subordinated Notes may receive and retain securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment.

In the event of any insolvency, bankruptcy, receivership, liquidation, reorganisation, composition or other similar proceedings, in respect of the Issuer, its creditors or its property, or of any proceedings for the liquidation, dissolution or other winding up of the Issuer, voluntary or involuntary, whether or not involving insolvency or bankruptcy, or any assignment by the Issuer for the benefit of creditors or any other marshalling of the assets of the Issuer;

then:

- (A) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon before the holders of any of the Subordinated Notes are entitled to receive a payment on account of the principal of (or premium, if any) or interest on the indebtedness evidenced by the Subordinated Notes;
- (B) any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment), to which the holders of any of the Subordinated Notes would be entitled except for the provisions of this Condition 4(b) shall be paid or delivered by the person making such payment or distribution directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all Senior Indebtedness has been paid in full before any payment or distribution is made to the holders of the indebtedness evidenced by the Subordinated Notes under these Conditions; and
- (C) in the event that, notwithstanding the foregoing, any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment) shall be received by the holders of any of the Subordinated Notes before all Senior Indebtedness is paid in full, such payment or distribution shall be received in trust for the benefit of, and shall be paid over to the holders of, such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all such Senior Indebtedness shall have been paid in full. Senior Indebtedness shall not be deemed to have been repaid in full unless the holders thereof have received cash, securities or other property equal to the amount of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the holders of the Subordinated Notes shall be subrogated to all rights of the holders of Senior Indebtedness to receive all further

payments or distributions applicable to the Senior Indebtedness unless the indebtedness evidenced by the Subordinated Notes then outstanding shall have been paid in full, and such payments or distributions received by holders of Subordinated Notes by reason of such subrogation shall as between the Issuer and its creditors other than holders of such Senior Indebtedness and the holders of the Subordinated Notes be deemed to be a payment by the Issuer on account of such Senior Indebtedness and not on account of the Subordinated Notes.

Nothing contained in this Condition 4(b) shall impair, as between the Issuer and the holders of the Subordinated Notes, the obligation of the Issuer, which is absolute and unconditional, to pay to the holders of the Subordinated Notes relating thereto the principal of (and premium, if any) and interest on the Subordinated Notes and the amounts owed pursuant to any Coupons as and when the same shall become due and payable in accordance with their terms, or shall prevent any holder of the Subordinated Notes from exercising all rights, powers and remedies otherwise permitted by applicable law upon the occurrence of a default under these Conditions, subject to the rights under this Condition 4(b) of the holders of Senior Indebtedness to receive cash, property or securities otherwise payable or receivable by holders of Subordinated Notes. Upon payment or distribution of assets of the Issuer referred to in this Condition 4(b), the holders of the Subordinated Notes shall be entitled to rely upon an order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation, reorganisation or arrangement proceeding affecting the affairs of the Issuer is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other person making such payment or distribution, delivered to the Fiscal Agent or to the holders of the Subordinated Notes, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount paid or distributed thereon and all other facts pertinent thereto or to this Condition 4(b). Nothing contained in this Condition 4(b) shall prevent any Paying Agent from paying any amounts due and payable to any Subordinated Noteholder from monies deposited with it by the Issuer in relation to such amounts due and owing if, at the time of such deposit, (x) such payment would not have been prohibited by this Condition 4(b) or (y) such Paying Agent had not received written notice of any event prohibiting the making of such payment.

Unless otherwise specified in the Pricing Supplement relating to any series of Subordinated Notes, payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer. There is no right of acceleration in the case of a default in the payment of principal of, premium, if any, or interest on the Subordinated Notes or the performance of any other covenant of the Issuer contained in the Terms and Conditions. Upon a default in the payment of principal of, premium, if any, or interest, or the performance of any other covenant in the Terms and Conditions, Subordinated Noteholders may, subject to certain limitations and conditions, seek to enforce payment of such principal, premium, or interest or the performance of such covenant.

No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any non-compliance by the Issuer with the terms, provisions and convenience of these Conditions, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

## **5. Negative Pledge**

In relation to issues of Senior Notes, so long as any Senior Note remains outstanding, the Issuer will not, and will not permit any Subsidiary to, incur, issue, assume or guarantee any Indebtedness if such Indebtedness is secured by a pledge of, lien on, or security interest in any shares of Voting Stock of any Significant Subsidiary, whether such Voting Stock is owned now or acquired in the future, without effectively providing that the Senior Notes (together with, if the Issuer shall so determine, any other indebtedness or obligations of the Issuer or any Subsidiary ranking equally with such Senior Notes and then existing or thereafter created) shall be secured equally and rateably with such Indebtedness. For the purposes of the foregoing, pledging, placing a lien on or creating a security interest in any shares of Voting Stock of a Significant Subsidiary in order to secure then outstanding Indebtedness of the Issuer or any Subsidiary shall be deemed to be the incurrence, issuance, assumption or guarantee (as the case may be) of such Indebtedness, but the foregoing shall not apply to Indebtedness secured by a pledge of, lien on or security interest in any shares of Voting Stock of any corporation at the time it becomes a Significant Subsidiary, including extensions, renewals and replacements of such Indebtedness without an increase in the amount thereof.

## 6. Fixed Rate Note Provisions

### (a) Application

This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

### (b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

### (c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

### (d) Regular Interest Periods

If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

- (i) the Notes shall for the purposes of this Condition 6 be “**Regular Interest Period Notes**”;
- (ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 6 be a “**Regular Date**”; and
- (iii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall for the purposes of this Condition 6 be a “**Regular Period**”.

### (e) Irregular first or last Interest Periods

If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

- (i) the interval between the Issue Date and the first Interest Payment Date; and
- (ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a “**Regular Date**”.

### (f) Irregular interest amount

If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

### (g) Day Count Fraction

In respect of any period which is not a Regular Period the relevant day count fraction (the “**Day Count Fraction**”) shall be determined in accordance with the following provisions:

- (i) if the Day Count Fraction is specified in the relevant Pricing Supplement as being 30/360, the relevant Day Count Fraction will be the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;



- (ii) if the Day Count Fraction is specified in the relevant Pricing Supplement as being Actual/Actual (ISDA) and the relevant period falls during a Determination Period, the relevant Day Count Fraction will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (A) the number of days in the Determination Period in which the relevant period falls including the first day but excluding the last and (B) the number of Determination Periods normally ending in one year;
- (iii) if the Day Count Fraction is specified in the relevant Pricing Supplement as being Actual/Actual (ISMA) and the Accrual Period is equal to or shorter than the Determination Period during which it falls, interest will be calculated on the basis of the number of days in the Accrual 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; and
- (iv) the Day Count Fraction is specified in the relevant Pricing Supplement as being Actual/Actual (ISMA) and the Accrual Period is longer than one Determination Period, interest will be calculated on the basis of the sum of:
  - (A) the number of days in such Accrual Period falling within the Determination Period in which it begins divided by the product of (1) the number of days in the first such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (B) the number of days in such Accrual 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:

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

“**Determination Period**” means the period from and including the date on which interest is normally paid to but excluding the next such date on which interest is normally paid.

*(h) Number of days*

For the purposes of this Condition 6, unless the Day Count Fraction is specified in the relevant Pricing Supplement as being 30/360 (in which case the provisions of paragraph (g)(i) above shall apply), the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.

*(i) Irregular Interest Periods*

If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the relevant Pricing Supplement.

## **7. Floating Rate Note and Index-Linked Interest Note Provisions**

*(a) Application*

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

*(b) Accrual of interest*

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).



(c) *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

(d) *ISDA Determination*

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is the period specified in the relevant Pricing Supplement; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(e) *Index-Linked Interest*

If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

*(f) Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

*(g) Calculation of Interest Amount*

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.

*(h) Calculation of other amounts*

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

*(i) Publication*

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each stock exchange (if any) on which the Notes are then listed as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to amend any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

*(j) Notifications, etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## **8. Zero Coupon Note Provisions**

*(a) Application*

This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

*(b) Late payment on Zero Coupon Notes*

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

## **9. Dual Currency Note Provisions**

*(a) Application*

This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) *Rate of Interest*

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

## 10. Redemption and Purchase

(a) *Scheduled redemption*

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

Exchangeable Notes may be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, notes, contracts, currencies, commodities or other forms of property, rights or interests or any combination thereof (“**Deliverable Assets**”). Specific terms relating to the exchangeable Notes, including with respect to the Final Redemption Amount thereof, will be described in the applicable Pricing Supplement. In this regard, the term “**payment**” as used in these Conditions shall include the delivery of the Deliverable Assets required or permitted to be delivered pursuant to these Conditions, and the term “**principal**” shall mean or include any Deliverable Assets.

(b) *Redemption for tax reasons*

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 or more than 60 days’ notice in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with accrued interest, if any, if the Issuer has or will become obligated to pay additional interest on such Notes pursuant to Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which any person (including any person acting as underwriter, broker or dealer) agrees to purchase any of such Notes pursuant to their original issuance, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such additional interest were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 10, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by an officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) a legal opinion, from lawyers of recognised standing in the United States, to the effect that the Issuer has or will become obligated to pay such additional interest as a result of such change or amendment.
- (ii) Unless otherwise specified in the Pricing Supplement, if the Issuer shall determine that any payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Note, Coupon or Talon, (an “**Affected Note**”) would, under any present or future laws or regulations of the United States, be subject to any certification, documentation, information or other reporting requirement of any kind, the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Affected Note that is a Non-United States Person (other than such a disclosure requirement that is an “**Exempt Requirement**” as defined below) then the Issuer shall elect either to redeem such Affected Notes in whole, but not in part, at their Early Redemption Amount (Tax), together with accrued interest, if any, or if the conditions of the next succeeding paragraph are satisfied, to pay the additional interest specified in such paragraph. An “**Exempt Requirement**” is a requirement relating to such disclosure (A) that would not be applicable to a payment made by the Issuer or any one of its Paying Agents (1) directly to the beneficial owner or (2) to a custodian, nominee or other agent of the beneficial owner, or (B) that can be satisfied by such custodian, nominee or agent certifying to the effect that the beneficial owner is a Non-United States Person, *provided* that, in any case referred to in clause (A)(2) or (B), payment by the custodian, nominee or agent to the beneficial owner is not otherwise subject to any such disclosure requirement). The Issuer shall make such determination and election as soon as practicable and publish prompt notice thereof (the “**Determination Notice**”), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer elects to redeem the Affected Notes or to pay the additional interest specified in the next succeeding paragraph and (if applicable) the last date by which the redemption of the Affected Notes must take place (the “**Redemption**

**Date**”), as provided in the next succeeding sentence. If any Affected Notes are to be redeemed pursuant to this paragraph, the redemption shall take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer shall specify by notice given to the Fiscal Agent at least 60 days before the Redemption Date *provided* that redemption of any Note, Coupon or Talon, if any, in respect of a Note to which the Floating Rate Note Provisions, as specified in the relevant Pricing Supplement, apply shall only occur on an Interest Payment Date in respect of such Note. Notice of such redemption shall be given to the holders of the Affected Notes not more than 60 days or less than 30 days prior to the Redemption Date. Notwithstanding the foregoing, the Issuer shall not so redeem the Affected Notes if the Issuer shall subsequently determine, not less than 30 days prior to the Redemption Date, that subsequent payments on the Affected Notes would not be subject to any such certification, documentation, information or other reporting requirement, in which case the Issuer shall publish prompt notice of such subsequent determination, and any earlier redemption notice given pursuant to this paragraph shall be revoked and of no further effect. Prior to the publication of any Determination Notice pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (I) a certificate signed by an officer of the Issuer stating that the Issuer is entitled to make such determination and setting forth a statement of facts showing that the conditions precedent to the obligation of the Issuer to redeem the Affected Notes or to pay the additional interest specified in the next succeeding paragraph have occurred and (II) a legal opinion, from lawyers of recognised standing in the United States, to the effect that such conditions have occurred.

If and so long as the certification, documentation, information or other reporting requirement referred to in the preceding paragraph would be fully satisfied by payment of a back-up withholding tax or similar charge, the Issuer may elect to pay as additional interest such amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirement by the Issuer or any of its Paying Agents in respect of any Affected Note of which the beneficial owner is a Non-United States Person (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deduction or withholding for or on account of such back-up withholding tax or similar charge (other than a backup withholding tax or similar charge that (i) would not be applicable in the circumstances referred to in the second sentence of the preceding paragraph or (ii) is imposed as a result of presentation of any such Affected Note for payment more than 15 days after the Relevant Date), will not be less than the amount provided in any such Affected Note to be then due and payable. If the Issuer elects to pay additional interest pursuant to this paragraph, then the Issuer shall have the right to redeem the Affected Notes at any time in whole, but not in part, at their Early Redemption Amount (Tax) together with accrued interest, if any, subject to the provisions of the last three sentences of the immediately preceding paragraph. If the Issuer elects to pay additional interest pursuant to this paragraph and the condition specified in the first sentence of this paragraph should no longer be satisfied, then the Issuer shall redeem the Affected Notes in whole, but not in part, at their Early Redemption Amount (Tax), together with accrued interest, if any, subject to the provisions of the last three sentences of the immediately preceding paragraph. Any redemption payments made by the Issuer pursuant to the two immediately preceding sentences shall be subject to the continuing obligation of the Issuer to pay additional interest pursuant to this paragraph. If the Affected Notes are to be redeemed pursuant to this paragraph, the redemption shall take place on such date, not later than one year after publication of the notice of redemption, as the Issuer shall specify by notice to the Fiscal Agent at least 60 days prior to the Redemption Date.

*(c) Redemption at the option of the Issuer*

If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

*(d) Partial redemption*

If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each stock exchange on which the Notes are then listed, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

*(e) Redemption at the option of Noteholders*

If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

*(f) No other redemption*

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

*(g) Early redemption of Zero Coupon Notes*

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

*(h) Purchase and Cancellation*

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

## **11. Payments**

*(a) Principal*

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque



drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London), other than in the United States. No payments on Notes will be made by mail to an address in the United States or by transfer to an account maintained by the holder in the United States.

*(b) Interest*

Payments of interest shall, subject to paragraph (c) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons (if any) at the Specified Office of any Paying Agent outside the United States and its possessions in the manner described in paragraph (a) above.

*(c) Payments in New York City*

In respect of Notes denominated in U.S. dollars only, payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the expectation that such Paying Agents will be able to make payment of the full amount of principal and interest on the Notes in U.S. dollars when due, (ii) payment of the full amount of such principal or interest in U.S. dollars at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law (the TEFRA D Rules).

*(d) Payments subject to fiscal laws*

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

*(e) Deductions for unmatured Coupons*

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

*(f) Unmatured Coupons void*

If the relevant Pricing Supplement specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(c) (*Redemption at the option of the Issuer*), Condition 10(d) (*Partial Redemption*),



Condition 10(e) (*Redemption at the option of Noteholders*), or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) *Payments on business days*

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) *Payments other than in respect of matured Coupons*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States and its possessions (or in New York City if permitted by paragraph (c) above).

(i) *Partial payments*

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent or the Paying Agent with its Specified Office in Luxembourg for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 12. Taxation

The Issuer will, subject to the exceptions and limitations set forth below, pay as additional amounts to the holder of any Note, Coupon or Talon that is a Non-United States Person such amounts as may be necessary so that every net payment on such Note, Coupon or Talon, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States, will not be less than the amount provided in such Note, Coupon or Talon to be then due and payable. However, the Issuer will not be required to make any such payment of additional amounts for or on account of:

- (i) any tax, assessment or other government charge that would not have been imposed but for (A) the existence of any present or former connection between a Noteholder or Couponholder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holders, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (B) such Noteholder or Couponholder's past or present status as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organisation with respect to the United States, passive foreign investment company, controlled foreign corporation or as a corporation that accumulates earnings to avoid United States federal income tax; or
- (ii) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Union Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 21 January 2003 on the taxation of savings income (the "**Directive**") or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) a holder who would have been able to avoid such withholding or deduction imposed under (ii) above: (A) by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or (B) by satisfying any statutory or procedural requirements including, without limitation, the provision of information; or

- (iv) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property tax or any similar tax, assessment or other governmental charge; or
- (v) any tax, assessment or other governmental charge that would not have been imposed but for:
  - (A) the presentation by the holder of a Note, Coupon or Talon for payment more than 30 days after the Relevant Date; or
  - (B) a change in law, regulation or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later; or
- (vi) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note, Coupon or Talon; or
- (vii) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, Coupon or Talon, if such payment can be made without such deduction or withholding by any other Paying Agent; or
- (viii) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, documentation, identification, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or the beneficial owner of a Note, Coupon or Talon if such compliance is required by statute or regulation of the United States or by a tax treaty of the United States, as a precondition to relief or exemption from such tax, assessment or other government charge; or
- (ix) any tax, assessment or other governmental charge imposed on a holder that actually owns or is deemed to own 10% or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership or by reason of the holder being a bank that has invested in a Note as an extension of credit in the ordinary course of its trade or business; or
- (x) a payment on a Note, Coupon or Talon to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the holder of such Note, Coupon or Talon; or
- (xi) any combination of sub-paragraphs (i) to (x) above.

### 13. Events of Default

- (a) **“event of default”** with respect to a Senior Note of a particular Series means any one of the following events (whatever the reason for such event of default and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
  - (i) *Non-payment of interest*: default in the payment of any interest upon any Senior Note of that Series or any payment with respect to the Coupons, if any, when and as it becomes payable, and continuance of such default for a period of 30 days; or
  - (ii) *Non-payment of principal*: default in the payment of principal (other than a scheduled instalment payment to a sinking fund) or premium, if any, on any Senior Note of such Series when and as it becomes payable; or
  - (iii) *Non-payment of scheduled instalment payment to a sinking fund*: default in the payment of any required instalment payment to a sinking fund when and as it becomes payable on any Senior Note of such Series and continuance of such default for a period of 30 days; or
  - (iv) *Breach of other obligations*: default in the performance or observance of any covenant or agreement of the Issuer in these Conditions or the Agency Agreement (other than a covenant or agreement solely for the benefit of holders of another Series of Senior Notes or a covenant or agreement a default in whose performance or observance is specifically dealt with elsewhere in this Condition 13) and continuance of such default for a period of 90 days after there has been given, to the Issuer and the Fiscal Agent by the holders of at least 25% in principal amount of the Senior Notes of that Series outstanding (as defined in the Agency Agreement), a written notice specifying such default and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

- (v) *Insolvency*: the entry of a decree or order for relief in respect of the Issuer by a court having jurisdiction in the premises in an involuntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Issuer or substantially all of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or
- (vi) *Voluntary insolvency*: the commencement by the Issuer of a voluntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by it to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer or for substantially all of its property, or the making by it of an assignment for the benefit of its creditors; or
- (vii) *Other specified events*: the occurrence of any other event of default with respect to the Senior Notes of such Series as provided in the relevant Pricing Supplement.

No event of default with respect to Senior Notes of a particular Series shall constitute an event of default with respect to Senior Notes of any other Series, except with respect to an event of default under subparagraphs (iv), (v) and (vi) of this Condition 13(a).

- (b) “**event of default**” with respect to a Subordinated Note of a particular Series means any of the events described in Condition 13(a)(v), (vi) and (if so provided with respect to the Subordinated Notes of such Series in the relevant Pricing Supplement) (vii). A “**default**” with respect to a Subordinated Note of a particular Series means an event of default with respect to such Subordinated Note as well as any of the events described in Condition 13(a)(i), (ii), (iii) and (iv), as these events relate to a Subordinated Note of such Series.
- (c) Subject to these Terms and Conditions, if an event of default with respect to the Notes of a particular Series at the time outstanding occurs and is continuing, then in such case the holders of not less than 25% in principal amount of the outstanding Notes of such Series may declare the Early Redemption Amount (Default) (being the amount so specified in the applicable Pricing Supplement and if no such amount is specified, the principal amount thereof) and all accrued but unpaid interest on the Notes to be due and payable immediately, by a notice in writing to the Issuer (and to the Fiscal Agent), and upon any such declaration such Early Redemption Amount (Default) (or other specified amount) and interest shall become immediately due and payable. Upon payment of such amounts in the currency in which such Notes are denominated, all obligations of the Issuer in respect of payment of principal and interest on such Notes shall terminate.

At any time after such a declaration of acceleration of the Notes of a Series has been made, the holders of a majority in principal amount of the outstanding Notes of such Series, by written notice to the Issuer, may, on behalf of all Noteholders of such Series, waive such event of default and rescind and annul such declaration and its consequences if:

- (i) the Issuer has paid or deposited with the Fiscal Agent a sum in the currency in which such Notes are denominated sufficient to pay:
  - (A) all overdue instalments of interest on such Notes or all overdue payments with respect to any related Coupons;
  - (B) the amounts of principal (and premium, if any, on) such Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate prescribed therefor in these Conditions;
  - (C) to the extent that payment of such interest is lawful, interest upon overdue instalments of interests on each such Note or upon overdue payments on any Coupons at the rate or rates prescribed therefor in such Notes or Coupons; and
  - (D) all sums paid or advanced by the Paying Agents and the reasonable compensation, expenses, disbursements and advances of the Paying Agents; *provided, however, that* all sums payable under this sub-paragraph (D) shall be paid in U.S. dollars; and
- (ii) all defaults and events of default with respect to such Notes, other than the non-payment of principal of and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived as provided in Condition 17 (*Meeting of Noteholders and Waiver*).

No such rescission and waiver shall affect any subsequent default or impair any right consequent thereon. For all purposes under these Conditions, if a portion of the principal of any Zero-Coupon Note shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Zero-Coupon Note shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Zero-Coupon Note.

#### **14. Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within two years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within two years of the appropriate Relevant Date.

#### **15. Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then listed on any stock exchange whose rules requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by the rules of such stock exchange), subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

#### **16. Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain:

- (i) a Fiscal Agent; and
- (ii) if a Calculation Agent is specified in the relevant Pricing Supplement, a Calculation Agent;
- (iii) if and for so long as the Notes are listed on any stock exchange whose rules requires the appointment of a Paying Agent in any particular place, a Paying Agent having its Specified Office in the place required by the rules of such stock exchange; and
- (iv) a Paying Agent in a place of payment located outside the United States.

Notice of any change in the Calculation Agent or any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

The Issuer undertakes that, if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 21 January 2003 is brought into force, it will use commercially reasonable efforts to maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to the Directive if it is commercially practicable to do so.

#### **17. Meetings of Noteholders and Waiver**

##### *(a) Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being

or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

*(b) Modification*

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

## **18. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## **19. Notices**

Notices to the Noteholders shall be valid if published (i) in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and (ii) if the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, in each case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

## **20. Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## **21. Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.



## 22. Redenomination

### (a) Application

This Condition 22 is applicable to the Notes only if it is specified in the relevant Pricing Supplement as being applicable.

### (b) Notice of redenomination

If the country of the Specified Currency is, becomes, or announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders and Couponholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

### (c) Redenomination

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that* if the Issuer determines, with the agreement of the Fiscal Agent, that then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders and Couponholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;
- (ii) if Notes have been issued in definitive form:
  - (A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in Euro are available for exchange (provided that such Notes and Coupons are available) and no payments will be made in respect thereof;
  - (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 22) shall remain in full force and effect; and
  - (C) new Notes and Coupons denominated in Euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to, a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of any Member State of the European Communities.

### (d) Interest

Following redenomination of the Notes pursuant to this Condition 22, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder.

### (e) Interest Determination Date

If the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable and Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest

Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

### 23. Consolidation or Merger

- (a) The Issuer shall not consolidate with or accept a merger of any other corporation into the Issuer or permit the Issuer to be merged into any other corporation, or sell other than for cash or lease or convey, all or substantially all its assets to another corporation or purchase all or substantially all the assets of another corporation unless:
- (i) either the Issuer shall be the continuing corporation, or the successor, transferee or lessee corporation (if other than the Issuer) shall, by taking such action as may be required to be taken were such successor corporation the Substitute (as defined in Condition 24) for the purposes of Condition 24, expressly assume the due and punctual payment of the principal of (and premium, if any) and interest (including all additional interest, if any, payable pursuant to Condition 12) on all the Notes and any Coupons and the performance of all the covenants and conditions on the part of the Issuer to be performed or observed; and
  - (ii) immediately after giving effect to such transaction the Issuer or the successor, transferee or lessee corporation (if other than the Issuer) is not in default in the performance of any covenant or condition in these Conditions or the Agency Agreement.

A purchase by a Subsidiary of all or substantially all of the assets of another corporation shall not be deemed to be a purchase of such assets by the Issuer.

- (b) Upon any consolidation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entity in accordance with Condition 23(a) above, the successor corporation formed by such consolidation or into which the Issuer is consolidated with or merged into shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions, the Notes, any Coupons and the Agency Agreement.

### 24. Substitution of the Issuer

- (a) The Issuer may at any time, without the consent of Noteholders or the Couponholders, substitute for itself any company (the “**Substitute**”) upon notice by such Issuer and the Substitute to be given in accordance with Condition 19, provided that:
- (i) no payment in respect of the Notes or the Coupons is at the relevant time overdue;
  - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Agency Agreement as Schedule 6 (the “**Deed Poll**”), agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
  - (iii) the Issuer shall execute a deed of guarantee (the “**Deed of Guarantee**”) pursuant to which it shall guarantee in favour of each Noteholder and Couponholder the payment of all sums payable by the Substitute in respect of the Notes, Coupons and Talons as and when the same shall become due and payable;
  - (iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) to ensure that the Deed Poll, the Deed of Guarantee, the Notes, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute are taken, fulfilled and done;
  - (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
  - (vi) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in each jurisdiction referred to in (ii) above and in England as to the fulfilment of the requirements of this Condition 24 and the other matters specified in the Deed Poll and

that the Deed of Guarantee and the Notes and any Coupons and Talons relating thereto are legal, valid and binding obligations of the Issuer (in the case of the Deed of Guarantee) and the Substitute (in the case of the Deed Poll, the Notes, Coupons and Talons and the Agency Agreement);

- (vii) each stock exchange and/or listing authority to which the Notes have been admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be admitted to listing and/or trading by such listing authority and/or stock exchange; and
  - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, the Agency Agreement and the Deed of Covenant with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations as Issuer under these Conditions, the Notes, any Coupons and the Agency Agreement (save for such obligations that it shall assume under the Agency Agreement in its capacity as guarantor).
  - (c) After a substitution pursuant to Condition 24(a), the Substitute may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Condition 24(a) and 24(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
  - (d) After a substitution pursuant to Condition 24(a) or 24(c) any Substitute may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
  - (e) The Deed Poll, the Deed of Guarantee and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

## 25. Governing Law and Jurisdiction

### (a) Governing law

The Notes are governed by, and shall be construed in accordance with, English law except for the provisions of Condition 4(b) which are governed by and shall be construed in accordance with the laws of the State of New York.

### (b) Jurisdiction

The Issuer agrees for the benefit of the Noteholders that the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### (c) Process agent

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such Person is not or ceases to be effectively appointed to accept service of process on the Issuer’s behalf, the Issuer shall, on the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, and Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

### (d) Non-exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor

shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## **26. De-listing**

The Issuer shall use its best efforts to have the Notes approved for listing on the Luxembourg Stock Exchange and to maintain such listing so long as any of the Notes are outstanding, *provided, however that:*

- (1) if it is impracticable or unduly burdensome, in the good faith determination of the Issuer, to maintain such listing due to changes in listing requirements occurring after the date of the Pricing Supplement, or
- (2) if the Directive of the European Parliament and of the Council (2003/0045 (COD)) or any successor directive is adopted and is implemented in Luxembourg in a manner that would require the Issuer to publish financial information according to accounting principles or standards that are materially different from United States generally accepted accounting principles,

application may be made to de-list the Notes from the Luxembourg Stock Exchange and the Issuer shall use its reasonable best efforts to obtain an alternative admission to listing, trading and/or quotation of the Notes by another listing authority, exchange or system within or outside the European Union as it may decide. If such an alternative admission is not available or is, in the Issuer's opinion, unduly burdensome, such an alternative admission will not be obtained, and the Issuer shall have no further obligation in respect of any listing, trading or quotation for the Notes. Notice of any de-listing and/or alternative admission will be given pursuant to Condition 19 (*Notices*).

## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

Pricing Supplement dated ●

### **Citigroup Inc.**

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

**U.S.\$35,000,000,000**

### **Programme for the issuance of Euro Medium-Term Notes, Series B**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Memorandum dated 30 August 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Memorandum.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 30 August 2004 [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[The Issuer (a) has complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to and continuing listing of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to listing of the Notes by the time when the Notes are so admitted; and (c) has not, since the last publication of information in compliance with the listing rules of the Luxembourg Stock Exchange about Notes issued under the Programme, the date of any previous issues made by it under the Programme and listed on the Luxembourg Stock Exchange, or any Notes issued under the Programme, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of the Notes as they fall due.]

*[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 directions for completing the Pricing Supplement.]*



1. Issuer: Citigroup Inc.
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: [●]
- [(i)] Aggregate Nominal Amount in U.S. dollars: [●] *(in the case of Notes issued in any currency other than U.S. dollars)*
- [(ii)] Rate of Exchange: [●] *(in the case of Notes issued in any currency other than U.S. dollars)*
- [(iii)] Method of Calculating Rate of Exchange: [●] *(Give details, if applicable)*
4. Aggregate Nominal Amount:
- [(i)] Series: [●]
- [(ii)] Tranche: [●]
5. (i) Issue Price: [●] % of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
- (ii) Net proceeds: [●]
6. Specified Denominations: [●]  
[●]  
*[Notes which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)]*
7. [(i)] Issue Date: [●]
- [(ii)] Interest Commencement Date (if different from the Issue 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: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes: [Senior/Subordinated]
14. Listing: [Application has been made for the Notes to be listed on the Luxembourg Stock Exchange/other (specify)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

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

16. Fixed Rate Note Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [●] % per annum [payable [annually/semiannually/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 Note of [●] Specified Denomination and per Note of [●] Specified Denomination]
- (iv) Day Count Fraction: [30/360/Actual/Actual (ISDA)/Actual/Actual (ISMA)/other]
- (v) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details] *(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis. Also consider what should happen to unmatured Coupons in the event of early redemption of the Notes.)*
17. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate of Interest: *(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)*
- (ii) Specified Period(s)/Specified Interest Payment Dates: [●]
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Convention/ Preceding Business Day Convention/other (give details)]

- (iv) Additional Business Centre(s): [Not Applicable/give details]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/(give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Fiscal Agent]): [[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]
- (vii) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
  - Relevant Screen Page: [For example, Telerate page 3750/248]
  - Interest Determination Date(s):
  - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the Euro)]
  - Additional Financial Centre:
- (viii) ISDA Determination:
- Floating Rate Option:
  - Designated Maturity:
  - Reset Date:
- (ix) Margin(s): [+/-][]% per annum
- (x) Minimum Rate of Interest: []% per annum
- (xi) Maximum Rate of Interest: []% per annum
- (xii) Day Count Fraction:
- (xiii) 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:
18. Zero Coupon Note Provisions: [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: []% per annum

- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable: *[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [10(g)]]*
19. Index-Linked Interest Note Provisions: *[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: *[Give or annex details]*
- (ii) Calculation Agent responsible for calculating the interest due:
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:
- (iv) Specified Period(s)/Specified Interest Payment Dates:
- (v) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/other (give details)]*
- (vi) Additional Business Centre(s):
- (vii) Minimum Rate of Interest: % per annum
- (viii) Maximum Rate of Interest: % per annum
- (ix) Day Count Fraction:
20. Dual Currency Note Provisions: *[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs 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

21. Call Option: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Call): [●]
  - (ii) Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [●]
    - (b) Maximum Redemption Amount: [●]
  - (iv) Notice period (if other than as set out in the Conditions): [●]
22. Put Option: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
  - (iii) Notice period (if other than as set out in the Conditions): [●]
23. Final Redemption Amount of each Note: [[●] per Note of [●] specified denomination/other/see Appendix]
24. Early Redemption Amount of each Note:  
Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Not Applicable *(if both the Early Redemption Amount (Tax) and the Early Redemption Amount (Default) are the principal amount of the Notes)/specify the Early Redemption Amount (Tax) and/or the Early Redemption Amount (Default) if different from the principal amount of the Notes)*]
25. Exchangeable Note Provisions: [Applicable/Not Applicable] *(if not applicable, delete remaining subparagraphs of this paragraph)*
26. Exchangeable Notes: [specify terms of exchange, conversion or exercise and other terms; identity Deliverable Assets; and terms and exchange, conversion or exercise prior to Maturity Date (including on any event of default)]



## GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: Bearer Notes:  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time upon Noteholder request/in the limited circumstances specified in the Permanent Global Note.]  
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice.]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]
28. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. (Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iv) relates)]
29. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
30. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
31. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
32. Redenomination, renomination and reconventioning provisions: [Not Applicable/The provisions [in Condition 22 (Redenomination)] annexed to this Pricing Supplement] apply]
33. Consolidation provisions: [Not Applicable/The provisions [in Condition 18 (Further Issues)] annexed to this Pricing Supplement] apply]
34. Other terms or special conditions: [Not Applicable/give details]

## DISTRIBUTION

35. (i) If syndicated, names of Managers: [Not Applicable/give names]  
(ii) Stabilising Manager (if any): [Not Applicable/give name]
36. If non-syndicated, name of Dealer: [Not Applicable/give name]
37. TEFRA: The D Rules are applicable
38. Additional selling restrictions: [Not Applicable/give details]

## **OPERATIONAL INFORMATION**

39. ISIN Code:
40. Common Code:
41. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme and the relevant identification number(s):  [Not Applicable/*give name(s) and number(s)*]
42. Delivery:  Delivery [against/free of] payment
43. Additional Paying Agent(s) (if any):

## **[LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Programme for the issuance of U.S.\$35,000,000,000 Euro Medium-Term Notes, Series B of Citigroup Inc.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement.]

Signed on behalf of the Issuer:

**CITIGROUP INC.**

By: \_\_\_\_\_  
[Title]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear, Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth

day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 30 April 2004 (the “**Deed of Covenant**”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system.

### **Exchange of Permanent Global Notes**

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge) in whole but not in part, for Definitive Notes with Coupons and Talons (if applicable) attached (i) if an Event of Default (as defined in Condition 13 (*Events of Default*)) occurs, or (ii) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (iii) if at the option of the Issuer, by reason of any change in the laws of the State of Delaware or the United States of America, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were represented by Definitive Notes, or (iv) if specified in the relevant Pricing Supplement at any time at the option of the holder or (v) as otherwise specified in the Permanent Global Note. Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system.

### **Conditions applicable to Global Notes**

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

#### ***Payments***

All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent outside the United States and will be effective to satisfy and discharge the

corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the same is noted in a schedule thereto.

### ***Exercise of put option***

In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

### ***Partial exercise of call option***

In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions. The rights of account holders with a clearing system in respect of the Notes of such Series will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg and/or other clearing system. For the avoidance of doubt, if the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

### ***Notices***

Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

### ***Redenomination***

If the Notes are redenominated pursuant to Condition 22 (*Redenomination*), then following redenomination:

- (a) if Definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in such denominations as the Fiscal Agent shall determine and notify to the Noteholders; and
- (b) the amount of interest due in respect of Notes represented by a Permanent Global Note and/or a Temporary Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest Euro 0.01.



## THE ISSUER

Citigroup Inc. (“**Citigroup**” or the “**Issuer**”) is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers with some 200 million customer accounts doing business in more than 100 countries. Citigroup’s business is conducted through more than 3,500 subsidiaries and affiliates. Citigroup’s activities are conducted through Global Consumer, Global Corporate and Investment Bank, Private Client Services, Global Investment Management, and Proprietary Investment Activities. Citigroup’s principal subsidiaries are Citibank, N.A., Associates First Capital Corporation, Citigroup Global Markets Inc., Grupo Financiero Banamex, S.A. de C.V. and The Travelers Insurance Company, each of which is a wholly owned, indirect subsidiary of Citigroup.

The Issuer is a holding company and services its obligations primarily with dividends and advances that it receives from subsidiaries. The Issuer’s subsidiaries that operate in the banking, insurance and securities businesses can only pay dividends if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities, state insurance departments and securities regulators in the United States. The Issuer’s subsidiaries may be party to credit agreements that also may restrict their ability to pay dividends. The Issuer currently believes that none of these regulatory or contractual restrictions on the ability of its subsidiaries to pay dividends will affect the Issuer’s ability to service its own debt. The Issuer must also maintain the required capital levels of a bank holding company before it may pay dividends on its stock. Each of the Issuer’s major operating subsidiaries finances its operation on a stand-alone basis consistent with its capitalisation and ratings.

Under longstanding policy of The Board of Governors of the Federal Reserve System, a bank holding company is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Issuer may be required to commit resources to its subsidiary banks.

The principal office for the Issuer is located at 399 Park Avenue, New York, NY 10043. The Issuer was incorporated in Delaware in 1988 pursuant to the Delaware General Corporation Law.

## CAPITALISATION OF THE ISSUER

The following table sets out the consolidated capitalisation of the Issuer as at 30 June 2004. Save as described in the footnotes to the following table, there has been no material change in the capitalisation of the Issuer since 30 June 2004 other than changes to the Issuer's short-term borrowings, which in the normal course of business may vary significantly from time to time.

	As at 30 June, 2004 <u>(in millions of U.S. dollars)</u>
<b>Debt:</b>	
Investment banking and brokerage borrowings .....	26,459
Short-term borrowings .....	40,917
Long-term debt .....	189,071
Total debt <sup>(1)</sup> .....	256,447
<b>Stockholders' equity:</b>	
Preferred stock at aggregate liquidation value <sup>(2)</sup> .....	1,125
Common stock and additional paid-in capital (net of treasury stock) <sup>(3)</sup> .....	7,439
Retained earnings .....	95,707
Accumulated other changes in equity from non-owner sources .....	(3,338)
Unearned compensation .....	<u>(2,622)</u>
Total stockholders' equity .....	<u>98,311</u>
Total capitalisation .....	<u>354,758</u>

- (1) Does not reflect the issuance by the Issuer (a) on 1 July 2004 of British pounds sterling 400,000,000 of its 5.875% subordinated notes, (b) on 29 July 2004 of U.S.\$1,000,000,000 of its 4.25% senior notes, (c) on 2 August 2004 of Euros 2,500,000,000 of its 5.00% senior notes, (d) on 3 August 2004 of Euros 600,000,000 of its floating rate senior notes and (e) on 18 August 2004 of Swiss Francs 200,000,000 of its 1.50% senior notes and Swiss Francs 100,000,000 of its 3.00% senior notes.
- (2) Preferred stock, par value U.S.\$1.00 per share, 30 million shares authorised, outstanding: 4,000,000 shares with a liquidation value of U.S.\$250 per share; and 250,000 shares with a liquidation value of U.S.\$500 per share.
- (3) Par value \$0.01 per share; authorised shares 15.0 billion. As at 30 June 2004, the Issuer had 5,180,258,364 shares outstanding.

## SUMMARY FINANCIAL INFORMATION RELATING TO THE ISSUER

The following tables set out in summary form selected financial information for the Issuer and its consolidated subsidiaries. Such information is derived from the consolidated financial statements of the Issuer contained in the Issuer's Annual Report on Form 10-K for the year ended 31 December 2003 and its Quarterly Reports on Forms 10-Q each filed with the Commission.

	At or for the six months ended 30 June,		At or for the year ended 31 December,	
	2004	2003	2003	2002
	(millions of U.S. Dollars, except per share amounts)			
<b>Income Statement Data:</b>				
Total revenues, net of interest expense . . . . .	43,790	37,890	77,442	71,308
Income from continuing operations . . . . .	6,417	8,402	17,853	13,448
Net income . . . . .	6,417	8,402	17,853	15,276
Dividends declared per common share <sup>(1)</sup> . . . . .	0.800	0.400	1.100	0.700
<b>Balance Sheet Data:</b>				
Total assets . . . . .	1,396,568	1,187,035	1,264,032	1,097,590
Total deposits . . . . .	524,400	447,984	474,015	430,895
Long-term debt . . . . .	189,071	131,350	162,702	126,927
Total stockholders' equity . . . . .	98,311	93,301	98,014	86,718

(1) Amounts represent Citigroup's historical dividends per common share and have been adjusted to reflect stock splits.

The following table shows the consolidated ratio of income to fixed charges and the consolidated ratio of income to combined fixed charges including preferred stock dividends of the Issuer for the two years ended 31 December 2003 and 2002 and for the six months ended 30 June 2004. The ratios in the following table are unaudited.

	Six months ended 30 June,	Year ended 31 December,	
	2004	2003	2002
Ratio of income to fixed charges (excluding interest on deposits) . . . . .	2.53	3.43	2.57
Ratio of income to fixed charges (including interest on deposits) . . . . .	1.92	2.48	1.95
Ratio of income to combined fixed charges including preferred stock dividends (excluding interest on deposits) . . . . .	2.51	3.40	2.54
Ratio of income to combined fixed charges including preferred stock dividends (including interest on deposits) . . . . .	1.91	2.47	1.94

## TAXATION

### United States Taxation

The following summary sets forth certain United States federal income tax considerations of the purchase, ownership and disposition of Notes, Coupons and Talons by Non-U.S. Holders (as defined below). This summary is based upon the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed U.S. Treasury regulations promulgated thereunder, published rulings by the U.S. Internal Revenue Service (the “IRS”) and court decisions, all in effect as of this Offering Memorandum, all of which authorities are subject to change or differing interpretations, which changes or differing interpretations could apply retroactively. This summary does not purport to discuss all aspects of United States federal income taxation which may be relevant to particular investors, including, without limitation, banks and certain U.S. expatriates. In addition, this summary does not discuss any foreign, state or local tax considerations. This summary only applies to original purchasers of Notes that purchase Notes at the original issue price and hold the Notes as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. Prospective investors should consult their own tax advisers regarding the United States federal, state and local, as well as foreign income and other, tax considerations of investing in the Notes.

As used here, the term “U.S. Person” includes (i) a citizen or individual resident of the United States, (ii) a corporation or other entity treated as a corporation for United States federal income tax purposes created or organised in or under the laws of the United States or any political sub-division thereof or therein (including the District of Columbia), (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, and (iv) a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all substantial decisions or the trust has made a valid election under U.S. Treasury regulations to be treated as a U.S. person. A “Non-U.S. Holder” is a beneficial owner of a Note, Coupon or Talon that is not a U.S. Person. A “U.S.-Controlled Person” includes (i) a controlled foreign corporation for United States federal income tax purposes, (ii) a foreign person 50% or more of whose gross income is effectively connected with the conduct of a trade or business within the United States for a specified three-year period, and (iii) a foreign partnership that is engaged in the conduct of a trade or business within the United States or more than 50% of the income or capital interests in which are held by U.S. persons.

In the case of a holder of Notes, Coupons or Talons that is a partnership for United States federal income tax purposes, each partner will take into account its allocable share of income or loss from the Notes, Coupons or Talons, and will take such income or loss into account under the rules of taxation applicable to such partner, taking into account the activities of the partnership and the partner.

Under present United States federal income and estate tax law and subject to the discussion of backup withholding below:

- (a) payments of principal of and interest on the Notes, Coupons and Talons made outside the United States by the Issuer or any Paying Agent to a Non-U.S. Holder will not be subject to withholding of United States federal income tax, unless, in the case of interest (including original issue discount), (1) the Non-U.S. Holder (A) actually or constructively owns 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, or (B) is a controlled foreign corporation that is related to the Issuer through stock ownership, and (2) such interest is not contingent within the meaning of Section 871(h)(4) of the Code;
- (b) payments of proceeds realised on the sale, exchange or redemption of a Note to a Non-U.S. Holder will not be subject to withholding of United States federal income tax; and
- (c) a Note, Coupon or Talon held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to United States federal estate tax as a result of such individual’s death if the individual does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote and the income on the Note, Coupon or Talon would not have been effectively connected with the conduct of a trade or business by the individual in the United States.

Notwithstanding the foregoing, a Non-U.S. Holder that is subject to United States federal income taxation on a net income basis generally will be subject to taxation under the same rules that govern the taxation of a beneficial owner of a Note, Coupon or Talon that is a U.S. Person with respect to interest paid or accrued on a Note, Coupon or Talon, and with respect to gain or loss realised or recognised on the sale,

exchange, retirement or other taxable disposition of a Note, Coupon or Talon. In addition, a Non-U.S. Holder who is an individual will be subject to United States federal income tax on gain realised on the sale, exchange, retirement or other taxable disposition of a Note, Coupon or Talon if such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met. Special rules apply to Non-U.S. Holders that are qualified residents of a country with which the United States has an income tax treaty.

Special tax considerations may apply to certain index-linked Notes, Coupons or Talons. Any such considerations will be described in the applicable Pricing Supplement.

### **Tax Return Disclosure and Investor List Requirements**

U.S. Treasury regulations (the “Tax Shelter Regulations”) intended to address so-called tax shelters and other potentially tax-motivated transactions require participants in a “reportable transaction” to disclose certain information about the transaction on IRS Form 8886 and retain information relating to the transaction. Organisers and sellers of reportable transactions are required to maintain lists identifying the transaction investors and furnish to the IRS upon demand such investor information as well as detailed information regarding the transactions. A transaction may be “reportable transaction” based upon any of several indicia, including the existence of confidentiality agreements, certain indemnity arrangements, potential for recognising certain losses, significant book-tax differences, a brief asset holding period, and whether the transaction is a listed transaction, one or more of which may be present with respect to or in connection with an investment in the Notes. In addition, the Tax Shelter Regulations could be interpreted to cover and require reporting of transactions that are generally not considered tax shelters, including certain foreign currency transactions. Currently, legislative proposals are pending in Congress that, if enacted, would impose significant penalties for failure to comply with these disclosure requirements. Investors should consult their tax advisers concerning any possible disclosure obligation with respect to their investment and should be aware that the Issuer and other participants in the transaction intend to comply with the disclosure and list maintenance requirements under the Tax Shelter Regulations as they determine apply to them with respect to the Programme or Notes issued thereunder.

### **Backup Withholding and Information Reporting**

Backup withholding will not apply to payments made outside the United States by the Issuer or Paying Agent on a Note, Coupon or Talon unless the payor has actual knowledge that the beneficial owner thereof is a U.S. person. In addition, if payments are collected outside the United States by a foreign office of a custodian, nominee or other agent acting on behalf of a beneficial owner of a Note, Coupon or Talon, that custodian, nominee or other agent will not be required to deduct backup withholding from payments made to that beneficial owner unless the custodian, nominee or other agent has actual knowledge that the beneficial owner thereof is a U.S. person. Generally, payments made outside the United States will not be subject to information reporting. However, payments by a custodian, nominee, or other agent that is a U.S. person or U.S.-Controlled Person will be subject to information reporting unless that custodian, nominee or other agent has documentary evidence in its files of the beneficial owner’s foreign status and has no actual knowledge to the contrary.

Payment of the proceeds from the sale of a Note, Coupon or Talon to or through the United States office of a broker will be subject to information reporting and backup withholding unless the beneficial owner thereof certifies it is not a U.S. person under penalty of perjury or otherwise establishes an exemption from information reporting and backup withholding. Payment of the proceeds from the sale of a Note, Coupon or Talon effected outside the United States to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding, except that, if the broker is a U.S. person or U.S.-Controlled Person, information reporting will apply to those payments unless the broker has documentary evidence in its files that the beneficial owner is not a U.S. person and has no actual knowledge to the contrary, or the beneficial owner otherwise establishes an exemption, and backup withholding will apply if the broker has actual knowledge that the beneficial owner is a U.S. person.

Generally a holder may obtain a refund of any amount withheld under the backup withholding rules that exceed the holder’s income tax liability by filing a refund claim with the IRS.

### **EU Savings Directive**

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 July 2005,

provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

#### **Deed of Covenant**

Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from withholding tax described above or any other exemption which depend on the Notes being beneficially owned by a particular person.



## SUBSCRIPTION AND SALE

Notes or Coupons may be sold from time to time by the Issuer to Citigroup Global Markets Limited and to any other Dealer appointed from time to time under the Dealer Agreement (as defined below) (the “Dealers”) or to any other purchaser. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers (or other purchasers) are set out in an Amended and Restated Dealer Agreement dated 30 August 2004 (as amended and/or restated from time to time, the “Dealer Agreement”) and made between the Issuer and the Dealers. Such agreement will make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America:

*Regulation S Category 2; TEFRA D.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, United States Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States Person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and U.S. Treasury regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of Notes of the same Tranche and the date of issue thereof or (iii) in the event of a distribution of a Tranche that is fungible therewith, from the earlier of the commencement of the offering of such fungible Tranche and the date of issue thereof until 40 days after the later of the commencement of the offering of such fungible Tranche and the date of issue within the United States or to, or for the account or benefit of, United States Persons, and such Dealer will have sent to each distributor, dealer or person to which it sells Notes during the Initial Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, United States Persons.

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

### United Kingdom:

Each Dealer has represented and agreed that:

- (a) *No offer to public:* in relation to Notes which have a maturity of one year or more it has not offered or sold and, prior to the expiry of a period of six months from the Issue Date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) *No deposit-taking:* in relation to any Notes which must be redeemed before the first anniversary of the date of their issue:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (c) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (d) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## General

Other than with respect to the listing of the Notes on such stock exchange as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Offering Memorandum or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

## GENERAL INFORMATION

### Listing

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange and, in connection therewith, the Luxembourg Stock Exchange has assigned registration number 12190 to the Programme. Prior to the listing of any Notes, the constitutional documents of the Issuer and the legal notice relating to the issue will be registered with the *Registre de Commerce et des Sociétés à Luxembourg*, where copies of these documents may be obtained upon request.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

### Authorisations

The establishment and updating of the Programme was authorised by resolutions of the Board of Directors of the Issuer adopted on 15 December 1998, as amended by resolutions adopted on 19 October 1999, and 17 October 2000, and the issuance of Notes under the Programme was authorised by the Funding Committee of the Board of Directors on 1 June 1999. On 23 January 2001, the Programme Amount was increased from U.S.\$5,000,000,000 to U.S.\$12,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 12 January 2001. On 30 April 2004 the Programme Amount was increased from U.S.\$12,000,000,000 to U.S.\$18,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 15 April 2004. On 16 August 2004 the Programme Amount was raised from U.S.\$18,000,000,000 to U.S.\$35,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 26 July 2004.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

### Use of proceeds

The net proceeds to be received by the Issuer from the sale of the Notes will be used for general corporate purposes, principally to fund the business of its operating units, to fund investments in, or extensions of credit or capital contributions to, its subsidiaries, to finance possible acquisitions or business expansion and to refinance or extend the average maturity of existing debt obligations, which may include the reduction of short-term liabilities or the refunding of maturing indebtedness. In order to fund its business, the Issuer expects to incur additional indebtedness in the future. The Issuer or an affiliate may enter into a swap agreement with one of the Issuer's affiliates or a third party in connection with the sale of Notes and may earn additional income as a result of payments pursuant to that transaction.

### Litigation

Save as disclosed in this Offering Memorandum, there have not been, nor are there, any litigation proceedings, actual or pending, relating to the Issuer or any of its Subsidiaries to which the Issuer (or such Subsidiary) is a party or of which the Issuer has been notified which are material in the context of the Programme or the issue of Notes thereunder.

### No significant change

Save as disclosed in this Offering Memorandum, there has been no adverse change in the condition (financial or otherwise) or general affairs of the Issuer and its Subsidiaries when considered as a whole since 31 December 2003 that is material in the context of the Programme or the issue of Notes thereunder.

### **Documents available for inspection or obtainable**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected (and, in the case of (e) and (f) below, may be obtained) during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg:

- (a) the Amended and Restated Agency Agreement;
- (b) the Deed of Covenant;
- (c) the Amended and Restated Dealer Agreement;
- (d) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (e) the Offering Memorandum and any supplements thereof; and
- (f) any Pricing Supplement relating to Notes which are listed on any stock exchange. (In the case of any Notes which are not listed on any stock exchange, copies of the relevant Pricing Supplement will only be obtainable by the relevant Noteholders).

### **Financial statements available**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents (without exhibits) may be obtained during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, namely:

- (a) the most recent publicly available audited consolidated financial statements of the Issuer beginning with such financial statements for the years ended 31 December 2003, 31 December 2002 and 31 December 2001;
- (b) the most recent publicly available unaudited consolidated quarterly financial statements (if any) of the Issuer beginning with such financial statements for the quarter ended 30 June 2004; and
- (c) any current reports of the Issuer issued after the date of the financial statements referred to in (a) above.

The Issuer does not publish unconsolidated financial statements.

### **NON-CONFIDENTIALITY**

No person asserts any claim of proprietary ownership or exclusive right with respect to any feature of the tax structure or the tax aspects of the transactions described herein, and Citigroup and its affiliates authorise each of the prospective investors (and each employee, representative, or other agent of any prospective investor) to disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions and other tax analyses) that are provided to the prospective investor relating to such tax treatment and tax structure.

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