

BASE PROSPECTUS



**U.S.\$110,000,000,000**

**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 Base Prospectus which constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (as amended) (the "**Programme**{ XE "Programme" }"), Citigroup Inc. (the "**Issuer**{ XE "Issuer" }" or "**Citigroup**{ XE "Citigroup" }") may from time to time issue senior notes (the "**Senior Notes**{ XE "Senior Notes" }") and subordinated notes (the "**Subordinated Notes**{ XE "Subordinated Notes" }" and, together with the Senior Notes, the "**Notes**{ XE "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.\$110,000,000,000 (or the equivalent in other currencies).

This Base Prospectus has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**{ XE "CSSF" }"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended (the "**Prospectus Directive**{ XE "Prospectus Directive" }") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of notes ("**Notes**{ XE "Notes" }") issued under the Euro Medium Term Note Programme (the "**Programme**{ XE "Programme" }") described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (the "**MIFID Directive**{ XE "MIFID Directive" }"). The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer. Application has been made for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**{ XE "CSSF" }") to the competent authority in each of France, Germany, The Netherlands, United Kingdom, Republic of Ireland, Spain, Italy, the Kingdom of Denmark, Belgium and Austria. This document as well as the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

Investors should note that the CSSF assumes no responsibility as to the economic and financial soundness of any transaction and the quality or solvency of the Issuer in line with the provisions of article 7(7) of the Prospectus Law implementing Directive 2003/71/EC.

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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" { XE "Securities Act" }). 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 Base Prospectus or any final terms 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 or guaranteed by the U.S. Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

**Arranger  
Citigroup  
Dealer  
Citigroup**

The date of this Base Prospectus is 24 June 2014.

CONTENTS

	<b>Page</b>
RESPONSIBILITY STATEMENT .....	1
IMPORTANT NOTICES.....	1
SUMMARY OF THE PROGRAMME.....	6
RISK FACTORS .....	16
GENERAL DESCRIPTION OF THE PROGRAMME .....	21
DOCUMENTS INCORPORATED BY REFERENCE .....	22
SUPPLEMENTS TO THIS BASE PROSPECTUS .....	25
FORMS OF THE NOTES .....	25
TERMS AND CONDITIONS OF THE NOTES .....	27
FORM OF FINAL TERMS.....	58
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM .....	67
THE ISSUER .....	70
DIRECTORS AND EXECUTIVE OFFICERS OF CITIGROUP INC. ....	71
SELECTED FINANCIAL INFORMATION RELATING TO THE ISSUER .....	73
TAXATION .....	74
SUBSCRIPTION AND SALE .....	95
USE OF PROCEEDS .....	98
GENERAL INFORMATION .....	99
NON-CONFIDENTIALITY .....	102
INDEX OF DEFINED TERMS .....	103

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus 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 Base Prospectus is in accordance with the facts and contains no omissions likely to affect its import. Where information contained in this Base Prospectus has been sourced from a third party, this information has been accurately reproduced and so far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## IMPORTANT NOTICES

This Base Prospectus should be read and construed together with any 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 Final Terms (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 Base Prospectus 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 Base Prospectus 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 Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms 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 Base Prospectus or any Final Terms 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**{ XE "Securities Act" }"). Subject to certain exceptions, Notes may not be offered or sold within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms 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 Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms 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 Base Prospectus. 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 Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus (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 Base Prospectus (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 Base Prospectus. 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.

For convenience, the website addresses of certain third parties have been provided in this Base Prospectus. Except as expressly set forth in this Base Prospectus, no information in such websites should be deemed to be incorporated in, or form a part of, this Base Prospectus and neither the Issuer nor the Dealers take responsibility for the information contained in such websites.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$110,000,000,000 (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 Base Prospectus, unless otherwise specified, references to "**U.S.\$**{ XE "U.S.\$" }", "**U.S. dollars**{ XE "U.S. dollars" }" or "**dollars**{ XE "dollars" }" are to United States dollars, references to "**£**{ XE "£" }", "**GBP**{ XE "GBP" }" and "**Sterling**{ XE "Sterling" }" are to the lawful currency for the time being of the United Kingdom and references to "**€**{ XE "€" }", "**EUR**{ XE "EUR" }" or "**Euro**{ XE "Euro" }" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**{ XE "Relevant Member State" }") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member state of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, **provided that** any such prospectus has subsequently been completed by Final Terms which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. The expression "**Prospectus Directive**{ XE "Prospectus Directive" }" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**{ XE "2010 PD Amending Directive" }" means Directive 2010/73/EU.

In addition, in the context of any offer of Notes that is not made within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Public Offer**{ XE "Public Offer" }"), the Issuer accepts responsibility in Luxembourg, France, Germany, The Netherlands, the United Kingdom, the Republic of Ireland, Spain, Italy, the Kingdom of Denmark, Belgium and Austria (each a "**Public Offer Jurisdiction**{ XE "Public Offer Jurisdiction" }") for the content of this Base Prospectus in relation to any person (an "**Investor**{ XE "Investor" }") in a Public Offer Jurisdiction to whom an offer of any Notes is made by any financial intermediary to whom either Issuer has given its consent to use this Base Prospectus (an "**Authorised Offeror**{ XE "Authorised Offeror" }"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus,. However, neither any Issuer nor any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**{ XE "Offer Period" }") either:

- (1) in the Member State(s) specified in the relevant Final Terms by any financial intermediary which satisfies the following conditions and any additional conditions specified in the relevant Final Terms:
  - (a) it is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC); and
  - (b) it publishes on its website the following statement (with the information in square brackets completed with the relevant information):

"We, [*insert legal name of financial intermediary*], are a financial intermediary authorised under the Markets in Financial Instruments Directive (Directive 2004/39/EC) to make offers of securities such as the [*insert title of the relevant Notes*] (the "**Notes**{ XE "Notes" }") described in the Final Terms dated [*insert date*] (the "**Final Terms**{ XE "Final Terms" }") published by Citigroup Inc. (the "**Issuer**{ XE "Issuer" }"). We refer to the offer of the Notes in [*insert relevant Public Offer Jurisdiction(s)*] during the Offer Period specified in the Final Terms (the "**Public Offer**{ XE "Public Offer" }"). In consideration for the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the Public Offer on the Authorised Offeror Terms specified in the Base Prospectus and subject to the conditions to such consent, we hereby accept such offer. Accordingly, we are using the Base Prospectus in connection with the Public Offer in accordance with the consent of the Issuer on the Authorised Offeror Terms and subject to the conditions of such consent."

The "**Authorised Offeror Terms**{ XE "Authorised Offeror Terms" }" are that the relevant financial intermediary:

1. represents, warrants and undertakes for the benefit of the Issuer that it will, at all times in connection with the relevant Public Offer:
  - (a) act in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**{ XE "Rules" }");
  - (b) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
  - (c) ensure that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to investors or potential investors;
  - (d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
  - (e) comply with applicable anti-money laundering, anti-bribery and "know your client" Rules, and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
  - (f) retain investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer or directly to the appropriate authorities with jurisdiction over either Issuer in order to enable the Issuer to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer;
  - (g) ensure that it does not, directly or indirectly, cause the Issuer to breach any Rule or subject the Issuer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

- (h) comply with any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
  - (i) not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus as supplemented by the applicable Final Terms; and
  - (j) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that the Issuer does not accept any responsibility for such communication and (C) does not, without the prior written consent of the Issuer, use the legal or publicity names of the Issuer or any other name, brand or logo registered by an entity within the Citigroup group of companies, except to describe the Issuer as issuer of the relevant Notes; and
2. undertakes to indemnify the Issuer (in each case on behalf of such entity and its directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements; and
3. agrees and accepts that:
- (a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**{ XE "Authorised Offeror Contract" }"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law; and
  - (b) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts.

Or,

- (2) by the financial intermediaries specified in the relevant Final Terms, in the Member State(s) specified in the relevant Final Terms and subject to the relevant conditions specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on its website.

The consent referred to above relates to Public Offers occurring within 12 months from the date of this Base Prospectus.

**Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Public Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

To the extent specified in the relevant Final Terms, an offer may be made during the relevant Offer Period by any of the Issuer or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

Neither the Issuer nor any of the Dealers has authorised the making of any Public Offer of any Notes by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes unless (1) the offer is made by an Authorised Offeror as described above or (2) the offer is otherwise made in circumstances falling within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised offers are not made by or on behalf of the Issuer, any Dealer or any Authorised Offeror and none of the Issuer, any Dealer or any Authorised Offeror has any responsibility or liability for the actions of any person making such offers.

**An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer{ XE "Terms and Conditions of the Public Offer" }"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.**

**IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) ACTING AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO OBLIGATION ON THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) TO UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

## SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element.

In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction:</b>	<p>Warning that:</p> <ul style="list-style-type: none"> <li>• this summary should be read as an introduction to the Prospectus;</li> <li>• any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor;</li> <li>• where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</li> <li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such Notes.</li> </ul>
<b>A.2</b>	<b>Consent:</b>	<p>[The Issuer consents to the use of this Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis:</p> <p>(a) the relevant Public Offer must occur during the period from and including [•] to but excluding [•] (the "Offer Period{ XE "Offer Period" }");</p> <p>(b) the relevant Authorised Offeror must satisfy the following conditions: [•].</p> <p>[The Issuer consents to the use of this Prospectus in connection with a Public Offer of the Notes by [•] on the following basis:</p> <p>(a) the relevant Public Offer must occur during the period from and including [•] to but excluding [•] (the "Offer Period{ XE "Offer Period" }");</p> <p>(b) the relevant Authorised Offeror must satisfy the following conditions: [•].]</p>
		<p>(b) the relevant Authorised Offeror must satisfy the following conditions: [•].]</p>



<b>Section A – Introduction and Warnings</b>	
	<p><b>An investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation, settlement arrangements and any expenses or taxes to be charged to the Investor (the "Terms and Conditions of the Public Offer{ XE "Terms and Conditions of the Public Offer" }"). The Issuer will not be a party to any such arrangements with investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.</b></p> <p><i>[Not Applicable. The Issuer does not consent to the use of this Prospectus in connection with a Public Offer of the Notes]</i></p>

<b>Section B – Issuer</b>		
<b>B.1</b>	<p><b>Legal name of the Issuer:</b></p> <p><b>Commercial name of the Issuer:</b></p>	<p>Citigroup Inc ("Citigroup{ XE "Citigroup" }").</p> <p>Citigroup.</p>
<b>B.2</b>	<b>Domicile, legal form, legislation and country of incorporation of the Issuer:</b>	<p>Citigroup is a holding company with limited liability. Citigroup is incorporated with perpetual duration pursuant to the Delaware General Corporation Law and has its registered office in New York.</p>
<b>B.4b</b>	<b>Trends:</b>	<p>Not Applicable. There are no particular trends affecting Citigroup.</p>
<b>B.5</b>	<b>The Group:</b>	<p>Citigroup is a global diversified financial services holding company whose businesses provide a broad range of financial products and services to consumers, corporations, governments and institutions. Citigroup has some 200 million customer accounts and does business in over 160 countries and jurisdictions.</p> <p>Citigroup's activities are conducted through the Global Consumer Banking, Institutional Clients Group (ICG) and Citi Holdings business segments. Its businesses conduct their activities across the North America, Latin America, Asia, and Europe, Middle East and Africa (EMEA) regions. Citigroup's principal subsidiaries are Citibank, N.A., Citigroup Global Markets Inc., and Grupo Financiero Banamex, S.A. de C.V., each of which is a wholly owned, indirect subsidiary of Citigroup.</p>
<b>B.9</b>	<b>Profit Forecast:</b>	<p>Not Applicable, the Issuer does not make a profit forecast.</p>
<b>B.10</b>	<b>Audit Report Qualifications:</b>	<p>Not Applicable, there are no qualifications to the audit reports of the Issuer.</p>
<b>B.12</b>	<b>Selected Key Financial</b>	<p>The following information comprises an overview of consolidated financial information of the Issuer for the financial years ended 31</p>

		<b>Section B – Issuer</b>																																																																				
	<b>Information:</b>	December 2012 and 31 December 2013 and three months ended 31 March 2013 and 31 March 2014:																																																																				
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<b>B.13</b>	<b>Recent Events:</b>	Not Applicable. There have been no recent events which the Issuer considers material to its solvency since the publication of the Issuer's annual report for the financial year ended 31 December 2013.																																																																				
<b>B.14</b>	<b>Dependence upon other entities with the Group:</b>	<p>See Element B.5. 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 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 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.</p> <p>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</p>																																																																				

<b>Section B – Issuer</b>		
		to commit resources to its subsidiary banks.
<b>B.15</b>	<b>The Issuer's Principal Activities:</b>	Citigroup is a global diversified financial services holding company whose businesses provide a broad range of financial products and services to consumers, corporations, governments and institutions.
<b>B.16</b>	<b>Ownership and Control of the Issuer:</b>	Not applicable.  Under U.S. law, no shareholder has to declare its holdings of voting equity in the Issuer unless it beneficially owns 5 per cent. or more of the outstanding shares. To the Issuer's knowledge, no person has exceeded the 5 per cent. threshold other than BlackRock, Inc. which has disclosed its ownership of 6.54 per cent. of the common stock.
<b>B.17</b>	<b>Ratings assigned to the Issuer or its Debt Securities:</b>	Citigroup has been assigned long-term unsecured senior debt ratings of "A-" by Standard & Poors, "Baa2" by Moody's Investors Service and "A" by Fitch, and long-term unsecured subordinated debt ratings of "BBB+" by Standard and Poors, "Baa3" by Moody's Investors Service and "A-" by Fitch. None of Standard & Poors, Moody's Investors Services and Fitch is a credit rating agency established in the EU or registered in the EU under the CRA Regulation. The list of registered and certified credit rating agencies may be accessed at <a href="http://www.esma.europa.eu/page/list-registered-and-certified-CRAs">http://www.esma.europa.eu/page/list-registered-and-certified-CRAs</a> .

<b>Section C – Securities</b>		
<b>C.1</b>	<b>Type and Class of Securities:</b>	The Notes described in this Summary are debt securities which may be issued under the USD 110,000,000,000 Euro Medium Term Note Programme, Series B of the Issuer. The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of the foregoing.  <i>The Notes are [Senior/Subordinated]. [£/€/U.S.\$/other] [•] [[•] per cent./Floating Rate/Zero coupon/] Notes due [•].</i>  <i>[ISIN Code: [•]</i>  <i>Common Code: [•]</i>
<b>C.2</b>	<b>Currency of the Securities Issue:</b>	[The Notes are denominated in [•].]
<b>C.5</b>	<b>Restrictions on Free Transferability:</b>	Not Applicable. There are no restrictions on the free transferability of the Notes.
<b>C.8</b>	<b>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</b>	<b>Denominations:</b> Notes will be issued in denominations of [•].  <b>Negative Pledge:</b> 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

<b>Section C – Securities</b>	
	<p>equally and rateably with such indebtedness.</p> <p><b>Status of the Notes:</b> Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank <i>pari passu</i> and without preference among the obligations of the Issuer in respect of other Senior Notes of the same Series and at least <i>pari passu</i> with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.</p>
	<p>Subordinated Notes are subordinated in right of payment to the prior payment in full of senior indebtedness and will rank <i>pari passu</i> in right of payment with the debt securities issued or issuable under the indenture dated as of 12 April 2001 between the Issuer and The Bank of New York Mellon.</p> <p><b>Limitations:</b> Not applicable. The rights described above apply to all Noteholders equally.</p>
<b>C.9</b>	<p><b>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</b></p> <p>See C.8 for a description of the rights attaching to the Notes, ranking and limitations.</p> <p><i>[Interest: The Notes bear interest from [•] at a fixed rate of [•] per cent. per annum payable in arrear on [•].]</i></p> <p><i>[Interest: The Notes bear interest from [•] at a rate equal to the [floating rate that would be determined under an interest rate swap transaction under the terms of an agreement incorporating the 2000 or 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.]/[sum of [•] per cent. per annum and [period]/[currency]][LIBOR] determined in respect of each Interest Period on the day which is [[•] [London business days] before] the first day of the Interest Period and payable in arrear on [•]. [LIBOR in respect of a specified currency and a specified period is the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distribution in accordance with the requirements from time to time of the British Bankers' Association.]]]</i></p> <p><i>[Interest: The Notes do not bear interest.]</i></p> <p><i>[Maturity Date: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [•].]</i></p> <p><i>[Final Redemption Amount: Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at [•] per cent. of its nominal amount.]</i></p> <p><i>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [•] at [•], plus accrued interest (if any) to such date, on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders.]</i></p> <p><i>[Redemption at the Option of the Noteholders: The Issuer shall, at the option of the holder of any Note, redeem such Note on [•] at [•] together with interest (if any) accrued to such date, on the Noteholders giving not less than 30 nor more than 60 days' notice to the Issuer.]</i></p> <p><b>Tax Redemption:</b> Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a</p>

<b>Section C – Securities</b>		
		<p>result of any change in the tax laws of the country of the Issuer.</p> <p><i>[Yield: Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.]</i></p> <p><i>Representative of the Noteholders: Not Applicable. The Fiscal Agent is agent of the Issuer and there is no representative of the Noteholders.</i></p>
<b>C.10</b>	<b>Derivative Components in interest payment:</b>	Not Applicable. Payments of interest on the Notes shall not involve any derivative component.
<b>C.11</b>	<b>Listing and Trading:</b>	<p><i>[Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.]</i></p> <p><i>[Application has been made for the Notes to be admitted to listing, trading and/or quotation by [•].]</i></p> <p><i>[Not Applicable, the Issuer does not intend to make any application for the Notes to be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.]</i></p>

<b>Section D - Risks</b>	
<b>D.2</b>	<p><b>Risks Specific to the Issuer:</b></p> <p>The ability of Citigroup to fulfil its obligations under the notes is dependent on the earnings of its subsidiaries. The Issuer is a holding company that does not engage in any material amount of business activities that generate revenues. The Issuer services its obligations primarily with dividends and advances from its subsidiaries. If such subsidiaries did not realise sufficient earnings to satisfy applicable regulatory requirements, or if such requirements were changed to further restrict the ability of such subsidiaries to pay dividends to the Issuer, the Issuer's ability to fulfil its obligations under the Notes may be adversely affected.</p> <p>Under U.S. banking law, Citigroup may be required to apply its available funds to support the financial position of its banking subsidiaries, rather than to fulfil its obligations under the Notes.</p> <p>Reduction of Citigroup's ratings may reduce the market value and liquidity of the Notes. Any rating agency may reduce or withdraw its ratings of the Issuer at any time in the future if, in its judgment, circumstances warrant a change. No rating agency is obligated to maintain its ratings at their current levels</p> <p>The Notes may be fully subordinated to interests held by the U.S. government. The Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"), enacted on 21 July 2010, provides for the creation of a new Orderly Liquidation Authority ("OLA") for certain financial companies. OLA provides that "[un]secured claims of the United States shall, at a minimum, have a higher priority than liabilities of the covered financial company that count as regulatory capital." In addition, OLA provides that no taxpayer funds shall be used to prevent the liquidation of any financial company and that the taxpayers shall bear no losses from a receivership under OLA.</p> <p>Adverse outcomes in litigation matters could have a material adverse effect on Citigroup's results of operations or cash flows in particular periods. The Issuer is subject to numerous legal proceedings, including proceedings related to the recent credit crisis, LIBOR, the bankruptcy of Lehman Brothers and certain regulatory matters. The Issuer has accrued reserves against potential losses in these proceedings to the extent that it believes a loss has been incurred and the amount of the loss can be reasonably estimated. Given the substantial or indeterminate amounts sought in certain of these proceedings, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on the Issuer's consolidated results of operations or cash flows in particular quarterly or annual periods.</p> <p>Citigroup's extensive global network subjects it to international and emerging markets risks. Risks associated with a global network include sovereign volatility, political events, foreign exchange controls, limitations on investments, socio-political instability, currency devaluations, nationalisation, closure of branches or subsidiaries and confiscation of assets. These risks could place Citigroup's staff and operations in danger and may result in financial losses.</p> <p>Maintaining adequate liquidity depends on numerous factors, some of which are outside Citigroup's control. As a global financial institution, adequate liquidity and sources of funding are essential to Citigroup's businesses. Liquidity and funding sources can be negatively impacted by factors it cannot control, such as disruptions in the financial markets,</p>

<b>Section D - Risks</b>		
		<p>negative perceptions about the financial services industry in general or negative investor perceptions of Citigroup's financial position or creditworthiness.</p> <p>Uncertainty arising from the continuing Eurozone debt and economic crisis could adversely impact Citigroup's business, results of operations or financial condition. Several European countries continue to experience credit deterioration due to weaknesses in their economic and fiscal situations. Concerns have been raised as to the financial, political and legal effectiveness of measures taken to date and the ability of these countries to adhere to austerity, reforms and similar measures. These ongoing conditions have caused, and are like to continue to cause, disruptions in the global and Eurozone financial markets, creating uncertainty and could negatively impact Citigroup's businesses, results of operation or financial condition.</p> <p>Citigroup's ability to conduct its business could be adversely affected by its failure to maintain required levels of capital. Proposed regulations would increase the level of capital required to be held by Citigroup, as well as its quality (such as capital required to be held as common equity). Failure to satisfy these new capital requirements could result in restrictions on Citigroup's businesses and permitted activities, which in turn could negatively affects its results of operation.</p> <p>A material part of Citigroup's business involves credit risk. As a lender to corporations, governments, institutions and consumers, Citigroup's results of operation depends in part upon the ability of borrowers to repay their loans with interest. In the event of a severe downturn in the economic environment, such as a recession, the inability of borrowers to repay could adversely affect Citigroup's results of operation.</p> <p>Citigroup's operations may be adversely affected by final regulations relating to significant portions of its businesses. Regulators in the United States and Europe have proposed or adopted numerous new regulations that could restrict Citigroup's businesses and operations. These regulations include, or may include, (a) increased levels of required capital and liquidity, (b) restrictions on derivatives, securitizations and principal transactions, (c) increased costs of compliance and (d) provisions to facilitate orderly resolution of large financial institutions. Adoption of these measures, or others that are not presently known, could adversely affect Citigroup's operations.</p> <p>Citigroup's ability to effectively compete with other financial institutions may be adversely affected by new regulations. Citigroup continues to be subject to significant regulatory changes and uncertainties both in the United States and the non-U.S. jurisdictions in which it operates. Citigroup may be subject to more stringent regulations, and incur additional compliance costs, compared to its U.S. competitors because of the global nature of its operations or its size. In addition, Citigroup may be subject to more, or more stringent, regulations than its foreign competitors because of several U.S. regulatory initiatives. Differences in substance and severity of regulations across jurisdictions could significantly reduce Citigroup's ability to compete.</p>
<b>D.3</b>	<b>Risks Specific to the Notes:</b>	<i>Changes in exchange rates could reduce the market value of the Notes and the value of payments on the Notes to an investor.</i>

<b>Section D - Risks</b>	
	<p>An investment in Notes denominated in a specified currency that is not the currency of the investor's jurisdiction entails risks that are not present in a similar investment in a debt security denominated in the investor's currency. These risks include:</p> <ul style="list-style-type: none"> <li>• the possibility of significant market changes in rates of exchange; and</li> <li>• the possibility of significant changes in rates of exchange between the investor's currency and the specified currency resulting from official redenomination or revaluation of the specified currency or the investor's currency.</li> </ul> <p><i>Changes in market interest rates may result in reduced market value of an investment in fixed rate Notes.</i></p> <p>If market interest rates increase after an investor has invested in Notes bearing interest at a fixed rate, the market value of those Notes may be adversely affected.</p> <p><i>Early repayment of Notes may expose an investor to reinvestment risk.</i></p> <p>Pursuant to Condition 9(b), the Issuer has the right to redeem a Series of Notes prior to its Maturity Date in the event of certain changes in U.S. tax laws. In addition, the Final Terms for a particular Series of Notes may provide that the Issuer has the right to redeem a Series of Notes prior to its Maturity Date at any time or on specified dates</p>

<b>Section E - Offer</b>			
<b>E.2b</b>	<p><b>Reasons for the Offer and Use of Proceeds:</b></p> <p>The Issuer will use the net proceeds it receives from the sale of Notes for general corporate purposes, which may include capital contributions to its subsidiaries and/or the reduction or refinancings of borrowings of the Issuer or its subsidiaries. The Issuer expects to incur additional indebtedness in the future.</p>		
<b>E.3</b>	<p><b>Terms and Conditions of the Offer:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><i>[Offer Price:]</i></p> <p><i>[Conditions to which the offer is subject:]</i></p> <p><i>[Time Period, including any possible amendments, during which the offer will be open]:</i></p> <p><i>[Description of the application process]:</i></p> <p><i>[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]:</i></p> <p><i>[Details of the method and time limits for paying up on the Notes:]</i></p> </td> <td style="width: 50%; vertical-align: top;"> <p><i>[Issue Price/Not applicable/specify]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> </td> </tr> </table>	<p><i>[Offer Price:]</i></p> <p><i>[Conditions to which the offer is subject:]</i></p> <p><i>[Time Period, including any possible amendments, during which the offer will be open]:</i></p> <p><i>[Description of the application process]:</i></p> <p><i>[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]:</i></p> <p><i>[Details of the method and time limits for paying up on the Notes:]</i></p>	<p><i>[Issue Price/Not applicable/specify]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p> <p><i>[Not applicable/give details]</i></p>
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<b>Section E - Offer</b>		
		<p><i>[Manner in and date on which results of the offer are to be made public:]</i> <span style="float: right;"><i>[Not applicable/give details]</i></span></p> <p><i>[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]</i> <span style="float: right;"><i>[Not applicable/give details]</i></span></p> <p><i>[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]</i> <span style="float: right;"><i>[Not applicable/give details]</i></span></p> <p><i>[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]</i> <span style="float: right;"><i>[Not applicable/give details]</i></span></p> <p><i>[Name(s) and address(es), to the extent known to the Issuer, of the placers]</i> <span style="float: right;"><i>[None/give details]</i></span></p>
<b>E.4</b>	<b>Interests Material to the Issue/offer:</b>	<p><i>[A description of any interest that is material to the issue/offer including conflicting interests.]</i></p> <p><i>[Syndicated Issue: The Issuer has appointed [•],[•] and [•] (the "Managers{ XE "Managers" }") as Managers of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Managers are set out in the Subscription Agreement made between the Issuer and the Managers]</i></p>
		<p><i>[Non-Syndicated Issue: The Issuer has appointed [•] (the "Dealer{ XE "Dealer" } ") as Dealer in respect of the issue of the Notes. The arrangements under which the Notes are sold by the Issuer to, and purchased by, the Dealer are set out in the Dealer Agreement made between, amongst others, the Issuer and the Dealer.]</i></p>
<b>E.7</b>	<b>Estimated Expenses charged to the Investor:</b>	<p>Not applicable. No expenses will be chargeable by the Issuer to an Investor in connection with any offer of Notes. Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.</p>

## RISK FACTORS

*Investing in Notes issued under the Programme involves certain risks. Set forth below are risk factors that the Issuer believes are the principal risks involved in an investment in Notes that will be generally applicable to most Series of Notes. Any risks that are relevant only to a particular Series of Notes will be described in the related Final Terms. If any of the following risks actually occurs, the trading price and/or value at maturity of the Notes of the Issuer could decline and an investor could lose all or part of its investment.*

### **Risks Relating to Citigroup**

***The ability of the Issuer to fulfill its obligations under the Notes is dependent on the earnings of its subsidiaries.***

The Issuer is a holding company that does not engage in any material amount of business activities that generate revenues. The Issuer services its obligations primarily with dividends and advances from its subsidiaries. Its subsidiaries that operate in the banking and securities businesses can only pay dividends if they are in compliance with applicable regulatory requirements imposed on them by federal and state regulatory authorities. Its subsidiaries may also be subject to credit agreements that also may restrict their ability to pay dividends. If such subsidiaries did not realise sufficient earnings to satisfy applicable regulatory requirements, or if such requirements were changed to further restrict the ability of such subsidiaries to pay dividends to the Issuer, the Issuer's ability to fulfill its obligations under the Notes may be adversely affected.

***Under U.S. banking law, the Issuer may be required to apply its available funds to support the financial position of its banking subsidiaries, rather than to fulfill its obligations under the Notes.***

Under longstanding policy of The Board of Governors of the U.S. Federal Reserve System, a bank holding company (such as the Issuer) 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 (in the form of investments or loans) to its subsidiary banks in amounts or at times that could adversely affect its ability to also fulfil its obligations under the Notes.

***A reduction of the Issuer's ratings may reduce the market value and liquidity of the Notes.***

Each rating agency may reduce or withdraw its ratings of the Issuer at any time in the future if, in its judgment, circumstances warrant a change. No rating agency is obligated to maintain its ratings at their current levels. If a rating agency reduces or withdraws its rating of the Issuer, the liquidity and market value of the Notes are likely to be adversely affected.

***Changes to U.S. laws relating to the resolution of financial institutions may result in claims for payment in respect of the Notes being treated differently to claims under generally applicable U.S. bankruptcy laws.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**{ XE "Dodd-Frank" }"), enacted on 21 July 2010, provides for the creation of a new Orderly Liquidation Authority ("**OLA**{ XE "OLA" }") for certain financial companies. OLA will only be used if the Secretary of the Treasury, after recommendations from financial regulators and in consultation with the President of the United States, determines, among other things, that the failure of the relevant financial company and its resolution under otherwise applicable law would have serious adverse effects on the financial stability of the United States. OLA, if applicable, provides for a receivership of the financial company by the Federal Deposit Insurance Corporation. OLA further provides that "[un]secured claims of the United States shall, at a minimum, have a higher priority than liabilities of the covered financial company that count as regulatory capital." In addition, OLA provides that no taxpayer funds shall be used to prevent the liquidation of any financial company and that the taxpayers shall bear no losses from a receivership under OLA.

***Adverse outcomes in litigation matters could have a material adverse effect on Citigroup's results of operations or cash flows in particular periods.***

The Issuer is subject to numerous legal proceedings, including proceedings related to the recent credit crisis, LIBOR, the bankruptcy of Lehman Brothers and certain regulatory matters. The Issuer has accrued

reserves against potential losses in these proceedings to the extent that it believes a loss has been incurred and the amount of the loss can be reasonably estimated. Given the substantial or indeterminate amounts sought in certain of these proceedings, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on the Issuer's consolidated results of operations or cash flows in particular quarterly or annual periods.

***Citigroup's global operations subject it to additional risks not present in its home market.***

Citigroup's extensive global network subjects it to international and emerging markets risks. Risks associated with a global network include sovereign volatility, political events, foreign exchange controls, limitations on investments, socio-political instability, currency devaluations, nationalisation, closure of branches or subsidiaries and confiscation of assets. These risks could place Citigroup's staff and operations in danger and may result in financial losses.

***Maintaining adequate liquidity for the Issuer's operations may be challenging.***

Maintaining adequate liquidity depends on numerous factors, some of which are outside Citigroup's control. As a global financial institution, adequate liquidity and sources of funding are essential to Citigroup's businesses. Liquidity and funding sources can be negatively impacted by factors it cannot control, such as disruptions in the financial markets, negative perceptions about the financial services industry in general or negative investor perceptions of Citigroup's financial position or creditworthiness.

***Continuing economic difficulties in the Eurozone could affect Citigroup's businesses.***

Uncertainty arising from the continuing Eurozone debt and economic crisis could adversely impact Citigroup's business, results of operations or financial condition. Several European countries continue to experience credit deterioration due to weaknesses in their economic and fiscal situations. Concerns have been raised as to the financial, political and legal effectiveness of measures taken to date and the ability of these countries to adhere to austerity, reforms and similar measures. These ongoing conditions have caused, and are like to continue to cause, disruptions in the global and Eurozone financial markets, creating uncertainty and could negatively impact Citigroup's businesses, results of operation or financial condition.

***The failure to meet and maintain increased levels of required capital could have adverse effects on the Issuer.***

Citigroup's ability to conduct its business could be adversely affected by its failure to maintain required levels of capital. Proposed regulations would increase the level of capital required to be held by Citigroup, as well as its quality (such as capital required to be held as common equity). Failure to satisfy these new capital requirements could result in restrictions on Citigroup's businesses and permitted activities, which in turn could negatively affects its results of operation.

***As a financial institution, Citigroup's business necessarily involves material amounts of credit risk.***

A material part of Citigroup's business involves credit risk. As a lender to corporations, governments, institutions and consumers, Citigroup's results of operation depends in part upon the ability of borrowers to repay their loans with interest. In the event of a severe downturn in the economic environment, such as a recession, the inability of borrowers to repay could adversely affect Citigroup's results of operation.

***Ongoing regulatory actions may adversely affect Citigroup's businesses and its ability to effectively compete.***

Citigroup's operations may be adversely affected by final regulations relating to significant portions of its businesses. Regulators in the United States and Europe have proposed or adopted numerous new regulations that could restrict Citigroup's businesses and operations. These regulations include, or may include, (a) increased levels of required capital and liquidity, (b) restrictions on derivatives, securitizations and principal transactions, (c) increased costs of compliance and (d) provisions to facilitate orderly resolution of large financial institutions. Adoption of these measures, or others that are not presently known, could adversely affect Citigroup's operations.

Citigroup's ability to effectively compete with other financial institutions may be adversely affected by new regulations. Citigroup continues to be subject to significant regulatory changes and uncertainties both

in the United States and the non-U.S. jurisdictions in which it operates. Citigroup may be subject to more stringent regulations, and incur additional compliance costs, compared to its U.S. competitors because of the global nature of its operations or its size. In addition, Citigroup may be subject to more, or more stringent, regulations than its foreign competitors because of several U.S. regulatory initiatives. Differences in substance and severity of regulations across jurisdictions could significantly reduce Citigroup's ability to compete.

***Additional risk factors relating to the Issuer are incorporated by reference; see "Documents Incorporated by Reference" below.***

#### **Risks Relating to the Notes**

***Changes in exchange rates could reduce the market value of the Notes and the value of payments on the Notes to an investor.***

An investment in Notes denominated in a Specified Currency that is not the currency of the investor's jurisdiction (the "**investor's currency**{ XE "investor's currency" }") entails risks that are not present in a similar investment in a debt security denominated in the investor's currency. These risks include:

- the possibility of significant market changes in rates of exchange between the investor's currency and the Specified Currency; and
- the possibility of significant changes in rates of exchange between the investor's currency and the Specified Currency resulting from official redenomination or revaluation of the Specified Currency or the investor's currency.

These risks depend on factors over which the Issuer has no control and which may not be readily foreseeable, such as economic events (both national and global), political events and the supply of, and demand for, the relevant currencies.

The rates of exchange between currencies in which Notes may be denominated have historically been volatile, and this volatility may be expected in the future. Past fluctuations in particular rates of exchange are not necessarily indicative of future fluctuations that may occur during the term of any Note. Depreciation of the Specified Currency for a particular Note against the investor's currency would result in a reduction of the effective yield of such Note below its interest rate and could result in a substantial loss to the investor at maturity in terms of the investor's currency.

***Changes in market interest rates may result in reduced market value of an investment in fixed rate Notes.***

If market interest rates increase after an investor has invested in Notes bearing interest at a fixed rate, the market value of those Notes may be adversely affected.

***Early repayment of Notes may expose an investor to reinvestment risk.***

Pursuant to Condition 9(b), the Issuer has the right to redeem a Series of Notes prior to its Maturity Date in the event of certain changes in U.S. tax laws. In addition, the Final Terms for a particular Series of Notes may provide that the Issuer has the unilateral right to redeem a Series of Notes prior to its Maturity Date at any time or on specified dates. In either event, upon an investor's receipt of the redemption proceeds for his Notes, the investor may not be able to reinvest those proceeds in an investment with a comparable yield to the Notes or in an investment of similar or better credit quality.

***Legal investment considerations may restrict investments by some investors.***

The investment activities of certain investors are subject to legal investment laws and regulations, or to review or approval by governmental authorities. Each potential investor should consult its advisors to determine whether and to what extent (a) a particular Series of Notes is a legal investment for it, (b) such Series can be used as collateral for borrowings, pledges or repurchase transactions and (c) any other consequences of a proposed investment in Notes. Institutions that are subject to risk-based capital or similar rules should consult their advisors or regulators to determine the treatment of a particular Series of Notes under such rules.

### ***Implementation of the EU Savings Directive may affect withholding of tax on Notes.***

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**{ XE "EU Savings Directive" }) on the taxation of savings income in the form of interest payment, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a paying agent in the meaning of the EU Savings Directive within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain types of entity (as defined in the article 4-2 of the EU Savings Directive) established in that other Member State; however, for a transitional period, Austria and Luxembourg will, subject to certain exceptions, apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. unless the beneficial owner of the interest payments opts for one of the two information exchange procedures available. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described in the first paragraph above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

### ***A secondary market for a Series of Notes may not develop or may not exist throughout the term of any Series of Notes.***

Series of Notes will generally have no established trading market when issued and one may never develop. If a market does develop, it may be of limited duration or it may not provide sufficient liquidity for investors to be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

### ***EU Credit Rating Agencies Regulation.***

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**{ XE "CRA Regulation" }) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union. The list of credit rating agencies registered in

accordance with the CRA Regulation as of the date of this Prospectus is available on the ESMA website at [www.esma.europa.eu/page/List-registered-and-certified-CRAs](http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) (list last updated on 21 May 2014).

## **GENERAL DESCRIPTION OF THE PROGRAMME**

The Programme is a U.S.\$110,000,000,000 Euro Medium Term Note Programme under which the Issuer may, from time to time, issue Notes including, without limitation, Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes and other Notes subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The applicable terms of any Notes will be agreed between the Issuer and the Dealers prior to the issue of the Notes and will be set out in the Final Terms of the Notes endorsed on, or attached to, the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, are incorporated in, and form part of, this Base Prospectus:

- (1) the 2012 Annual Report on Form 10-K of the Issuer (the "**2012 Report**{ XE "2012 Report" }) (which contains its published audited consolidated financial statements relating to the financial position of the Issuer as of 31 December 2012 and 2011 and its results of operation and cash flows for each of the 2012, 2011 and 2010 fiscal years) filed with the U.S. Securities and Exchange Commission (the "**Commission**{ XE "Commission" });
- (2) the 2013 Updated Annual Report filed on Form 8-K of the Issuer (the "**Updated 2013 Report**{ XE "Updated 2013 Report" }) (which contains its most recently published updated audited consolidated financial statements relating to the financial position of the Issuer as of 31 December 2013 and 2012 and its results of operation and cash flows for each of the 2013, 2012 and 2011 fiscal years), filed with the Commission;
- (3) the 2013 Annual Report on Form 10-K of the Issuer (the "**Original 2013 Report**{ XE "Original 2013 Report" }) (which contains its published audited consolidated financial statements relating to the financial position of the Issuer as of 31 December 2013 and 2012 and its results of operation and cash flows for each of the 2013, 2012 and 2011 fiscal years), filed with the Commission;
- (4) the quarterly interim report on Form 10-Q for the period ended 31 March 2014 (the "**Quarterly Report**{ XE "Quarterly Report" }) of the Issuer (which contains its most recent unaudited consolidated interim financial statements for such period); and
- (5) the terms and conditions of the Notes set out on pages 24 to 53 of the base prospectus dated 27 June 2013 relating to the Programme.

The following information appears on the pages of these documents as set out below:

1. audited consolidated financial information of the Issuer for the years ending 31 December 2012, 2011 and 2010<sup>(1)</sup>:
  - (a) statement of income for 2012, 2011 and 2010 Set out on page 140 of the 2012 Report.
  - (b) balance sheet as of 31 December 2012 and 2011 Set out on pages 142 and 143 of the 2012 Report.
  - (c) statement of changes in stockholders' equity for 2012, 2011 and 2010 Set out on pages 144 of the 2012 Report.
  - (d) statement of cash flows for 2012, 2011 and 2010 Set out on page 145 of the 2012 Report.
  - (e) notes Set out on pages 146 to 288 of the 2012 Report.
  - (f) auditor's report covering years ending 31 December 2012 and 2011<sup>(2)</sup> Set out on pages 137 to 138 of the 2012 Report.
2. audited consolidated financial information of the Issuer for the years ending 31 December 2013, 2012 and 2011<sup>(1)</sup>:
  - (a) statement of income Set out on numbered pages 3 to 5 of the Updated 2013 Report.
  - (b) balance sheet Set out on numbered pages 6 and 7 of the Updated 2013 Report.
  - (c) statement of changes in stockholder's equity Set out on numbered pages 8 and 9 of the Updated 2013 Report.



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| (d) | statement of cash flows  | Set out on numbered page 10 and 11 of the Updated 2013 Report.                                       |
| (e) | notes  | Set out on numbered pages 12 to 177 of the Updated 2013 Report.                                      |
| (f) | auditor's report covering years ending 31 December 2013 and 2012 <sup>(2)</sup>                        | Set out on numbered page 1 of the Updated 2013 Report.   |
| 3.  | unaudited consolidated interim financial information of the Issuer for the period ended 31 March 2014: |  |
| (a) | statement of income  | Set out on pages 102 and 103 of the Quarterly Report   |
| (b) | balance sheet  | Set out on pages 104 and 105 of the Quarterly Report   |
| (c) | statement of changes in stockholders' equity   | Set out on page 106 of the Quarterly Report  |
| (d) | statement of cash flows  | Set out on pages 107 and 108 of the Quarterly Report   |
| (e) | notes  | Set out on pages 109 to 224 of the Quarterly Report  |
| 4.  | other information relating to Citigroup  |  |
| (a) | description of the principal activities of Citigroup <sup>(3)</sup>                                    | Set out on pages 4 to 13 and 35 to 140 of the Original 2013 Report                                   |
| (b) | description of the principal markets in which Citigroup competes <sup>(4)</sup>                        | Set out on pages 14 to 34 of the Original 2013 Report  |
| (c) | description of risk factors, trends and events affecting Citigroup                                     | Set out on pages 57 to 69 of the Original 2013 Report  |
| (d) | description of litigation involving Citigroup  | Set out on pages 317 to 326 of the Original 2013 Report and pages 222 to 224 of the Quarterly Report |

(1) This information is included in the Base Prospectus pursuant to Annex IV, 13.1 of Commission Regulation (EC) No 809/2004.

(2) This information is included in the Base Prospectus pursuant to Annex IV, 13.3.1 of Commission Regulation (EC) No 809/2004.

(3) This information is included in the Base Prospectus pursuant to Annex IV, 6.1 of Commission Regulation (EC) No 809/2004.

(4) This information is included in the Base Prospectus pursuant to Annex IV, 6.2 of Commission Regulation (EC) No 809/2004.

This Base Prospectus and the documents incorporated by reference will be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

In addition, all quarterly interim reports on Form 10-Q of the Issuer, its Annual Reports on Form 10-K for fiscal years after 2013 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**{ XE "Exchange Act" }"), and the rules and regulations thereunder, subsequent to the date of the financial statements included in the 2013 Report 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 Base Prospectus (and any document incorporated by reference in this Base

Prospectus, including 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**{ XE "Luxembourg Listing Agent" }").

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

## SUPPLEMENTS TO THIS BASE PROSPECTUS

The Issuer has undertaken, in connection with the listing of the Notes on the official list and admission to trading on the regulated market of the Luxembourg Stock Exchange, that so long as any Notes remain outstanding and are listed on the official list, and admitted to trading on the regulated market, of 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 a supplement to this Base Prospectus or publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the official list, and admitted to trading on the regulated market, of the Luxembourg Stock Exchange.

### FORMS OF THE NOTES

#### Notes

Each Tranche of Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**{ XE "Individual Note Certificates" }") or a global Note in registered form (a "**Global Note**{ XE "Global Registered Note" }"), in each case as specified in the relevant Final Terms. In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for Notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**{ XE "New Safekeeping Structure" }" or "**NSS**{ XE "NSS" }") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**{ XE "Eurosystem" }"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear Bank S.A./N.V., ("**Euroclear** { XE "Euroclear" } ") and Clearstream Banking Société anonyme, Luxembourg ("**Clearstream, Luxembourg**{ XE "Clearstream, Luxembourg" }") as of 30 June 2010 and that registered debt securities in Global Registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being "Global Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the 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) any of the circumstances described in Condition 12 (*Events of Default*) occurs.

Whenever the Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note within five business days of the delivery, by or on behalf of the registered holder of the Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

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

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Note 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.

## TERMS AND CONDITIONS OF THE NOTES

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

### 1. Introduction

#### (a) Programme

Citigroup Inc. (the "**Issuer** { XE "Issuer" }") has established a Euro Medium-Term Note Programme (the "**Programme** { XE "Programme" }") for the issuance of up to U.S.\$110,000,000,000 in aggregate principal amount of notes (the "**Notes** { XE "Notes" }") outstanding at any one time.

#### (b) Final Terms

Notes issued under the Programme are issued in series (each a "**Series** { XE "Series" }") and each Series may comprise one or more tranches (each a "**Tranche** { XE "Tranche" }") of Notes. Each Tranche is the subject of final terms (the "**Final Terms** { XE "Final Terms" }") which completes these terms and conditions (the "**Conditions** { XE "Conditions" }"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

#### (c) Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated on or about 27 June 2013 (as amended or supplemented from time to time up to and including the Issue Date of the Notes, the "**Agency Agreement** { XE "Agency Agreement" }") between the Issuer, Citibank, N.A. as fiscal agent (the "**Fiscal Agent** { XE "Fiscal Agent" }"), which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar** { XE "Registrar" }"), which expression includes any successor registrar appointed from time to time in connection with the Notes), the transfer agent named therein (together with the Registrar, the "**Transfer Agents** { XE "Transfer Agents" }"), which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents** { XE "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** { XE "Notes" }" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms 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) Deed of Covenant

The Notes will be issued in registered form ("**Notes** { XE "Notes" }"). Notes are constituted by a deed of covenant dated 27 June 2013 (the "**Deed of Covenant** { XE "Deed of Covenant" }") entered into by the Issuer.

#### (f) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to its detailed provisions. Noteholders are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant 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**{ XE "Accrual Yield" }" has the meaning given in the relevant Final Terms;

**"Additional Financial Centre(s)**{ XE "Additional Financial Centre(s)" }" means the city or cities specified as such in the relevant Final Terms;

**"Business Centre(s)**{ XE "Business Centre(s)" }" means the city or cities specified as such in the relevant Final Terms;

**"Business Day**{ XE "Business Day" }" means, unless otherwise specified in the relevant Final Terms:

- (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) 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) Business Centre;

**"Business Day Convention**{ XE "Business Day Convention" }", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention**{ XE "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**{ XE "Modified Following Business Day Convention" }" or **"Modified Business Day Convention**{ XE "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**{ XE "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**{ XE "FRN Convention" }", **"Floating Rate Convention**{ XE "Floating Rate Convention" }" or **"Eurodollar Convention**{ XE "Eurodollar Convention" }" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day

falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

- (v) "**No Adjustment**{ XE "No Adjustment" }" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**{ XE "Calculation Agent" }" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**{ XE "Calculation Amount" }" has the meaning given in the relevant Final Terms;

"**Day Count Fraction**{ XE "Day Count Fraction" }" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**{ XE "Calculation Period" }"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) when the 2000 ISDA Definitions are specified in the relevant Final Terms as being applicable:

- (a) if "**Actual/Actual (ICMA)**{ XE "Actual/Actual (ICMA)" }" is so specified, means:

- (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and

- (B) where the Calculation Period is longer than one Regular Period, the sum of:

- (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

- (b) if "**Actual/365** { XE "Actual/365" }" or "**Actual/Actual (ISDA)** { XE "Actual/Actual (ISDA)" }" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (c) if "**Actual/365 (Fixed)**{ XE "Actual/365 (Fixed)" }" is so specified, means the actual number of days in the Calculation Period divided by 365;

- (d) if "**Actual/360**{ XE "Actual/360" }" is so specified, means the actual number of days in the Calculation Period divided by 360;

- (e) if "**30/360**{ XE "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 31<sup>st</sup> day of a month but the first day of the Calculation Period is a day other than the 30<sup>th</sup> or 31<sup>st</sup> 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
- (f) if "**30E/360**{ XE "30E/360" }" or "**Eurobond Basis**{ XE "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); or
- (ii) when the 2006 ISDA Definitions are specified in the relevant Final Terms as being applicable:
  - (a) if "**Actual/Actual (ICMA)**{ XE "Actual/Actual (ICMA)" }" is so specified, means:
    - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
    - (B) where the Calculation Period is longer than one Regular Period, the sum of:
      - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
      - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
  - (b) if "**Actual/Actual**{ XE "Actual/Actual" }" or "**Actual/Actual (ISDA)**{ XE "Actual/Actual (ISDA)" }" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (c) if "**Actual/365 (Fixed)**{ XE "Actual/365 (Fixed)" }" is so specified, means the actual number of days in the Calculation Period divided by 365;
  - (d) if "**Actual/360**{ XE "Actual/360" }" is so specified, means the actual number of days in the Calculation Period divided by 360;
  - (e) if "**30/360**{ XE "30/360" }" is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:



$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (f) if "**30E/360**{ XE "30E/360" }" or "**Eurobond Basis**{ XE "Eurobond Basis" }" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

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

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (g) if "**30E/360 (ISDA)**{ XE "30E/360 (ISDA)" }" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

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

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

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

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

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

"**Early Redemption Amount (Tax)**{ XE "Early Redemption Amount (Tax)" }" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Termination Amount**{ XE "Early Termination Amount" }" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

"**Extraordinary Resolution**{ XE "Extraordinary Resolution" }" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**{ XE "Final Redemption Amount" }" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**First Interest Payment Date**{ XE "First Interest Payment Date" }" means the date specified in the relevant Final Terms;

"**Fixed Interest Amount**{ XE "Fixed Interest Amount" }" has the meaning given in the relevant Final Terms;

"**FSMA**{ XE "FSMA" }" means the United Kingdom Financial Services and Markets Act 2000;

"**Holder**{ XE "Holder" }" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Notes*);

"**Indebtedness**{ XE "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**{ XE "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**{ XE "Interest Commencement Date" }" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**{ XE "Interest Determination Date" }" has the meaning given in the relevant Final Terms;

**"Interest Payment Date**{ XE "Interest Payment Date" }" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

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

**"Interest Period**{ XE "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**{ XE "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 Final Terms) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.)) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date**{ XE "Issue Date" }" has the meaning given in the relevant Final Terms;

**"Margin**{ XE "Margin" }" has the meaning given in the relevant Final Terms;

**"Maturity Date**{ XE "Maturity Date" }" has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount**{ XE "Maximum Redemption Amount" }" has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount**{ XE "Minimum Redemption Amount" }" has the meaning given in the relevant Final Terms;

**"Non-United States Person**{ XE "Non-United States Person" }" means a person who is not a United States Person;

**"Noteholder** { XE "Noteholder" }" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Notes*);

**"Optional Redemption Amount (Call)**{ XE "Optional Redemption Amount (Call)" }" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)**{ XE "Optional Redemption Amount (Put)" }" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)**{ XE "Optional Redemption Date (Call)" }" has the meaning given in the relevant Final Terms;

**"Optional Redemption Date (Put)**{ XE "Optional Redemption Date (Put)" }" has the meaning given in the relevant Final Terms;

**"Participating Member State**{ XE "Participating Member State" }" means a Member State of the European Union which adopts the Euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day**{ XE "Payment Business Day" }" means:

- (i) if the currency of payment is Euro, any day which is 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 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**{ XE "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**{ XE "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 Union 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**{ XE "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**{ XE "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**{ XE "Rate of Interest" }" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms, or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount** { XE "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 Final Terms;

**"Reference Banks**{ XE "Reference Banks" }" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price**{ XE "Reference Price" }" has the meaning given in the relevant Final Terms;

**"Reference Rate**{ XE "Reference Rate" }" has the meaning given in the relevant Final Terms;

**"Relevant Date**{ XE "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**{ XE "Relevant Financial Centre" }" has the meaning given in the relevant Final Terms;

**"Relevant Screen Page{ XE "Relevant Screen Page" }**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time{ XE "Relevant Time" }**" has the meaning given in the relevant Final Terms;

**"Reserved Matter{ XE "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{ XE "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:

any indebtedness issued under the indenture dated 30 July 2009 between the Issuer and The Bank of New York Mellon;

any indebtedness issued prior to 23 July 2004 under the indenture dated as of 12 April 2001 between the Issuer and The Bank of New York Mellon (as successor to J.P. Morgan Trust Company, N.A.);

any indebtedness issued by the Issuer before 31 May 2004 under the indenture, dated as of 7 October 1996, between Citigroup and JPMorgan Chase Bank, as supplemented (the

**"1996 junior subordinated debt indenture** { XE "1996 junior subordinated debt indenture" });

any guarantee entered into by the Issuer before 31 May 2004 in respect of any preferred securities, capital securities or preference stock of a trust to which the Issuer issued any indebtedness under the 1996 junior subordinated debt indenture; and

any indebtedness or any guarantee that is by its terms subordinated to, or ranks equally with the Subordinated Notes and the issuance of which (x) has received the concurrence or approval of the staff of the Federal Reserve Bank of New York or the staff of the Board of Governors of the Federal Reserve System or (y) does not at the time of issuance prevent the Subordinated Notes from qualifying for Tier 2 capital treatment (irrespective of any limits on the amount of the Issuer's Tier 2 capital) under the applicable capital adequacy guidelines, regulations, policies or published interpretations of the Board of Governors of the Federal Reserve System.

**"Significant Subsidiary** { XE "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 per cent. 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 per cent. 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 per cent. 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 per cent. 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** { XE "Specified Currency" }" has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)** { XE "Specified Denomination(s)" }" has the meaning given in the relevant Final Terms;

**"Specified Office** { XE "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** { XE "Specified Period" }" has the meaning given in the relevant Final Terms;

**"Subsidiary** { XE "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;

"**TARGET2**{ XE "TARGET2" }" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"**TARGET Settlement Day**{ XE "TARGET Settlement Day" }" means any day on which TARGET2 is open for the settlement of payments in Euro;

"**Treaty**{ XE "Treaty" }" means the Treaty on Functioning of the European Union;

"**United States**{ XE "United States" }" means the United States of America, which includes only the States and the District of Columbia;

"**United States Person**{ XE "United States Person" }" means:

- (i) any individual who is a citizen or resident of the United States;
- (ii) any corporation, partnership or other entity treated as a corporation or partnership created or organised in or under the laws of the United States or any political subdivision thereof;
- (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**{ XE "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**{ XE "Zero Coupon Note" }" means a Note specified as such in the relevant Final Terms.

(b) ***Interpretation***

In these Conditions:

- (i) 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;
- (ii) 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;
- (iii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement; and
- (iv) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable", then such expression is not applicable to the Notes.

3. **Form, Denomination and Title**

(a) ***Notes***

Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(b) ***Title to Notes***

The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**{ XE "Note Certificate" }") will be issued to each Holder of Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Notes, "**Holder**{ XE "Holder" }" means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**{ XE "Noteholder" }" shall be construed accordingly.

(c) ***Ownership***

The Holder of any Note 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 on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(d) ***Transfers of Notes***

Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Specified Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

(e) ***Registration and delivery of Note Certificates***

Within five business days of the surrender of a Note Certificate in accordance with paragraph (d) (*Transfers of Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**{ XE "business day" }" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) ***No charge***

The transfer of a Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.



(g) ***Closed periods***

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

(h) ***Regulations concerning transfers and registration***

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status**

(a) ***Status of Senior Notes***

If specified in the applicable Final Terms, Notes issued on an unsubordinated basis ("**Senior Notes**{ XE "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 Final Terms, Notes issued on a subordinated basis ("**Subordinated Notes**{ XE "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 The Bank of New York Mellon (as successor to 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 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 Final Terms 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 Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*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 Interest Amount***

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Interest Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Interest 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 Calculation Amount, 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) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**{ XE "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) ***Number of days***

For the purposes of this Condition 6, unless the Day Count Fraction is specified in the relevant Final Terms as being 30/360, 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.

(h) ***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 Final Terms.

7. **Floating Rate Note Provisions**

(a) ***Application***

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*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 7 (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 Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

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

(d) ***ISDA Determination***

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

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

(e) ***Maximum or Minimum Rate of Interest***

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

(f) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**{ XE "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) ***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 competent authority, stock exchange and/or quotation system (if any) on which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to 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. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) ***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 (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 Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***

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

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price 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. **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 10 (*Payments*).

(b) ***Redemption for tax reasons, termination of clearing organization's business or Issuer default***

- (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 nor more than 60 days' notice in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with accrued interest, if any, if:
  - (A) the Issuer has or will become obliged to pay additional interest on such Notes pursuant to Condition 11 (*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; or
  - (B) (i) if Euroclear or Clearstream, Luxembourg or any other relevant clearing system announces an intention to terminate its business without a successor, or (ii) upon the occurrence of an event of default (as defined in Condition 12 (*Events of Default*)) in respect of any Note of that Series, or (iii) upon the occurrence of a change in the tax law of the United States or the domicile of the Issuer by reason of which the Issuer would be required to withhold or deduct a sum from any payment in respect of the Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 9, 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) in the case of a redemption pursuant to condition 9(b)(i)(A) 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.

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

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (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 9(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, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 9(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 Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) ***Redemption at the option of Noteholders***

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(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 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 9(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 9(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 Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

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

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) ***Notification of Exchange***

In respect of any Notes which are listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange and are to be redeemed as provided in paragraphs (b) to (e) above, the Issuer shall notify the Luxembourg Stock Exchange of such redemption.

(i) ***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. All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

10. **Payments**

(a) ***Principal***

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) ***Interest***

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) ***Payments subject to fiscal laws***

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11

(*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) ***Payments on business days***

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 arriving after the due date for payment or being lost in the mail.

(e) ***Partial payments***

If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(f) ***Record date***

Each payment in respect of a Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**{ XE "Record Date" }") where "**Clearing System Business Day**{ XE "Clearing System Business Day" }" means a day on which each clearing system for which the Global Note is being held is open for business. Where payment in respect of a Global Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

11. **Taxation**

The Issuer will, subject to the exceptions and limitations set forth below, pay as additional amounts to the beneficial holder of any Note that is a Non-United States Person such amounts as may be necessary so that every net payment on such Note, 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 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 (or relationship) between a Noteholder (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's past or present status as a 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 required to be made pursuant to the European Council Directive 2003/48/EC on the taxation of savings income in the form

of interest payment (the "**EU Savings Directive**{ XE "EU Savings 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 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, withholding, deduction 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 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; 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, 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 if such compliance is required by statute, regulation or administrative pronouncement 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 that would not have been imposed but for a failure by the holder or beneficial owner of any Note (or any financial institution through which the holder or beneficial owner holds any Note or through which payment on the Note is made) to take any action (including entering into an agreement with the U.S. Internal Revenue Service) or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by the holder, beneficial owner (or any such financial institution) or concerning ownership of the holder or beneficial owner, or any substantially similar requirement or agreement; or
- (x) any tax, assessment or other governmental charge imposed on a holder that actually owns or is deemed to own 10 per cent. 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
- (xi) a payment on a Note to a holder that is a fiduciary, partnership, limited liability company or other fiscally transparent entity 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; or
- (xii) any withholding tax required to be withheld or deducted pursuant to Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any

regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto

(xiii) any combination of sub-paragraphs (i) to (xii) above.

## 12. Events of Default

- (a) "event of default{ XE "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 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 per cent. 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 Final Terms.

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 12(a).

- (b) "**event of default**{ XE "event of default" }" with respect to a Subordinated Note of a particular Series means any of the events described in Condition 12(a)(v), (vi) and (if so provided with respect to the Subordinated Notes of such Series in the relevant Final Terms) (vii). A "**default**{ XE "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 12(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 per cent. 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 Final Terms 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;
  - (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 at the rate or rates prescribed therefor in such Notes; 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 16 (*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.

13. **Prescription**

Claims for principal and interest on redemption in respect of Notes shall become void unless the relevant Note Certificates are surrendered for payment within two years of the appropriate Relevant Date.

14. **Replacement of Notes**

If any Note or Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Note Certificates must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Notes, the 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.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any 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 a Registrar; and
- (ii) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent;
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, a Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (iv) a Paying Agent in a place of payment located outside the United States.

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

The Issuer undertakes that 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 European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive, if it is commercially practicable to do so.

16. **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, whether present or not.

(b) **Modification**

The Notes and these Conditions may be amended without the consent of the Noteholders 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.

17. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders 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.

18. **Notices**

Notices to the Holders of Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require, notices to Noteholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in either 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 day after the date of mailing.

19. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**{ XE "first currency" }") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**{ XE "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.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will

be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Redenomination**

(a) ***Application***

This Condition 21 is applicable to the Notes only if it is specified in the relevant Final Terms 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, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**{ XE "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 Union 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, 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 individual certificated form, new Individual Note Certificates denominated in Euro will be issued in exchange for Individual Note Certificates denominated in the Specified Currency in such manner as the Registrar may specify and as shall be notified to Noteholders in the Euro Exchange Notice.
- (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 Union.

(d) ***Interest Determination Date***

If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, 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.



22. **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 23) for the purposes of Condition 23, 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 11) on all the Notes 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 22(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 and the Agency Agreement.

23. **Substitution of the Issuer**

- (a) The Issuer may at any time, without the consent of Noteholders, substitute for itself any company (the "**Substitute**{ XE "Substitute" }") upon notice by such Issuer and the Substitute to be given in accordance with Condition 18 (*Notices*), **provided that**:
  - (i) no payment in respect of the Notes 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**{ XE "Deed Poll" }"), agree to indemnify each Noteholder 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 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**{ XE "Deed of Guarantee" }") pursuant to which it shall guarantee in favour of each Noteholder the payment of all sums payable by the Substitute in respect of the Notes 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 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 23 and the other matters specified in the Deed Poll and that the Deed of Guarantee and the Notes 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 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 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 23(a), the Substitute may, without the consent of any Noteholder, effect a further substitution. All the provisions specified in Condition 23(a) and 23(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 23(a) or 23(c) any Substitute may, without the consent of any Noteholder, 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.

## 24. **Governing Law and Jurisdiction**

### (a) ***Governing law***

The Notes and all non-contractual obligations arising from or connected with the Notes are governed by 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, including any non-contractual obligation arising out of or in connection with the Notes (respectively, "**Proceedings**{ XE "Proceedings" }" and "**Disputes**{ XE "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 the Companies Act 2006. 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.

25. **De-listing**

Unless otherwise provided in the relevant Final Terms, the Issuer shall use its best efforts to have the Notes of a Series approved for listing on the official list and admission to trading on the regulated market of the Luxembourg Stock Exchange and to maintain such listing so long as any of the Notes of such Series are outstanding, **provided, however that:** if it is impracticable or unduly burdensome, in the good faith determination of the Issuer, to maintain such listing due to changes in applicable law or listing requirements occurring after the date of the relevant Final Terms, application may be made to de-list such Notes from the regulated market of 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 such 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 such Notes. Notice of any de-listing and/or alternative admission will be given pursuant to Condition 18 (*Notices*).

## FORM OF FINAL TERMS

Final Terms dated [•]

### **Citigroup Inc.**

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

**U.S.\$110,000,000,000**

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

### **PART A—CONTRACTUAL TERMS**

These final terms have been prepared for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and complete the Conditions (the "**Conditions**{ XE "Conditions" }") set forth in the Base Prospectus dated 24 June 2014 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**{ XE "Base Prospectus" }") for the purposes of the Prospectus Directive. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [A summary of the individual issue of Notes described herein is annexed to these Final Terms.] The Base Prospectus [, the supplement to the Base Prospectus] and the Final Terms are available for viewing during normal business hours at [address] [and] [the website of the Luxembourg Stock Exchange (www.bourse.lu)] [and copies may be obtained (free of charge) from [address]].

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

These final terms have been prepared for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and complete the Conditions (the "**Conditions**{ XE "Conditions" }") set forth in the base prospectus dated 24 June 2014 [and the supplement to the base prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**{ XE "Prospectus Directive" }") and must be read in conjunction with the Base Prospectus dated 24 June 2014 [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus (the "**Base Prospectus**{ XE "\"Base Prospectus" }") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated 27 June 2013 and incorporated by reference in the base prospectus dated 24 June 2014. Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectuses dated 27 June 2013 and 24 June 2014 [and the supplement to the Base Prospectus dated [•] and [•]]. [A summary of the individual issue of Notes described herein is annexed to these Final Terms.] [The Base Prospectuses [, the supplement and the Final Terms are available for viewing during normal business hours at [address] and [the website of the Luxembourg Stock Exchange (www.bourse.lu)] [and copies may be obtained (free of charge) from [address].]

*[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 subparagraphs. Italics denote directions for completing the Final Terms.]*

1. (i) Series Number: [•]
- (ii) Tranche Number: (If fungible [•]  
with an existing Series:
- (a) Issue Date of existing Series [•]
- (b) Aggregate Principal Amount of [•]  
existing Series
- (c) Date on which the Notes [•]  
become Fungible

2. Specified Currency: [•]
3. Aggregate Nominal Amount:
  - [(i)] Series: [•]
  - [(ii)] Tranche: [•]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
5.
  - (i) Specified Denominations: [•]
  - (ii) Calculation Amount: [•]
6.
  - [(i)] Issue Date: [•]
  - [(ii)] Interest Commencement Date (if different from the Issue Date): [•]
7. Maturity Date: [•]/The Interest Payment Date falling on or nearest to [•]
8. Interest Basis:
  - [[•] per cent. Fixed Rate]
  - [EURIBOR/LIBOR] +/- [•] per cent. Floating Rate]
  - [Zero Coupon]
  - (further particulars specified below)
9. Redemption/Payment Basis:
  - [Redemption at par]
  - [Redemption at [•] per cent. of the Aggregate Nominal Amount]
  - (N.B. Redemption Price should not be less than par)
10. Put/Call Options:
  - [Investor Put]
  - [Issuer Call]
  - [(further particulars specified below)]
11. Status of the Notes: [Senior/Subordinated]
12. Method of distribution: [Syndicated/Non-syndicated]

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

13. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
  - (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semiannually/quarterly/ monthly/other (specify)] 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**{ XE "Business Day" }"/not adjusted]
  - (iii) Fixed Interest Amount[(s)]: [•] per Calculation Amount
  - (iv) Day Count Fraction: [30/360/Actual/ Actual (ISDA)/ Actual/ Actual (ICMA) /other]
  - (v) Broken Amount(s): [•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]
14. **Floating Rate Note Provisions:** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

- (i) Interest Periods: [•]
  - (ii) Specified Period(s): [•]
  - (iii) Specified Interest Payment Dates: [•]
  - (iv) [First Interest Payment Date: [•]]
  - (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Convention/ Preceding Business Day Convention]
  - (vi) Business Centre(s): [Not Applicable/specify]
  - (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [Not Applicable/[•] shall be the Calculation Agent]
  - (ix) Screen Rate Determination:
    - Reference Rate: [LIBOR/EURIBOR/[•]]
    - Interest Determination Date(s): [•]
    - Relevant Screen Page: [•]
    - Relevant Time: [•]
    - Relevant Financial Centre: [•]
  - (x) ISDA Determination:
    - Floating Rate Option: [•]
    - Designated Maturity: [•]
    - Reset Date: [•]
  - (xi) Margin(s): [+/-][•] per cent. per annum
  - (xii) Minimum Rate of Interest: [•] per cent. per annum
  - (xiii) Maximum Rate of Interest: [•] per cent. per annum
  - (xiv) Day Count Fraction: [•]
15. **Zero Coupon Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) [Amortisation/Accrual] Yield: [•] per cent. per annum
  - (ii) Reference Price: [•]
16. **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) and method, if any, of calculation of such amount(s): [•] per Calculation Amount

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

17. **Put Option:**

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [•]

18. **Final Redemption Amount:** [[•] per Calculation Amount

19. **Early Redemption Amount:**

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [[•] per Calculation Amount/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes: [Notes]  
 [Global Note exchangeable for Individual Note Certificates on [•] days' notice/at any time upon Noteholder request/in the limited circumstances specified in the Global Note]  
 [and  
 Global Note [(U.S./Euro [•] nominal amount)] registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)).]
21. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/[•]]
22. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions [in Condition 21 (*Redenomination*)] are applicable]

**DISTRIBUTION**

- 23. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]
- (ii) Date of Subscription Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

24. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
25. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
26. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) — which must be jurisdictions where the Prospectus and any supplements have been passported*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date*] (**Offer Period**). See further Paragraph 8 of Part B below.

Signed on behalf of the Issuer:

**CITIGROUP INC.**

By: \_\_\_\_\_  
Duly authorised



## PART B — OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.]

### 2. RATINGS

Ratings: The Issuer has received the following long-term, unsecured, [senior/subordinated] debt ratings:

S&P: [•]

Moody's: [•]

Fitch: [•]

[[Other]:[•]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

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

#### **Option 1 - CRA established in the EEA and registered under the CRA Regulation**

[•] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation { XE "CRA Regulation" }"). [•] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

#### **Option 2 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation**

[•] is not established in the EEA but the rating it has given to the Notes is endorsed by [•], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation { XE "CRA Regulation" }"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

***Option 3 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[•] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation{ XE "CRA Regulation" }").

***Option 4 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[•] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation{ XE "CRA Regulation" }") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

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

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:*

*"So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."*

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)*

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: [•]

*(See "Use of Proceeds" wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*

(ii) Estimated net proceeds: [•]

(iii) Estimated total expenses: [•]

5. **[Fixed Rate Notes only – YIELD [•]]**

Indication of yield:

6. **[Floating Rate Notes only — HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme, address(es) of alternative clearing system, and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

Delivery: Delivery [against/free of] payment

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

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

[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] [include this text for registered notes]]. Note that this does not mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 8. TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price][specify]
Conditions to which the offer is subject:	[Not Applicable/give details]
Description of the application process:	[Not Applicable/give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/give details]
Details of the time period, including any possible amendments, during which the offer will be open	[Not Applicable/give details]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/give details]
Amount of any expenses and taxes specifically charged to the subscriber or	[Not Applicable/give details]

purchaser:

Name(s) and address(es), to the extent [None/give details]  
known to the Issuer, of the placers in the  
various countries where the offer takes  
place.

#### **ANNEX TO THE FINAL TERMS – SUMMARY OF THE ISSUE**

*[Base Prospectus summary to be inserted and the options given as placeholders in the Summary to be completed in respect of the Notes being issued]*

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

### Clearing System Accountholders

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 person in whose name such Global Note is for the time being registered in the Register which, for so long as the Global Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

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**{ XE "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 holder 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 registered owner of the Global Note.

### Exchange of Global Notes

Whenever a Global Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note within five business days of the delivery, by or on behalf of the holder of the Global Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note; or
- (b) any of the Notes represented by a 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 holder of the Global Note in accordance with the terms of the Global Note on the due date for payment,

then, at 5.00 pm (London time) on such thirtieth day (in the case of (a) above) or at 5.00 pm (London time) on such due date (in the case of (b) above) the Registrar shall in respect of each Accountholder, enter in the Register the name of such Accountholder as the holder of direct rights under the Deed of Covenant in respect of the Global Note in an aggregate principal amount equal to the principal amount shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) of such Accountholder's interest in the Global Note. To the extent that the Registrar makes such entries in the Register, the holder will have no further rights under the Global Note, but without prejudice to the rights which the holder or Accountholders may have under the Deed of Covenant. Under the Deed of Covenant, Accountholders will acquire rights of enforcement against the Issuer ("**Direct Rights**{ XE "Direct Rights" }") to compel the Issuer to perform its obligations to the Holder of the Global Note in respect of the Notes represented by the Global Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such

Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Note may have under the Global Note or otherwise. Payment to the Holder of the Global Note in respect of any Notes represented by the Global Note shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Note.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Noteholders in the manner provided for in the Conditions or the Global Note for notices to be given by the Issuer to Noteholders.

### **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.

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

In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the holder of the 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 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the 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 accountholders with a clearing system in respect of the Notes of such Series will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected as either a pool factor or a reduction in principal amount, at their discretion) and/or other clearing system. For the avoidance of doubt, if the Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of 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 18 (*Notices*), while all the Notes are represented by a Global Note is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the regulated market of 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*) or published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### ***Redenomination***

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

- (a) if Individual Note Certificates are required to be issued, they shall be issued at the expense of the Issuer in such denominations as the Registrar shall determine and notify to the Noteholders; and
- (b) the amount of interest due in respect of Notes represented by a 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.

### ***Payment Business Day***

In the case of a Global Note, if the currency of payment is euro, a "**Payment Business Day**{ XE "Payment Business Day" }" shall be any day which is 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, if the currency of payment is not euro, a "**Payment Business Day**{ XE "Payment Business Day" }" shall be any day which is 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.

### ***Payment Record Date***

Each payment in respect of a Global Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**{ XE "Record Date" }") where "**Clearing System Business Day**{ XE "Clearing System Business Day" }" means a day on which each clearing system for which the Global Note is being held is open for business.

## THE ISSUER

Citigroup is a global diversified financial services holding company whose businesses provide a broad range of financial products and services to consumers, corporations, governments and institutions. Citigroup has some 200 million customer accounts and does business in over 160 countries and jurisdictions. Citigroup's objects and purposes are to "engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware", as stated in Article THIRD of Citigroup's Restated Certificate of Incorporation. Citigroup's activities are conducted through the Global Consumer Banking, Institutional Clients Group (ICG) and Citi Holdings business segments. Its businesses conduct their activities across the North America, Latin America, Asia, and Europe, Middle East and Africa (EMEA) regions. Citigroup's principal subsidiaries are Citibank, N.A., Citigroup Global Markets Inc., and Grupo Financiero Banamex, S.A. de C.V., 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 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 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.

Citigroup has been assigned long-term unsecured senior debt ratings of "A-" by Standard & Poors, "Baa2" by Moody's Investors Service and "A" by Fitch, and long-term unsecured subordinated debt ratings of "BBB+" by Standard and Poors, "Baa3" by Moody's Investors Service and "A-" by Fitch. None of Standard & Poors, Moody's Investors Services and Fitch is a credit rating agency established in the EU or registered in the EU under the CRA Regulation. The list of registered and certified credit rating agencies may be accessed at <http://www.esma.europa.eu/page/list-registered-and-certified-CRAs>.

The principal office for the Issuer is located at 399 Park Avenue, New York, NY 10022 with telephone number (001) 212 559 1000. The Issuer was established as a corporation incorporated in Delaware on 8 March 1988 with perpetual duration pursuant to the Delaware General Corporation Law under certificate no. 2154254. Citigroup's authorized capital stock consists of 6 billion shares of common stock and 30 million shares of preferred stock. As at 31 March 2014, the Issuer has a total issued capital of \$193,359 million consisting of 3,042,884,600 fully paid common stock shares issued and outstanding and 102, 038 preferred stock shares issued and outstanding. A common stock share carries one vote, and no preemptive or other subscription rights, conversion rights. A preferred stock share carries no general voting rights.

All of the Issuer's common stock and preferred stock are primarily held in book entry form. Under U.S. law, no shareholder has to declare its holdings of voting equity in the Issuer unless it beneficially owns 5 per cent. or more of the outstanding shares. To the Issuer's knowledge, no person has exceeded the 5 per cent. threshold other than BlackRock, Inc. which has disclosed its ownership of 6.54 per cent. of the common stock.



## DIRECTORS AND EXECUTIVE OFFICERS OF CITIGROUP INC.

The members of the board of directors of Citigroup are:

<u>Board of Directors</u>	<u>Main duties outside the Issuer</u>
Michael L. Corbat .....	—
Franz B. Humer .....	Chairman, Roche Holding Ltd
Michael E. O'Neill .....	—
Duncan P. Hennes .....	Co-Founder and Partner, Atrevida Partners, LLP
Gary M. Reiner .....	Operating Partner, General Atlantic LLC
James S. Turley .....	Former Chairman and CEO, Ernst & Young
Dr. Judith Rodin .....	President, Rockefeller Foundation.
Robert L. Ryan .....	CFO (Retired), Medtronic Inc.
Anthony M. Santonero .....	Former President, Federal Reserve Bank of Philadelphia
Joan E. Spero .....	Senior Research Scholar, Columbia University School of International and Public Affairs
Diana L. Taylor .....	Managing Director, Wolfensohn Fund Management L.P.
William S. Thompson, Jr. ....	CEO (Retired), Pacific Investment Management Company
Ernesto Zedillo Ponce de Leon .....	Director, Center for the Study of Globalization; Professor Yale University

The executive officers of Citigroup are: Francisco Aristeguieta, Stephen Bird, Don Callahan, Michael L. Corbat, Barbara Desoer, James Cowles, James A. Forese, John C. Gerspach, Brian Leach, Paul McKinnon, Manuel Medina-Mora, William J. Mills, Jeffrey R. Walsh and Rohan Weerasinghe. The business address of each director and executive officer of Citigroup in such capacities is 399 Park Avenue, New York, New York 10022.

The Issuer is not aware of any conflicts of interest between the private interests and other duties of its senior management and the interests of the Issuer that would be material in the context of any Issuance of Notes.

The Issuer is in compliance with laws and regulations of the United States relating to corporate governance.

### Committees of the Board of Directors

The standing committees of Citigroup's board of directors are:

***The audit committee***, which assists the board in fulfilling its oversight responsibility relating to (i) the integrity of Citigroup's financial statements and financial reporting process and Citigroup's systems of internal accounting and financial controls, (ii) the performance of the internal audit function; (iii) the annual independent integrated audit of Citigroup's consolidated financial statements and internal control over financial reporting, the engagement of the independent registered public accounting firm and the evaluation of the independent registered public accounting firm's qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by Citigroup with legal and regulatory requirements, including Citigroup's disclosure controls and procedures; and (vi) the fulfilment of the other responsibilities set out in its charter, as adopted by the board.

The members of the audit committee are Michael E. O'Neill, Robert L. Ryan, Anthony M. Santonero, Joan Spero and James S. Turley.

***The risk management and finance committee***, which assists the board in fulfilling its responsibility for (1) oversight of Citigroup's risk management framework, including the significant policies, procedures and practices used in managing credit, market, operational and certain other risks and (2) oversight of Citigroup's policies and practices relating to Treasury matters, including capital, liquidity and financing, as well as to merger, acquisition, and divestiture activity.

The members of the risk management and finance committee are Duncan P. Hennes, Franz B. Huwer, O'Neill, Anthony M. Santonero, William S. Thompson, Jr., James S. Turley, and Ernesto Zedillo.

***The personnel and compensation committee***, which is responsible for determining the compensation for the Chief Executive Officer and approving the compensation of other executive officers and other members of senior management.

***The nomination, governance and public affairs committee*** is responsible for (i) identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next annual meeting of stockholders, (ii) leading the Board in its annual review of the Board's performance, and (iii) recommending to the Board directors for each committee for appointment by the Board. The committee also has responsibility for reviewing political and charitable contributions made by Citigroup and the Citigroup Foundation, reviewing Citigroup's policies and practices regarding supplier diversity, reviewing Citigroup's business practices and reviewing Citigroup's sustainability policies and programs, including environmental, climate change and human rights.

## SELECTED FINANCIAL INFORMATION RELATING TO THE ISSUER

The following tables set out selected financial information for the Issuer and its consolidated subsidiaries. Such information is derived from the consolidated audited financial statements of the Issuer contained in the Issuer's Annual Reports for the years ended 31 December 2013 and 2012 and its consolidated unaudited financial statements for the periods ended 31 March 2014 and 2013.

	At or for the Three Months ended 31 March		At or for the year ended 31 December,		
	2013	2014	2013	2012	2011
<i>(millions of U.S. Dollars, except per share amounts)</i>					
<b>Income Statement Data:</b>					
Total revenues, net of interest expense .....	\$20,491	\$19,406	69,128	76,366	\$78,353
Income (loss) from continuing operations.....	3,965	3,062	7,818	13,630	11,103
Net income (loss).....	3,808	2,931	7,541	13,673	11,067
Dividends declared per common share <sup>(1)</sup> .....	0.01	0.01	0.04	0.04	0.03
<b>Balance Sheet Data:</b>					
Total assets .....	\$1,881,734	\$1,944,423	1,864,660	1,880,382	\$1,873,878
Total deposits.....	933,762	906,012	930,560	968,273	865,936
Long-term debt .....	234,326	311,079	239,463	221,116	323,505
Total stockholders' equity .....	193,359	181,820	189,049	204,339	177,806

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

The following table shows (1) the consolidated ratio of income to fixed charges and (2) the consolidated ratio of income to combined fixed charges including preferred stock dividends of Citigroup for the three months ended 31 March 2014 and each of the three most recent fiscal years.

	Three Months Ended 31 March	Year Ended 31 December,		
	2014	2013	2012	2011
Ratio of income to fixed charges (excluding interest on deposits) .....	3.66	2.87	1.58	1.91
Ratio of income to fixed charges (including interest on deposits) .....	2.62	2.17	1.37	1.60
Ratio of income to combined fixed charges including preferred stock dividends (excluding interest on deposits).....	3.52	2.84	1.58	1.91
Ratio of income to combined fixed charges including preferred stock dividends (including interest on deposits) .....	2.57	2.16	1.37	1.60

## TAXATION

### United States Taxation

#### *United States Tax Considerations*

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

#### *General*

The following is a general summary of certain U.S. federal income tax consequences of the acquisition, ownership, and disposition of Notes by Non-U.S. Holders (as defined below) that acquire Notes at their original issuance and that hold the Notes as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**{ XE "Code" }"). This discussion is a summary for general information only and does not purport to address all U.S. federal tax matters that may be relevant to the purchase, ownership, and disposition of any Notes to a particular Noteholder.

This summary is based on the Code, U.S. Treasury Regulations promulgated thereunder, and judicial and administrative interpretations thereof, in each case, as in effect and available on the date hereof. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below. Further, this summary does not describe any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction. Prospective investors should consult their tax advisors concerning the U.S. federal, state, local and foreign tax consequences of an investment in the Notes in light of their own particular circumstances.

No opinion of counsel or United States Internal Revenue Service ("**IRS**{ XE "IRS" }") ruling has been or will be sought regarding any matter discussed herein, and no assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. The United States federal income tax consequences applicable to any Tranche of the Notes will depend upon the final terms of such Notes, which may affect the consequences described below.

A "**Non-U.S. Holder**{ XE "Non-U.S. Holder" }" is a beneficial owner of a Note that is not a U.S. Person. As used here, the term "**U.S. Person**{ XE "U.S. Person" }" means (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 organized 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) 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 of the trust or (b) the trust has made a valid election under U.S. Treasury Regulations to be treated as a U.S. person.

A "**U.S.-Controlled Person**{ XE "U.S.-Controlled Person" }" is (i) a controlled foreign corporation for United States federal income tax purposes, (ii) a foreign person 50 per cent. 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 per cent. of the income or capital interests in which are held by U.S. persons.

If a partnership holds Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the United States federal income tax treatment of its investment in the Notes.

### *Taxation of Non-U.S. Holders of Notes*

Subject to the discussion below under "FATCA Legislation May Impose Withholding Tax on Notes Held by or through Foreign Entities," under current U.S. federal income tax law, payment on a Note by the Issuer or any Paying Agent to a Non-U.S. Holder should not be subject to withholding of U.S. federal income tax, **provided that**, with respect to payments of interest, (1) the Non-U.S. Holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, (2) the Non-U.S. Holder is not (i) a controlled foreign corporation for U.S. federal income tax purposes that is related to the Issuer through stock ownership or (ii) a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business, (3) such interest payments are not effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States (and, if an applicable treaty so requires, are not attributable to a permanent establishment in the United States maintained by such Non-U.S. Holder), (4) such interest is not contingent on the Issuer's profits, revenues or changes in the value of its property and is not otherwise excluded from the definition of "portfolio interest" by Section 871(h)(4) of the Code, and (5) either (i) the Non-U.S. Holder provides a statement (generally on IRS Form W-8BEN) signed under penalties of perjury that certifies that it is a Non-U.S. Holder in compliance with applicable requirements and the withholding agent does not have actual knowledge or reason to know that the beneficial owner is a U.S. person, or (ii) solely in the case of Non-U.S. Holders holding Notes issued prior to January 1, 2016, the financial institution through which the holder holds its Notes is a member of the applicable clearing system (each such financial institution, an "Account Management Institution { XE "Account Management Institution" }") and provides to the withholding agent certifications regarding the U.S. or non-U.S. status of such holder in compliance with the U.S. Treasury Regulations governing foreign-targeted registered obligations and the withholding agent does not have actual knowledge that the beneficial owner is a U.S. person. For this purpose, an Account Management Institution may determine the non-U.S. status of the holder by obtaining either (i) an IRS Form W-8 (or substantially similar substitute form completed under penalties of perjury) or (ii) documentary evidence that is sufficient to establish the holder's identity and its status as a non-U.S. person in compliance with applicable U.S. Treasury Regulations. In the event that, on any interest payment date, a holder is a U.S. person, the Account Management Institution must notify the withholding agent of such holder's U.S. status and forward to the withholding agent a copy of the IRS Form W-9 (or substantially similar substitute form completed under penalties of perjury) received from the holder, which the withholding agent must then send to the IRS.

A Note should not be subject to United States federal estate tax as a result of the death of a holder who is not a citizen or resident of the United States at the time of death, **provided that** (i) such holder did not at the time of death actually or constructively own 10 per cent. or more of the combined voting power of all classes of stock of the Issuer and (ii) at the time of such holder's death, payments of interest on such Note would not have been effectively connected with the conduct by such holder of a trade or business in the United States.

Additionally, a Non-U.S. Holder of a Note should not be subject to U.S. federal income tax on gain realised on the sale, exchange, redemption, or other taxable disposition of such Note unless (1) the gain is effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States (and, if an applicable treaty so requires, is attributable to a permanent establishment in the United States maintained by such Non-U.S. Holder), or (2) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year and certain other requirements are met.

Non-U.S. Holders engaged in the conduct of a trade or business within the United States (and, if an applicable treaty so requires, that maintain a permanent establishment within the United States) should be subject to United States federal income tax on a net income basis in the same manner as a U.S. Person on any payment on a Note or any gain recognized on the sale, exchange, redemption, or other taxable disposition of a Note to the extent such payment or gain are effectively connected with such trade or business (and, if an applicable treaty so requires, is attributable to such permanent establishment). In addition, a Non-U.S. Holder that is a foreign corporation engaged in a trade or business in the United States may be subject to a branch profits tax at a rate of 30 per cent. (or lower treaty rate, if applicable) on its earnings and profits that are effectively connected with its conduct of a trade or business within the United States.

### ***FATCA Legislation May Impose Withholding Tax on Notes Held by or through Foreign Entities***

Under certain provisions of the Hiring Incentives to Restore Employment (HIRE) Act and associated Treasury Regulations and IRS guidance (such provisions, regulations, and guidance commonly known as "FATCA"), a U.S. Holder or a Non-U.S. Holder of a Note will be subject to withholding of U.S. federal income tax at the rate of 30% on payments of interest after June 30, 2014, and on the gross proceeds from disposition of a note after December 31, 2016, if (i) the holder is, or holds the Note through, certain foreign financial institutions (including investment funds), unless such institution enters into an agreement with the Treasury to report, on an annual basis, information with respect to interests in, and accounts maintained by, the institution to the extent such interests or accounts are held by certain U.S. persons and by certain non-U.S. entities that are wholly or partially owned by U.S. persons and to withhold on certain payments, or (ii) the holder is a non-financial foreign entity, unless such entity either certifies to the Issuer that such entity does not have any "substantial United States owners" or provides certain information regarding the entity's "substantial United States owners", which the Issuer will in turn provide to the Internal Revenue Service. An intergovernmental agreement between the United States and an applicable foreign country, or future Treasury Regulations, may modify these requirements. Under the rules described above, FATCA applies to debt securities, including Notes, issued after June 30, 2014. The Issuer will not be required to pay additional amounts, as described under Condition 12 (Taxation), for any FATCA withholding applicable to the Notes. Holders should consult their tax advisors regarding the possible application of FATCA to the Notes.

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

U.S. information reporting requirements and backup withholding tax generally should not apply to any payment by the Issuer or any Paying Agent on a Note owned by a Non-U.S. Holder if the certification requirements described under "*Taxation of Non-U.S. Holders of Notes*" above are satisfied. Payment in respect of a Note by the United States office of a custodian, nominee, or other agent of the Non-U.S. Holder of such Note may be subject to such information reporting requirements and backup withholding tax unless the Non-U.S. Holder certifies its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

U.S. information reporting requirements and backup withholding tax should not apply to any payment of the proceeds of the sale of a Note effected outside the United States by a foreign office of a foreign "broker" (as defined in applicable Treasury Regulations), **provided that** such broker is neither a U.S. Person nor a U.S.-Controlled Person. Payment of the proceeds of the sale of a Note effected outside the United States by a foreign office of any other broker should not be subject to backup withholding tax, but may be subject to information reporting requirements unless such broker has documentary evidence in its records that the Non-U.S. Holder is not a United States person and certain other conditions are met, or the Non-U.S. Holder otherwise establishes an exemption. Payment of the proceeds of a sale of a Note by the United States office of a broker may be subject to information reporting requirements and backup withholding tax unless the Non-U.S. Holder certifies its non-U.S. status under penalties of perjury or otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be refunded or credited against the holder's United States federal income tax liability, if any, **provided that** the holder timely provides the required information to the IRS.

Notwithstanding the foregoing, FATCA may require certain information reporting with respect to interest paid, and amounts realised on the disposition of, Notes issued after June 30, 2014.

**THE U.S. FEDERAL TAX DISCUSSION SET FORTH ABOVE MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF AN INVESTMENT IN THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.**

## **TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.**

### ***EU Savings Directive***

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**{ XE "EU Savings Directive" }) on the taxation of savings income in the form of interest payment, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a paying agent in the meaning of the EU Savings Directive within its jurisdiction to, or collected by such a paying agent for, an individual resident or certain types of entity (as defined in the article 4-2 of the EU Savings Directive) established in that other Member State; however, for a transitional period, Austria and Luxembourg will, subject to certain exceptions, apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. unless the beneficial owner of the interest payments opts for one of the two information exchange procedures available. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described in the first paragraph above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive and are required to apply these new requirements from 1 January 2017. The changes made under the Amending Directive include extending the scope of the Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

### ***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.

### **Republic of Austria**

*This summary is based on Austrian tax laws as currently in force and as applied on the date of this Base Prospectus. The following comments reflect the Issuers' understanding of certain aspects of Austrian tax laws in connection with the acquisition, ownership and disposition of the Notes. They are of rather general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. For their particular case, prospective investors should consult their professional legal and tax advisors.*

### ***Recent Developments – Capital Gains Tax***

The relevant Austrian tax laws for the taxation of income derived from debt instruments, including debt instruments such as the Notes, have been recently changed due to the entry into force of provisions

included in the Federal Budget Implementation Act 2011 (*Budgetbegleitgesetz 2011*, Federal Law Gazette I 2010/111 – "**BIA 2011** { XE "BIA 2011" }"), the Federal Tax Amendment Act 2011 (*Abgabenänderungsgesetz 2011*, Federal Law Gazette I 2011/76 – "**TAA**{ XE "TAA" }") and the Federal Budget Implementation Act 2012 (*Budgetbegleitgesetz 2012*, Federal Law Gazette I 2011/112 – "**BIA 2012**{ XE "BIA 2012" }") which by way of amendments to the Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988*, Federal Law Gazette 1988/400 – "**ITA**{ XE "ITA" }") introduced a tax on "realised" capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*). This capital gains tax applies not only to current income from debt instruments such as the Notes (interest payments and similar earnings) but also to "realised" capital gains stemming from their sale or redemption, if purchased on or after 1 April 2012. As regards income from debt instruments purchased before this date, the old tax regime continues to apply with some particularities (the transitional provisions are not discussed). The information on Austria's capital gains tax is mainly based on the wording of the law and on the explanatory notes thereto.

### **General Remarks**

Individuals resident in Austria are subject to Austrian income tax (*Einkommensteuer*) on their worldwide income (unlimited income tax liability). Individuals qualify as residents if they have either their permanent domicile and/or their habitual abode in Austria. Otherwise they are non-resident individuals subject to income tax only on income from certain Austrian sources (limited income tax liability).

Companies resident in Austria are subject to Austrian corporate income tax (*Körperschaftsteuer*) on their worldwide income (unlimited corporate income tax liability). Companies qualify as residents if they have their place of effective management and/or their legal seat in Austria. Otherwise they are non-residents subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability).

Under Austrian tax law, individuals are subject to income tax pursuant to the ITA generally at progressive tax rates between 0 per cent. and 50 per cent. Corporate entities are subject to a corporate income tax at a rate of 25 per cent. pursuant to the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz 1988*, Federal Law Gazette 1988/401 – "**CITA**{ XE "CITA" }").

In case of unlimited and limited (corporate) income tax liability, Austria's right to levy taxes may be restricted by double taxation treaties.

There is no transfer tax, registration tax or similar tax payable in Austria by the holders of the Notes as a consequence of the acquisition, ownership, disposition or redemption of the Notes. The sale and purchase of the Notes is not subject to Austrian stamp duty provided that no other transaction potentially taxable under the Federal Stamp Duty Act (*Gebühren-gesetz 1957*, Federal Law Gazette 1957/267 as amended) such as an assignment is entered into for which a document (*Urkunde*) within the meaning of the Stamp Duty Act is executed.

### **Austrian Residents**

Income derived from the Notes by individuals with a permanent domicile or their habitual abode in Austria or corporate entities having their corporate seat or place of management in Austria is taxable in Austria pursuant to the ITA or the CITA.

### **Austrian Resident Individuals**

Income derived from debt instruments such as the Notes qualifies as investment income (*Einkünfte aus Kapitalvermögen*). Such income comprises not only current income, i.e. interest payments and similar earnings, but also "realised" capital gains (*Einkünfte aus realisierten Wertsteigerungen von Kapitalvermögen*) stemming from the sale or redemption of debt instruments, irrespective of whether they have been held as business or non-business assets and irrespective of whether the profits have been realised within a particular holding period (formerly, in case of individuals, only such profits stemming from securities which were held only for a period not exceeding one year were taxed). According to the relevant provisions of the ITA, "realised" capital gains principally consist in the difference (surplus) between the proceeds from the sale or redemption of the debt instruments, i.e. their selling or redemption price, and their purchase price.



Such profits, i.e. current income and "realised" capital gains, are in principle subject to a special tax rate of 25 per cent. and will be deducted by the custodian bank or the paying office (*Kapital-ertragsteuer*, Capital Proceeds Tax – "CPT{ XE "CPT" }"). However, as regards profits from debt instruments such as the Notes, the special tax rate will only apply in cases where the instruments have in the primary offering been offered to an undetermined number of people ("public offer{ XE "public offer" }"). This tax is in principle "final", which means that no further taxation will be allowed on such capital gains and that they do not have to be declared in other tax declarations of the taxpayer (in particular, a personal tax rate exceeding 25 per cent. will not apply). In case the taxpayer applies for regular taxation (*Regelbesteuerungsoption* – which he might do in case his personal tax rate is below 25 per cent.) or for the offsetting of losses (*Verlustausgleichsoption*), taxation is not final. The option for regular taxation may be exercised independently from the option for the offsetting of losses by filing a respective request to the tax office. It leads to an assessment for income tax and to the application of the regular, progressive income tax rate (currently amounting to a maximum of 50 per cent. for yearly taxable income exceeding EUR 60.000) on all taxable capital gains.

Further, pursuant to the relevant provisions of the ITA also the withdrawal or transfer of debt instruments such as the Notes from their current investor's securities account shall, as a general rule, equally trigger CPT, unless one of the exemptions contained in the ITA applies. These exemptions are all based on the idea that no CPT shall be deducted, in cases where the taxation of potential future profits stemming from the sale or redemption of the transferred debt instruments remains in fact possible. In addition, since 1 April 2012 amended exit tax rules (*Wegzugsbesteuerung*) apply, which are not discussed herein.

In its international dimension, the capital gains tax applies only and CPT will only be deducted, if either the custodian bank (*depotführende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in Austria. A paying office may be any organisational entity of a bank which is capable to credit amounts of money to cash accounts of clients or to pay in cash. In most cases the paying office will be the bank with which the investor maintains his securities account. It is not the Paying Agent (as defined in the Programme documents). The term "custodian bank" refers to banks (its branches and offices) providing the securities account to the investor and not to any other bank up in the holding chain. The custodian bank or, if applicable, the paying office will be responsible for the deduction of the capital gains tax (CPT) and its transfer to the respective Austrian tax office.

To the extent that no CPT is deducted due to the lack of a custodian bank or a paying office located in Austria, the income derived from debt instruments such as the Notes must be included into the respective taxpayer's tax declaration, if such profits are received by an Austrian resident individual subject to unlimited income tax liability. In this case, the special tax rate of 25 per cent. applies equally.

#### *Austrian Resident Corporate Investors*

Income from debt instruments such as the Notes (interest payments, capital gains), realised by a corporate investor resident in Austria is subject to Austrian corporate income tax (*Körperschaftsteuer*) at a rate of 25 per cent. CPT-rules apply in case such income is paid out via a custodian bank or paying office located in Austria. In such case deducted CPT will be credited against the corporate income tax liability. However, corporations deriving business income from debt instruments such as the Notes may avoid the deduction of CPT by filing a statement of exemption with the custodian bank (or the paying office) and with the competent Austrian tax office to the fact that the payment received is due to a commercial enterprise subject to taxation in Austria (*Befreiungserklärung*).

In this context it is of note that there is, inter alia, a special tax regime for Austrian private law foundations (*Privatstiftungen*). Such foundations are subjected to a special interim income tax of currently 25 per cent. to be paid on income derived from debt instruments such as the Notes.

#### *Non-Residents*

Income of non-resident individuals and corporations (within the meaning of the relevant Austrian tax law) derived from debt instruments such as the Notes (interest payment, capital gains) is not taxable in Austria, provided that such income is not attributable to an Austrian permanent establishment. In this case, Austrian capital gains tax (CPT) being deducted by a custodian bank or a paying office located in Austria may be avoided, if the beneficiary demonstrates to the custodian bank (or the paying office), by supplying corroborating evidence, that he qualifies as non-resident for tax purposes and that he is therefore subjected to limited (corporate) income tax liability.

Pursuant to the Federal Tax Amendment Act 2014 (*Abgabenänderungsgesetz 2014*, Federal Law Gazette I 2014/13) the ITA has been amended. Amongst other amendments, with effect from 1 January 2015, interest income within the meaning of the EU Savings Directive and the Austrian EU Withholding Tax Act (*EU-Quellen-steuergesetz*, Federal Law Gazette I 2004/33 – "**EU-QuStG**"; see below) will fall within the limited (corporate) income tax liability applicable to non-resident individuals and corporations (within the meaning of the relevant Austrian tax law), provided that CPT has to be deducted. This is the case if either the custodian bank (*depot-führende Stelle*) or – under certain conditions – the paying office (*auszahlende Stelle*) is located in Austria. Accordingly, from 1 July 2015 onwards, income of non-resident individuals and corporations derived from debt instruments such as the Notes (investment income, realised capital gains) will be subject to Austrian income tax at a rate of 25 per cent., unless one of the exemptions contained in amended section 98 para 1 no. 5 of the ITA applies, *inter alia*, in case interest income is paid out or credited to an individual resident in another EU Member State in which case the EU Withholding Tax Act applies (see also below under "EU Savings Tax").

Applicable double taxation treaties may provide for a reduction of, or relief from the application of the Austrian capital gains tax (CPT). For corporate entities deriving business income from the Notes, an exemption may be available by filing a declaration of exemption (*Befreiungserklärung*) with the Austrian paying office (as section 94 no. 5 of the Austrian Income Tax Act has not been changed or amended). It remains to be seen how this new provision will be implemented in practice.

### ***EU Savings Tax***

In Austria, provisions for implementing the EU Savings Tax Directive have been enacted by the *EU-Quellensteuergesetz* (Federal Law Gazette I 2004/33 – "**EU-QuStG**{ XE "EU-QuStG" }"). Section 1 of the EU-QuStG provides that interest payments paid out or credited by a paying office located in Austria to a beneficial owner who is an individual resident in another EU Member State (or certain dependent or associated territories) is subject to a withholding tax if no exemption from such withholding applies. Pursuant to the EU-QuStG, tax from interest payments must be deducted on a time scaled basis. For the first three years after the EU-QuStG came into force (i.e. from 1 July 2005 onwards) 15 per cent. on paid interest has been deducted, for the subsequent three years (i.e. from 1 July 2008 onwards) a tax of 20 per cent. applied. Since 1 July 2011 the tax to be deducted amounts to 35 per cent. This tax is not deducted in case the beneficial owner of the interest provides a certificate of the competent tax authority of the EU Member State where he is resident. The certificate must include the beneficial owner's name, address, tax number or other identification number or if such number is not available, the date of birth and the paying bank's registered office. In addition, the name and address of the paying bank, as well as the account number of the beneficial owner or, if an account number is unavailable, the security identification number must be included.

### ***Other Taxes***

Due to a decision of the Austrian Constitutional Court (*Verfassungsgerichtshof*), the Austrian inheritance and gift tax (*Erbschafts- und Schenkungssteuer*) has been abolished with effect of 1 August 2008. However, pursuant to section 121a of the Federal Fiscal Code (*Bundesabgaben-ordnung*, Federal Law Gazette 1961/194 as amended), gifts exceeding certain amounts must be notified to the Austrian tax authorities within a three-month notification period. In addition, it should be mentioned that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Federal Foundation Transfer Act (*Stiftungseingangssteuergesetz*, Federal Law Gazette I 2008/85). This tax is triggered, if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. The tax is based on the market value of the transferred assets less any debt economically linked to these assets. In general, the applicable tax rate amounts to 2.5 per cent. However, in certain cases a higher tax rate of 25 per cent. applies.

### ***Belgian Taxation***

*The following is a general description of the main Belgian withholding tax consequences for investors receiving interest in respect of the Notes to be issued by the Issuer. It does not purport to be a complete analysis of all tax considerations relating to the Notes. The general description is based upon the law as in effect on the date of this Base Prospectus and is subject to change potentially with retroactive effect. Investors should understand that, as a result of changing law or practice, the tax consequences may be different than as stated below. Investors should consult their professional advisers on the possible tax*

*consequences of subscribing for, purchasing, holding or selling the Notes under any laws applicable to them.*

### ***Withholding Tax***

For Belgian tax purposes, the following amounts are qualified and taxable as "interest": (i) periodic interest income, (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) in case of a realization of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

#### *Individuals resident in Belgium*

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 25 per cent.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

#### *Belgian resident companies*

Interest payments on the Notes made through a paying agent in Belgium to Belgian corporate investors will generally be subject to Belgian withholding tax, currently at a rate of 25 per cent. However, an exemption may apply provided that certain formalities are complied with. The exemption does not apply for income on zero coupon or capitalisation bonds. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

#### *Other Belgian legal entities*

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the declaration and payment of the 25 per cent. withholding tax.

#### *Belgian non-residents*

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 25 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors that do not hold the Notes through a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Notes paid through a Belgian credit institution, a Belgian stock market company or a Belgian-recognized clearing or settlement institution, provided that they deliver an affidavit from such institution or company confirming (i) that the investors are non-residents, (ii) that the Notes are held in full ownership or in usufruct and (iii) that the Notes are not held for professional purposes in Belgium.

### ***European Directive on taxation of savings income in the form of interest payments***

The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (hereinafter "**Savings Directive**"). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State

(hereinafter "**Disclosure of Information Method**"), except that Luxembourg and Austria may instead impose a withholding system (hereinafter "**Source Tax**") for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. Luxembourg will put an end to this Source Tax regime as from 1 January 2015 and will be implementing the Disclosure of Information Method as from that date (cf. "EU Savings Directive" section). A number of third countries and territories have adopted similar measures to the Savings Directive. On 24 March 2014, the Council of the European Union adopted a directive strengthening EU rules on the exchange of information on savings income (see "EU Savings Directive" above).

#### *Individuals not resident in Belgium*

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the EU Savings Directive will be subject to the Disclosure of Information Method.

#### *Individuals resident in Belgium*

An individual resident in Belgium will be subject to the provisions of the EU Savings Directive, if he receives interest payments from a paying agent (within the meaning of the EU Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Bonaire, Curacao, Saba, Sint Eustatius, Sint Maarten (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of EUR 2.5.

#### **Danish Taxation**

*The following is an overview of the Danish withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice, which may be subject to change, sometimes with retrospective effect. The comments do not deal with other Danish tax aspects of acquiring, holding or disposing of the Notes.*

Provided that the Issuer of the Notes is not a tax resident of Denmark for Danish tax purposes and does not have a permanent establishment in Denmark, payments on the Notes may be paid by the Issuer without withholding or deduction for or on account of Danish withholding tax.

#### **French Taxation**

*The following is a general description of certain French withholding tax considerations relating to the Notes. It does not purport to be a description of general French tax considerations relating to the Notes. Prospective investors are advised to consult their own professional advisors to obtain information about the tax consequences of transactions involving the Notes, including any purchase or disposal of, or other dealings in, the Notes. Only personal advisors are in a position to adequately take into account special tax aspects of the particular Notes in question as well as the investor's personal circumstances and any special tax treatment applicable to the investor. This summary is based on French law as in force when drawing up this Base Prospectus. The laws and their interpretation by the tax authorities may change and such changes may have retroactive effect.*

Payments of interest and principal by the Issuer (acting out of its head offices or one of its non-French branch) under the Notes will not be subject to withholding tax in France, in accordance with the applicable French law.

By exception, pursuant to Article 9 of 2013 Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*), and subject to certain limited exceptions, interest and other similar revenues received from 1 January 2013 by French tax resident individuals are subject to a 24% withholding tax,

which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG of 8.2%, the *prélèvement social* of 4.5%, its *contribution additionnelle au prélèvement social* of 0.3%, the *prélèvement de solidarité sur les revenus du patrimoine et produits de placement* de 2% and the CRDS of 0.5%) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to French tax resident individuals.

Prospective purchasers of Notes who are French resident for tax purposes or who would hold such Notes through a permanent establishment or fixed base in France should be aware that transactions involving the Notes, including any purchase or disposal of, or other dealings in, the Notes, may have French tax consequences. The tax consequences regarding interest, premium on redemption and capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals). Prospective purchasers of Notes should consult their own advisers about the tax implications of holding Notes and of any transactions involving Notes.

### **German Taxation**

*The information about the German taxation of the Notes issued under the Base Prospectus set out in the following section deals only with German withholding tax and is not exhaustive. It is based on current tax laws in force at the time when this Base Prospectus was published. Such tax laws may be subject to change at short notice and, within certain limits, also with retroactive effect.*

*The following is a general description of certain German withholding tax considerations relating to the Notes since each Series of Notes may be subject to a different tax treatment according to the applicable Final Terms. It does not purport to be a complete analysis of all German tax considerations relating to the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular investor. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed.*

**Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes on the basis of the relevant Final Terms, including the effect of any state or local taxes under the tax laws of Germany and each country of which they are residents.**

#### ***German withholding tax***

In principle, only persons (individuals and incorporated entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to German withholding tax with respect to payments under debt instruments. Non-resident persons generally do not suffer German withholding tax. If, however, the income from the Notes is subject to German tax, i.e. if (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the relevant investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income, German withholding tax is applied, as a rule, as in the case of a German tax resident investor.

German withholding tax will be levied at a flat withholding tax rate of 26.375% (including solidarity surcharge (*Solidaritätszuschlag*)) on interest and on proceeds from the sale of the Notes if the Notes are held in a custodial account which the relevant investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a "**German Disbursing Agent**"). If the Notes are redeemed, repaid, assigned or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage*), such transaction is treated like a sale. If the Issuer exercises the right to substitute the debtor of the Notes, the substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors.

If the Notes are not held in a custodial account maintained with a Disbursing Agent, German withholding tax will nevertheless be levied if the Notes are issued as definitive securities and the savings earnings (*Kapitalerträge*) are paid by a German Disbursing Agent against presentation of the Notes or interest coupons (so-called over-the-counter transaction – *Tafelgeschäft*).

If an investor sells or redeems the Notes, the tax base is, in principle, the difference between the acquisition costs and the proceeds from the sale or redemption of the Notes reduced by expenses directly and factually related to the sale or redemption. Where the Notes are acquired and/or sold in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively. If the Notes have not been held in the custodial account maintained with the Disbursing Agent since their acquisition and the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law (e.g. in the case of over-the-counter transactions or if the Notes had been transferred from a non-EU custodial account prior to the sale), withholding tax is applied to 30% of the proceeds from the sale or redemption of the Notes.

When computing the tax base for withholding tax purposes, the German Disbursing Agent has to deduct any negative savings income (*negative Kapitalerträge*) or paid accrued interest (*Stückzinsen*) in the same calendar year or unused negative savings income of previous calendar years.

Individuals who are subject to church tax may apply in writing for this tax to be withheld as a surcharge to the withholding tax. Individuals subject to church tax but declining the application have to include their savings income in their tax return and will then be assessed to church tax. For German credit institutions an electronic information system as regards church withholding tax shall apply in respect of interest received after 31 December 2014, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*), in which case the obligation to include savings income in the tax return for church tax purposes will persist.

With regard to individuals holding the Notes as private assets, any withholding tax levied shall, in principle, become definitive and replace the income taxation of the relevant investor. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the relevant investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the tax assessment procedure. However, the separate tax rate for savings income applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Such application can only be filed consistently for all savings income within the assessment period. In case of jointly assessed husband and wife the application can only be filed for savings income of both spouses.

With regard to other investors, German withholding tax is a prepayment of (corporate) income tax and will be credited or refunded within the tax assessment procedure.

No German withholding tax will be levied if an individual holding the Notes as private assets has filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife). Similarly, no withholding tax will be levied if the relevant investor has submitted a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office to the German Disbursing Agent. Further, with regard to investors holding the Notes as business assets, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if (a) the Notes are held by a corporation or (b) the proceeds from the Notes qualify as income of a domestic business and the investor has notified this to the German Disbursing Agent by use of the officially required form.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payments on the Notes.

## **Irish Taxation**

*The following is a summary of the principal Irish tax consequences of ownership of the Notes for individuals who are resident and ordinarily resident in Ireland for tax purposes and for companies that are resident in Ireland for tax purposes. It is based on the laws and practice of the Revenue Commissioners currently in force in Ireland as at the start of the Offer Period and may be subject to change. The statements in this summary are based on the understanding that the Notes will be treated as debt for Irish tax purposes. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, including dealers in Notes and trusts. The summary does not constitute tax or legal advice and the comments below*

*are of a general nature only and it does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes (including, but not limited to, social insurance and the Universal Social Charge)). Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of payments thereon under any laws applicable to them.*

### **Withholding Tax**

Tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. The Issuer will not be obliged to withhold Irish income tax from payments of interest on the Notes so long as such payments do not constitute Irish source income. Interest paid on the Notes should not be treated as having an Irish source unless:

- (i) the Issuer is resident in Ireland for tax purposes; or
- (ii) the Issuer has a branch or permanent establishment in Ireland, the assets or income of which is used to fund the payments on the Notes; or
- (iii) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland.

It is anticipated that, (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Issuer will not have a branch or permanent establishment in Ireland; and (iii) the Issuer will not maintain a register of any registered Notes in Ireland.

### **Taxation of Receipts**

Notwithstanding that a Noteholder may receive payments of interest, premium or discount on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income tax (currently up to 41 per cent. and in the case of individuals, the Universal Social Charge) or corporation tax (generally at the rate of 25 per cent.) on such interest and/or any payment in the nature of interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland.

Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

### **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from any interest paid on Notes issued by a company not resident in Ireland, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder who is Irish resident. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **Luxembourg Taxation**

*The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes, payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not*

*limited to) the legality of transactions involving the Notes. Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.*

All payments of interest (including accrued but unpaid interest) or and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June 2005, as amended, implementing the EU Savings Directive (see paragraph "EU Savings Directive" above) and ratifying several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax of 35 per cent. on payments of interest or similar income made or ascribed to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities" within the meaning of Article 4.2 of the EU Savings Directive) in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph "EU Savings Directive" above) or agreements unless the beneficiary of such payment opts for one of the two information exchange procedures available. On 18 March 2014, the Luxembourg government has submitted to the Luxembourg Parliament the draft Bill N° 6668 on taxation of savings income putting an end to the current withholding tax regime as from 1 January 2015 and implementing the automatic exchange of information as from that date. This draft Bill is in line with the announcement of the Luxembourg government of April 2013.
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as amended, which has introduced a 10 per cent. withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the EU Savings Directive). Pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals can opt to self declare and pay a 10 per cent. tax (the "**Levy**") on interest payments made or ascribed by paying agents located in a Member State of the European Union other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an agreement directly relating to the EU Savings Directive on the taxation of savings income.

The 10 per cent. withholding tax as described above or the Levy are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005, as amended, is assumed by the paying agent in Luxembourg within the meaning of these laws and not by the Issuer.

### **Italian Taxation**

*The following is a general description of certain Italian tax considerations relating to the Notes based on the laws in force in Italy as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in notes) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*



Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 ("**Decree No. 66**") and subject to a 60 (sixty) days deadline during which the Italian Parliament can convert such decree into Law with possible amendments, has introduced new tax provisions amending certain aspects of the tax regime of the Notes as summarised below. In particular the Decree No. 66 has increased from 20 per cent. to 26 per cent the rate of withholding and substitute taxes of interest accrued, and capital gains realised, as of 1 July 2014 on financial instruments (including the Notes) other than government bonds.

### **Tax treatment of the Notes**

The Notes may be subject to different tax regimes depending on whether:

- they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Noteholder transfers to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the unconditional right to obtain the entire reimbursement of such amount at maturity; or
- they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Noteholder transfers to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity.

### **Notes having 100% capital protection guaranteed by the Issuer**

Legislative Decree N°. 239 of 1 April 1996, as a subsequently amended, (the "**Decree N°. 239**{ XE "Decree N°. 239" }) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers.

### **Italian Resident Noteholders**

Where the Italian resident Noteholder is:

- (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless the investor has opted for the application of the *risparmio gestito regime* – please refer to paragraph "*Capital Gains Tax*" above for an analysis of such regime); or
- (ii) a non-commercial partnership; or
- (iii) a non-commercial private or public institution; or
- (iv) an entity exempt from Italian corporate income taxation,

Interest relating to the Notes are subject to a substitute tax (*imposta sostitutiva*), levied at the rate of 20 per cent. (which will be increased to 26 per cent. with reference to any Interest accrued as of 1 July 2014, pursuant to Decree No. 66). In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the taxation on income due.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which Notes are effectively connected and such Notes are deposited with an Italian resident intermediary, Interest from such Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation ("**IRES**{ XE "IRES" })" (and, in certain circumstances, depending on the "status" of the Noteholder, also to regional tax on business activities purposes "**IRAP**{ XE "IRAP" }").

Pursuant to Decree N°. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Finance (each an "**Intermediary**") resident in Italy, or permanent establishment in Italy of a non Italian resident

Intermediary, which intervenes, in any way, in the collection of Interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant notes or in a change of the Intermediary with which the notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian financial intermediary paying interest to a Noteholder or, absent that, by the Issuer.

If the investor is resident in Italy and is an Italian investment funds, *Fondi Lussemburghesi Storici* or a SICAV, and the Notes are held by an authorised intermediary, Interest accrued during the holding period on the Notes will not be subject to any substitute tax, but will be included in the management results of the investment funds, *Fondi Lussemburghesi Storici*, or SICAV accrued at the end of each tax period. The investment funds, *Fondi Lussemburghesi Storici* or SICAV will not be subject to taxation on such result, but a withholding tax of 20 per cent. may apply on income of the investment funds, *Fondi Lussemburghesi Storici* or SICAV derived by unitholders or shareholders through distribution (the withholding tax will be increased to 26 per cent. with reference to any distribution made as of 1 July 2014, pursuant to Decree No. 66) and/or redemption or disposal of the units or of the shares (the withholding tax will be increased to 26 per cent. with reference to any proceed accrued as of 1 July 2014, pursuant to Decree No. 66).

Interest, premium and other income on to the Notes held by Italian real estate investment funds (complying with the definition as amended pursuant to Law Decree n. 78 of 31 May 2010, converted into Law n. 122 of 30 July 2010) or a SICAF to which the provisions of Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as subsequently amended, apply are subject neither to *imposta sostitutiva*, nor to any other income tax in the hands of the real estate investment fund. The income of the Italian real estate fund is subject to tax, in the hands of the unitholder, depending on status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an Italian resident intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax (which will be increased to 11.5 per cent. for fiscal year 2014, pursuant to Decree No. 66).

#### ***Non-Italian Resident Noteholders***

No *imposta sostitutiva* is applied on payments to non-Italian resident Noteholders.

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

A 20 per cent. capital gains tax (*imposta sostitutiva sulle plusvalenze*) (which will be increased to 26 per cent. with reference to any capital gain realised as of 1 July 2014, pursuant to Decree No. 66) is applicable on any capital gain realised on the disposal of the Notes by Noteholders included among the following categories of Italian resident persons: (i) individuals not engaged in an entrepreneurial activity to which the Notes are effectively connected, (ii) non commercial partnerships or de facto partnerships, (iii) private or public institutions not carrying out mainly or exclusively commercial activities, or (iv) investors exempt from IRES. In respect of the application of *imposta sostitutiva sulle plusvalenze*, taxpayers may opt for one of the three regimes described below:

- (a) Under the *Regime della dichiarazione*, which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are effectively connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any off-settable capital losses, realised by the Italian resident individual holding the Notes. In this instance, "capital gains" means any capital gain not connected with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given fiscal year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must report the overall amount of the capital gains realised in any fiscal year, net of any off-settable capital losses, in the annual tax return and pay the *imposta sostitutiva* on those capital gains together with any balance income tax due for such year. Capital losses in excess of capital

gains may be carried forward against capital gains realised in any of the four succeeding fiscal years. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

- (b) As an alternative to the tax declaration regime, Italian resident individual holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva sulle plusvalenze* separately on any capital gain realised on each sale or redemption of the Notes (*Regime del risparmio amministrato*). Such separate taxation of capital gains is allowed subject to:
- (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and
  - (ii) an express election for *Regime del risparmio amministrato* being timely made in writing by the relevant Noteholder.

The depository must account for the *imposta sostitutiva sulle plusvalenze* in respect of any capital gain realised on each sale or redemption of the Notes (as well as in respect of any capital gain realised upon the revocation of its mandate), net of any incurred capital loss. The depository must also pay the relevant amount to the Italian tax authority on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *Regime del risparmio amministrato*, where a sale or redemption of the Notes results in a capital loss, such capital loss may be deducted from any capital gain subsequently realised, within the same Notes management, in the same fiscal year or in the following fiscal years up to the fourth. Pursuant to Decree No. 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. Under the *Regime del risparmio amministrato*, the Noteholder is not required to declare the capital gains in the annual tax return.

- (c) Under the *Regime del risparmio gestito*, any capital gain realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary, will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year-end, and subject to the *imposta sostitutiva* (which will be increased to 26 per cent. with reference to any increase in value of the managed assets accrued as of 1 July 2014, pursuant to Decree No. 66),, to be paid by the managing authorised intermediary. Any depreciation of the managed assets accrued at year-end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding fiscal years. Pursuant to Decree No. 66, depreciations of the managed assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations in value registered before 1 January 2012; (ii) 76.92 per cent. of the depreciations in value registered from 1 January 2012 to 30 June 2014. The Noteholder is not required to report the capital gains realised in the annual tax return.

Any capital gain deriving from the sale or redemption of the Notes and realised by Italian resident companies (including Italian permanent establishments of foreign entities to which the Notes are connected), similar commercial entity, commercial partnership or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are effectively connected would not be subject to *imposta sostitutiva sulle plusvalenze*, but must be included in the relevant Noteholder's income tax return and therefore subject to IRES (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes).

Capital gains realised on Notes held by Italian investment funds, *Fondi Lussemburghesi Storici* or SICAV will not be subject to *imposta sostitutiva sulle plusvalenze*, but will be included in the results of the portfolio accrued at the end of the tax period. The investment funds, *Fondi Lussemburghesi Storici* or SICAV will not be subject to taxation on such results, but a withholding tax of 20 per cent. may apply on income of the investment funds, *Fondi Lussemburghesi Storici* or SICAV derived by unitholders or

shareholders through distribution (such withholding tax will be increased to 26 per cent. with reference to any distribution made as of 1 July 2014, pursuant to Decree No. 66) and/or redemption or disposal of the units or of the shares (such withholding tax will be increased to 26 per cent. with reference to any proceed accrued as of 1 July 2014, pursuant to Decree No. 66). Capital gains realized on Notes held by real estate funds or SICAF to which the provisions of Law Decree N° 351 of 25 September 2001, as subsequently amended, apply, will neither be subject to any *imposta sostitutiva sulle plusvalenze*, nor to any other income tax with the fund. The income of the real estate funds or SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units. Capital gains on the Notes held by an Italian resident pension fund (subject to the regime provided for by Article 17 of the Italian Legislative Decree N° 252 of 5 December 2005) will not be subject to *imposta sostitutiva sulle plusvalenze*, but will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax (which will be increased to 11.5 per cent. for fiscal year 2014, pursuant to Decree No. 66)..

Capital gains realised by non-Italian resident Noteholders are not subject to Italian taxation provided that the Notes are held outside Italy or the capital gain derives from transaction executed in regulated market.

#### ***Notes not having 100% capital protection guaranteed by the Issuer***

Payments in respect of Notes which qualify as "Atypical securities" under Article 8 of Law Decree N° 512 of 30 September 1983 are subject to a withholding tax, levied at the rate of 20 per cent. (which will be increased to 26 per cent. with reference to any Interest due and payable as of 1 July 2014, pursuant to Decree No. 66). The withholding tax is levied by any Italian resident entity which intervenes in the collection of payments on the Notes or in their repurchase or transfers. In case the payments on the Notes are not received through any aforementioned Italian resident entity, Italian resident individual Noteholders are required to report the payments in their income tax return and subject them to a substitute tax at 20 per cent. rate (which will be increased to 26 per cent. with reference to any Interest due and payable as of 1 July 2014, pursuant to Decree No. 66). Italian resident individual Noteholders may elect instead to pay ordinary income tax at the progressive rates applicable to them in respect of the payments; if so, the Italian resident individual Noteholders should generally benefit from a tax credit for any withholding tax possible applied outside Italy.

The 20 per cent withholding tax (which will be increased to 26 per cent. with reference to any Interest due and payable as of 1 July 2014, pursuant to Decree No. 66) does not apply to payments made to a non Italian resident Noteholder and to an Italian resident Noteholder which is (i) a company (including Italian permanent establishments of foreign entities) or similar commercial entity, (ii) a commercial partnerships or (iii) a private or public institution carrying out commercial activities.

#### ***Inheritance and gift taxes***

Pursuant to Law Decree N° 262 of 3 October 2006, converted into Law N°. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or gift exceeding EUR 1,000,000;
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or gift exceeding EUR 100,000; and
- (c) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or gift.

If the transfer is made in favour of persons with disabilities, the tax applies on the value exceeding EUR 1,500,000.

An anti-avoidance rule is provided by Law N°383 of 18 October 2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the 20 per cent capital

gains tax. In particular, if the donee sells the notes for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

### ***Transfer tax***

Contracts relating to the transfer of Notes are subject to a Euro 200 registration tax as follows: (i) public deeds and notarised deeds are subject to mandatory registration; (ii) private deeds are subject to registration only in the case of voluntary registration.

### ***Tax monitoring obligations***

Pursuant to Law Decree N° 167 of 28 June, 1990 converted into law by Law Decree N°. 227 of 4 August, 1990, as amended by Law N° 97 of 6 August 2013 and subsequently amended by Law N° 50 of 28 March 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree N° 917 of 22 December 1986) resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The requirement applies also where the persons above, being not the direct holder of the financial instrument, are considered the actual owner of the instruments.

Furthermore, the above reporting requirements is not required to comply with respect to Notes deposited for management with qualified Italian financial intermediaries and with respect to contracts entered into through their intervention, upon condition that the items of income derived from the Notes are received through the intervention of the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a EUR 10,000 threshold throughout the year.

### ***Stamp duty***

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree N° 642 of 26 October 1972, as amended by Article 1 par. 581 of Law N° 147 of 27 December 2013, a proportional stamp duty applies on a yearly basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.20 per cent. and it cannot exceed Euro 14,000 for taxpayers which are not individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments (including the Notes). Stamp duty applies both to Italian resident Noteholders and to non-Italian resident Noteholders, to the extent that the Notes are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### ***Wealth tax***

Financial investments held abroad by resident individuals in Italy without the involvement of an Italian intermediary are subject to tax at the rate of 0.20 per cent. The tax basis is the market value, if any, as resulting at the end of each given year in the state where the financial investments are held, also as it results from the documentation issued by the reference foreign intermediary, or its nominal or refund value or in the case the face or redemption values cannot be determined, on the purchase value of any financial assets held outside of the Italian territory. Foreign similar wealth taxes paid in the State where the financial investments are held are creditable.

### ***Implementation in Italy of the EU Savings Directive***

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 ("**Decree No. 84**{ XE "Decree No. 84" }"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. Please refer to the paragraph headed "EU Savings Directive" above.

### **The Netherlands Taxation**

*The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

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

Where the Issuer is not, or is not deemed to be, resident (gevestigd) in The Netherlands for the relevant tax purposes, all payments by the Issuer under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof.

### **Spanish Taxation**

#### ***Withholding tax***

On the basis that the Issuer is not resident in Spain for tax purposes and does not operate in Spain through a permanent establishment, branch or agency, all payments of principal and interest in respect of the Notes can be made free of any withholding or deduction for or on account of any taxes in Spain.

Under certain conditions, withholding taxes may apply if the Notes are deposited with a Spanish resident entity acting as depository.

### **United Kingdom Taxation**

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**{ XE "HMRC" }"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments are made on the assumption that the Issuer of the Notes is not resident in the United Kingdom for United Kingdom tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

Provided that the interest on the Notes does not have a United Kingdom source, interest on the Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax. The location of the source of a payment is a complex matter. It is necessary to have regard to case law and HMRC practice. Case law has established that in determining the source of interest, all relevant factors must be taken into account. HMRC has indicated that the most important factors in determining the source of a payment are those which influence where a creditor would sue for payment, and has stated that the place where the Issuer does business, and the place where its assets are located, are the most important factors in this regard; however HMRC has also indicated that, depending on the circumstances, other relevant factors may include the place where the interest and principal are payable, the method of payment, the governing law of the Notes and the competent jurisdiction for any legal action, the location of any security for the Issuer's obligations under the Notes, and similar factors relating to any guarantee.

Interest which has a United Kingdom source ("**UK interest**{ XE "UK interest" }") may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which the UK interest is paid are issued for a term of less than one year (and are not issued under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more).

UK interest on Notes issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more) may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax if the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange. Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The Luxembourg Stock Exchange is a recognised stock exchange. The Issuer's understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Main Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

In all other cases, UK interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the savings rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

### ***Provision of Information***

HMRC have powers to obtain information in relation to interest or payments treated as interest and payments derived from securities which are made by persons in the UK. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see above).

### ***Other Rules Relating to United Kingdom Withholding Tax***

Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax, but may be subject to reporting requirements.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer pursuant to Condition 23 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

### **The Proposed Financial Transactions Tax ("FFT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.



## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to Citigroup Global Markets Limited (Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and to any other Dealer appointed from time to time under the Dealer Agreement (as defined below) (the "**Dealers**{ XE "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 on or about 27 June 2013 (as amended and/or restated from time to time, the "**Dealer Agreement**{ XE "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*

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.

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. Terms used in this paragraph have the meanings given to them by Regulation S.

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.

### Public Offer Selling Restriction Under The Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**{ XE "Relevant Member State" }"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**{ XE "Relevant Implementation Date" }") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Approved Prospectus:** if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**{ XE "Non-exempt Offer" }"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period

beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 100 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

**provided that** no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**{ XE "offer of Notes to the public" }" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**{ XE "Prospectus Directive" }" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**{ XE "2010 PD Amending Directive" }" means Directive 2010/73/EU.

#### **Selling Restrictions Addressing United Kingdom Securities Laws**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (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;

- (b) **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
- (c) **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.

## **Selling Restrictions Addressing Additional Securities Laws**

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has 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**{ XE "Japanese Person" }" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### ***The Netherlands***

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

*General selling restriction:* it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms in relation thereto, to the public in The Netherlands, unless such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands, **provided that** no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "**offer of Notes to the public**{ XE "offer of Notes to the public" }" in relation to any Notes in The Netherlands; and (ii) "**Prospectus Directive**{ XE "Prospectus Directive" }", have the meaning given to them above in the paragraph headed with "*Public Offer Selling Restriction Under the Prospectus Directive*".

### **General**

Each Dealer has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms 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 headed "*General*" 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 Final Terms (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 Base Prospectus.

## **USE OF PROCEEDS**

The Issuer will use the net proceeds it receives from the sale of Notes for general corporate purposes, which may include capital contributions to its subsidiaries and/or the reduction or refinancings of borrowings of the Issuer or its subsidiaries. The Issuer expects to incur additional indebtedness in the future.

## GENERAL INFORMATION

### **Listing and Admission to Trading**

Applications have been made for Notes issued under the Programme to be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the official list and admitted to trading on the regulated market of 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. On 27 May 2005, the Funding Committee of the Board of Directors of the Issuer authorised the increase of the Programme Amount from U.S.\$35,000,000,000 to U.S.\$40,000,000,000. On 14 August 2006, the Funding Committee of the Board of Directors of the Issuer authorised the increase of the Programme Amount from U.S.\$40,000,000,000 to U.S.\$55,000,000,000. On 31 August 2007, the Funding Committee of the Board of Directors of the Issuer authorised the increase of the Programme Amount from U.S.\$55,000,000 to U.S.\$110,000,000,000.

### **Clearing of the Notes**

The Notes have been accepted for clearance through Euroclear whose address is 1 Boulevard du Roi Albert II, B-1210 Brussels and Clearstream, Luxembourg whose address is 42 Avenue JF Kennedy, L-1855 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 Final Terms. The relevant Final Terms 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.

### **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.

Under the Luxembourg Law on Prospectuses for Securities, which implements Directive 2003/71/EC, prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such law and do not need to be approved by the CSSF.

## **Litigation**

Save as disclosed in this Base Prospectus under the section headed "*Risk Factors*" and at pages 317 to 326 of the Original 2013 Report and pages 222 to 224 of the Quarterly Report, each incorporated by reference herein, there have not been in the last 12 months, nor are there, any governmental, legal or arbitration 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 may have, or have had in the recent past, significant effects on their financial position or profitability, or are material in the context of the Programme or the issue of Notes thereunder.

## **No significant change and no material adverse change**

Save as disclosed in this Base Prospectus under the section headed "*Risk Factors*", there has been no significant change in the financial or trading position of the Issuer and its Subsidiaries when considered as a whole since 31 March 2014 and, there has been no material adverse change in the prospects and condition or general affairs of the Issuer and its Subsidiaries when considered as a whole since 31 December 2013, that is, in either case, 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 (f) and (g) below, may be obtained free of charge) during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg:

- (a) the statutory documents of the Issuer;
- (b) the Amended and Restated Agency Agreement;
- (c) the Deed of Covenant;
- (d) the Amended and Restated Dealer Agreement;
- (e) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (f) the Base Prospectus and any supplements thereof;
- (g) any Final Terms relating to the Notes issued under the Programme except for those relating to Notes issued in circumstances which do not require publication of a prospectus pursuant to Article 3 of the Prospectus Directive; and
- (h) the 2012 and 2013 Annual Reports on Form 10-K and the Quarterly Report on Form 10-Q of the Issuer

## **Auditors**

The financial statements of the Issuer have been audited for the three financial years preceding the date of this document by KPMG LLP, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon. KPMG LLP is a member of the American Institute of Certified Public Accountants, and is regulated by the U.S. Public Company Accounting Oversight Board.

## **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 2013, 31 December 2012 and 31 December 2011;
- (b) 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.

### **Passporting**

In addition to the applications already described in this Base Prospectus, the Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

### **Conditions for determining price**

Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes will be set out in the applicable Final Terms. The price will normally correspond to a percentage of the nominal value of such Notes and shall be disclosed on the applicable Final Terms, which shall be available at the offices of the Issuer and the Fiscal Agent. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series, or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

### **Yield**

The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis by reference to the relevant issue price. It is not an indication of future yield.

## **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.



## INDEX OF DEFINED TERMS

<p>"Base Prospectus ..... 58</p> <p>£ 2</p> <p>€ 2</p> <p>1996 junior subordinated debt indenture ..... 36</p> <p>2010 PD Amending Directive ..... 2, 96</p> <p>2012 Report ..... 22</p> <p>30/360 ..... 30</p> <p>30E/360 ..... 30, 31</p> <p>30E/360 (ISDA) ..... 31</p> <p>Account Management Institution ..... 75</p> <p>Accountholder ..... 67</p> <p>Accrual Yield ..... 28</p> <p>Actual/360 ..... 29, 30</p> <p>Actual/365 ..... 29</p> <p>Actual/365 (Fixed) ..... 29, 30</p> <p>Actual/Actual ..... 30</p> <p>Actual/Actual (ICMA) ..... 29, 30</p> <p>Actual/Actual (ISDA) ..... 29, 30</p> <p>Additional Financial Centre(s) ..... 28</p> <p>Agency Agreement ..... 27</p> <p>Authorised Offeror ..... 2</p> <p>Authorised Offeror Contract ..... 4</p> <p>Authorised Offeror Terms ..... 3</p> <p>Base Prospectus ..... 58</p> <p>BIA 2011 ..... 78</p> <p>BIA 2012 ..... 78</p> <p>Business Centre(s) ..... 28</p> <p>business day ..... 38</p> <p>Business Day ..... 28, 59</p> <p>Business Day Convention ..... 28</p> <p>Calculation Agent ..... 29</p> <p>Calculation Amount ..... 29</p> <p>Calculation Period ..... 29</p> <p>CITA ..... 78</p> <p>Citigroup ..... i, 7</p> <p>Clearing System Business Day ..... 48, 69</p> <p>Clearstream, Luxembourg ..... 25</p> <p>Code ..... 74</p> <p>Commission ..... 22</p> <p>Conditions ..... 27, 58</p> <p>CPT ..... 79</p> <p>CRA Regulation ..... 19, 63, 64</p> <p>CSSF ..... i</p> <p>Day Count Fraction ..... 29</p> <p>Dealer ..... 15</p> <p>Dealer Agreement ..... 95</p> <p>Dealers ..... 95</p> <p>Decree N°. 239 ..... 87</p> <p>Decree No. 84 ..... 92</p> <p>Deed of Covenant ..... 27</p> <p>Deed of Guarantee ..... 55</p> <p>Deed Poll ..... 55</p> <p>default ..... 51</p> <p>Direct Rights ..... 67</p> <p>Disputes ..... 56</p> <p>Dodd-Frank ..... 16</p> <p>dollars ..... 2</p> <p>Early Redemption Amount (Tax) ..... 32</p>	<p>Early Termination Amount ..... 32</p> <p>EU Savings Directive ..... 19, 49, 77</p> <p>EU-QuStG ..... 80</p> <p>EUR ..... 2</p> <p>Euro ..... 2</p> <p>Eurobond Basis ..... 30, 31</p> <p>Euroclear ..... 25</p> <p>Eurodollar Convention ..... 28</p> <p>Eurosystem ..... 25</p> <p>event of default ..... 50, 51</p> <p>Exchange Act ..... 23</p> <p>Extraordinary Resolution ..... 32</p> <p>Final Redemption Amount ..... 32</p> <p>Final Terms ..... 3, 27</p> <p>first currency ..... 53</p> <p>First Interest Payment Date ..... 32</p> <p>Fiscal Agent ..... 27</p> <p>Fixed Interest Amount ..... 32</p> <p>Floating Rate Convention ..... 28</p> <p>Following Business Day Convention ..... 28</p> <p>FRN Convention ..... 28</p> <p>FSMA ..... 32</p> <p>GBP ..... 2</p> <p>Global Registered Note ..... 25</p> <p>HMRC ..... 92</p> <p>Holder ..... 32, 38</p> <p>Indebtedness ..... 32</p> <p>Individual Note Certificates ..... 25</p> <p>Interest Amount ..... 32</p> <p>Interest Commencement Date ..... 32</p> <p>Interest Determination Date ..... 32</p> <p>Interest Payment Date ..... 33</p> <p>Interest Period ..... 33</p> <p>Investor ..... 2</p> <p>investor's currency ..... 18</p> <p>IRAP ..... 87</p> <p>IRES ..... 87</p> <p>IRS ..... 74</p> <p>ISDA Definitions ..... 33</p> <p>Issue Date ..... 33</p> <p>Issuer ..... i, 3, 27</p> <p>ITA ..... 78</p> <p>Japanese Person ..... 97</p> <p>Luxembourg Listing Agent ..... 24</p> <p>Managers ..... 15</p> <p>Margin ..... 33</p> <p>Maturity Date ..... 33</p> <p>Maximum Redemption Amount ..... 33</p> <p>MIFID Directive ..... i</p> <p>Minimum Redemption Amount ..... 33</p> <p>Modified Business Day Convention ..... 28</p> <p>Modified Following Business Day Convention ..... 28</p> <p>New Safekeeping Structure ..... 25</p> <p>No Adjustment ..... 29</p> <p>Non-exempt Offer ..... 95</p> <p>Non-U.S. Holder ..... 74</p> <p>Non-United States Person ..... 33</p>
--	--

Note Certificate .....	38	Relevant Implementation Date.....	95
Noteholder .....	33, 38	Relevant Member State.....	2, 95
Notes.....	27	Relevant Screen Page.....	35
Notes.....	i, 3, 27	Relevant Time.....	35
NSS .....	25	Reserved Matter .....	35
offer of Notes to the public.....	96, 97	Rules .....	3
Offer Period.....	3, 6	second currency .....	53
OLA.....	16	Securities Act.....	i, 1
Optional Redemption Amount (Call) .....	33	Senior Indebtedness .....	35
Optional Redemption Amount (Put).....	33	Senior Notes.....	i, 39
Optional Redemption Date (Call).....	33	Series.....	27
Optional Redemption Date (Put) .....	33	Significant Subsidiary.....	36
Original 2013 Report.....	22	Specified Currency.....	36
Participating Member State .....	33	Specified Denomination(s) .....	36
Paying Agents.....	27	Specified Office .....	36
Payment Business Day .....	34, 69	Specified Period .....	36
Person.....	34	Sterling.....	2
Preceding Business Day Convention.....	28	Subordinated Notes.....	i, 39
Principal Financial Centre .....	34	Subsidiary .....	36
Proceedings .....	56	Substitute .....	55
Programme .....	i, 27	sub-unit .....	42, 44
Prospectus Directive .....	i, 2, 58, 96, 97	TAA .....	78
public offer .....	79	TARGET Settlement Day .....	37
Public Offer .....	2, 3	TARGET2.....	37
Public Offer Jurisdiction.....	2	Terms and Conditions of the Public Offer ....	5, 7
Put Option Notice.....	34	Tranche .....	27
Put Option Receipt .....	34	Transfer Agents.....	27
Quarterly Report.....	22	Treaty.....	37
Rate of Interest .....	34	U.S. dollars .....	2
Record Date.....	48, 69	U.S. Person .....	74
Redemption Amount .....	34	U.S.\$ .....	2
Redenomination Date .....	54	U.S.-Controlled Person .....	74
Reference Banks.....	34	UK interest .....	93
Reference Price.....	34	United States .....	37
Reference Rate .....	34	United States Person .....	37
Registrar .....	27	Updated 2013 Report .....	22
Relevant Date .....	34	Voting Stock .....	37
Relevant Financial Centre .....	34	Zero Coupon Note.....	37

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