

# TOYOTA

**TOYOTA MOTOR FINANCE (NETHERLANDS) B.V.**  
*(a private company incorporated with limited liability under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands)*

## **INFORMATION MEMORANDUM FOR PURCHASERS OF COMMERCIAL PAPER**

THE SHORT-TERM PROMISSORY NOTES (THE “NOTES”) ARE BEING OFFERED AND SOLD IN THE UNITED STATES IN RELIANCE UPON SECTION 3(a)(3) OF THE ACT. THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY OTHER APPLICABLE SECURITIES LAW, AND OFFERS AND SALES THEREOF MAY BE MADE ONLY IN COMPLIANCE WITH AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER WILL BE DEEMED TO REPRESENT THAT (I) IT IS NOT ACQUIRING SUCH NOTE WITH A VIEW TO ANY DISTRIBUTION THEREOF AND (II) IT IS EITHER (A)(1) AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a) UNDER THE ACT (AN “INSTITUTIONAL ACCREDITED INVESTOR”) AND (2)(i) PURCHASING NOTES FOR ITS OWN ACCOUNT, (ii) A BANK (AS DEFINED IN SECTION 3(a)(2) OF THE ACT) OR A SAVINGS AND LOAN ASSOCIATION OR OTHER INSTITUTION (AS DEFINED IN SECTION 3(a)(5)(A) OF THE ACT) ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY OR (iii) A FIDUCIARY OR AGENT (OTHER THAN A U.S. BANK OR SAVINGS AND LOAN ASSOCIATION OR OTHER SUCH INSTITUTION) PURCHASING NOTES FOR ONE OR MORE ACCOUNTS EACH OF WHICH ACCOUNTS IS SUCH AN INSTITUTIONAL ACCREDITED INVESTOR; OR (B) A QUALIFIED INSTITUTIONAL BUYER (“QIB”) WITHIN THE MEANING OF RULE 144A UNDER THE ACT THAT IS ACQUIRING NOTES FOR ITS OWN ACCOUNT OR FOR ONE OR MORE ACCOUNTS, EACH OF WHICH ACCOUNTS IS A QIB. BY ITS ACCEPTANCE OF A NOTE, THE PURCHASER THEREOF SHALL ALSO BE DEEMED TO AGREE THAT ANY RESALE OR OTHER TRANSFER THEREOF WILL BE MADE ONLY (A) (1) TO TOYOTA MOTOR FINANCE (NETHERLANDS) B.V. (THE “ISSUER”) OR TO A PLACEMENT AGENT DESIGNATED BY THE ISSUER AS A PLACEMENT AGENT FOR THE NOTES (COLLECTIVELY, THE “PLACEMENT AGENTS”), NONE OF WHICH SHALL HAVE ANY OBLIGATION TO ACQUIRE SUCH NOTE, (2) TO AN INSTITUTIONAL ACCREDITED INVESTOR OR (3) TO A QIB AND (B) IN MINIMUM AMOUNTS OF \$250,000.

## **Citigroup**

The information set forth herein was obtained from sources which Citigroup Global Markets Inc. (“Citigroup”) believes to be reliable, but Citigroup does not guarantee its accuracy. Neither the information, nor any opinion expressed, constitutes a solicitation by Citigroup of the purchase or sale of any instruments. The information contained herein will not typically be distributed or updated upon each new sale of Notes, although the information will be distributed from time to time. Further, the information herein is not intended as substitution for the investor’s own inquiry into the creditworthiness of the Issuer and, if applicable, another party providing credit support for the Notes, and investors are encouraged to make such inquiry.

## **BUSINESS OVERVIEW**

Toyota Motor Finance (Netherlands) B.V. (“TMF”) was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 3 August 1987 and registered in the Trade Register of the Dutch Chamber of Commerce under number 33194984. TMF is a wholly-owned subsidiary of Toyota Financial Services Corporation (“TFSC”), a limited liability, joint-stock company incorporated under the Commercial Code of Japan which continues to exist under the Companies Act of Japan and is a holding company which oversees the management of Toyota’s finance companies worldwide, including TMF. TFSC is a wholly-owned subsidiary of Toyota Motor Corporation (“TMC”), a limited liability, joint-stock company incorporated under the Commercial Code of Japan and which continues to exist under the Companies Act of Japan.

The principal business of TMF is to act as a group finance company for some of TMC’s consolidated subsidiaries and, unless otherwise specified “Toyota” means TMC and its consolidated subsidiaries. TMF raises funds by issuing bonds and notes in the international capital markets and from other sources and on-lends to other Toyota companies. TMF also issues guarantees for debt issuances of certain other Toyota companies. In addition, TMF generates income from other investments and deposits incidental to its primary funding activities. As a group finance company, TMF is dependent on the performance of the subsidiaries and affiliates of TMC and TFSC to which it grants loans.

## COMMERCIAL PAPER TERMS

- Issuer:** Toyota Motor Finance (Netherlands) B.V.
- Address for notices:** Toyota Motor Credit Corporation  
Manager - Sales and Trading  
19001 South Western Ave., NF10  
Torrance, CA 90501
- with a copy to:*
- World Trade Center Amsterdam  
Tower H, Level 10  
Zuidplein 90  
1077 XV Amsterdam  
The Netherlands
- Telephone/Fax:** Phone: 800.292.1147 or 310.468.7758  
Fax: 310.468.6194
- Rate Quotes:** Quotes are available nationally through Bloomberg, L.P., Thompson Reuters PLC or by calling toll-free 800.292.1147.
- Securities:** Unsecured promissory notes offered under this Information Memorandum (the "Notes") of TMF, ranking *pari passu* with TMF's other unsecured and unsubordinated indebtedness for borrowed money.
- Interest Rate, if any:** If interest bearing, fixed rate and floating rate notes are available (see "Interest Rates" below for additional information). Terms as agreed upon by the purchaser and TMF at time of trade.
- Minimum Denominations:** US\$250,000 minimum principal amount
- Maturities:** Up to 270 days from the date of issue, as agreed upon by the purchaser and TMF
- Issuing and Paying Agent:** Citibank, N.A.  
DTC Participant #1501
- Settlement:** Unless otherwise specified in the applicable term sheet, same day basis, in immediately available funds.
- Form:** Each Note (a "Book-Entry Note") will be evidenced by a master note registered in the name of a nominee of The Depository Trust Company ("DTC"). Each master note will be deposited with an Issuing and Paying Agent as subcustodian for DTC or its successors. DTC will record, by appropriate entries on its book-entry registration and transfer system, the respective amounts payable in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as agent in respect of Book-Entry Notes will

be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.

- Redemption:** Unless otherwise specified in the applicable term sheet, Notes will not be redeemable prior to maturity or be subject to voluntary prepayment. TMF may, at its sole option, honor prepayment requests and, in accordance with its policy, may apply certain rate and/or fee adjustments. TMF reserves the right to alter its prepayment policy at any time. Prepayment requests cannot be accepted after 10:30 A.M. Eastern Time.
- Advance Placements:** Purchase orders may be accepted, on a discretionary basis, prior to the settlement date.
- Confirmations:** Available via first-class mail, facsimile, Bloomberg or email.
- Use of Proceeds:** Proceeds from the sale of the Notes will be used for current transactions within the meaning of Section 3(a)(3) of the Securities Act of 1933, as amended.
- Registration exemption from U.S. Securities Act of 1933:** Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3).
- Registration exemption from the Investment Company Act of 1940:** Notes are exempt from registration under the Investment Company Act of 1940, pursuant to Section 3(c)(1).

**TMF may change the terms on which it offers Notes at any time without prior notice.**

## **CREDIT SUPPORT ARRANGEMENTS**

TMF and TFSC have entered into a credit support agreement (the “TMF Credit Support Agreement”), and TFSC in turn has entered into a credit support agreement with TMC (the “TFSC Credit Support Agreement”).

Under the terms of the TFSC Credit Support Agreement, TMC has agreed to:

- maintain 100 percent ownership of TFSC;
- cause TFSC and its subsidiaries to have a consolidated tangible net worth (the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets) of at least JPY 10 million; and
- make sufficient funds available to TFSC so that TFSC will be able to (i) service the obligations arising out of its own bonds, debentures, notes and other investment securities and commercial paper and (ii) honor its obligations incurred as a result of guarantees or credit support agreements that it has extended, including the TMF Credit Support Agreement (collectively, “TFSC Securities”).

The TFSC Credit Support Agreement is not a guarantee by TMC of any TFSC Securities. TMC's obligations under the TFSC Credit Support Agreement rank *pari passu* with TMC's senior unsecured debt obligations. Either party may terminate the TFSC Credit Support Agreement upon 30 days written notice to the other party. However, such termination cannot take effect until or unless (1) all TFSC Securities issued on or prior to the date of the termination notice have been repaid or (2) each rating agency that, upon the request of TMC or TFSC, has issued a rating in respect of TFSC or any TFSC Securities has confirmed to TFSC that the debt ratings of all such TFSC Securities will be unaffected by such termination. In addition, with certain exceptions, the TFSC Credit Support Agreement may be modified only by the written agreement of TMC and TFSC, and no modification or amendment can have any adverse effect upon any holder of any TFSC Securities outstanding at the time of such modification or amendment. The TFSC Credit Support Agreement is governed by, and construed in accordance with, the laws of Japan.

Under the terms of the TMF Credit Support Agreement, TFSC has agreed to:

- maintain 100 percent ownership of TMF;
- cause TMF and its subsidiaries (if any) to have a consolidated tangible net worth (the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets) of at least €100,000; and
- make sufficient funds available to TMF so that TMF will be able to service the obligations arising out of its own bonds, debentures, notes and other investment securities and commercial paper (collectively, "TMF Securities").

The TMF Credit Support Agreement is not a guarantee by TFSC of any TMF Securities. The TMF Credit Support Agreement contains termination and modification provisions that are similar to those in the TFSC Credit Support Agreement as described above. The TMF Credit Support Agreement is governed by, and construed in accordance with, the laws of Japan.

Holders of TMF Securities, including the Notes, have the right to claim directly against TMC and TFSC to perform their respective obligations under the TFSC Credit Support Agreement and/or the TMF Credit Support Agreement, as the case may be, by making a claim in writing together with a declaration to the effect that the holder will have recourse to the rights given under the TFSC Credit Support Agreement and/or the TMF Credit Support Agreement, as the case may be. If TMC and/or TFSC receives such a claim from any holder of TMF Securities, TMC and/or TFSC shall indemnify, without any further action or formality, the holder against any loss or damage resulting from the failure of TMC and/or TFSC to perform any of their respective obligations under the TFSC Credit Support Agreement and/or the TMF Credit Support Agreement, as the case may be. The holder of TMF Securities who made the claim may then enforce the indemnity directly against TMC and/or TFSC, as the case may be.

## **SOURCES OF ADDITIONAL INFORMATION**

TMF is subject to the ongoing reporting and disclosure requirements of the UK Listing Rules and the UK Disclosure Rules and Transparency Rules, all made under the UK Financial Services and Markets Act 2000, as amended, and in accordance therewith file reports, including Annual Financial Reports and Half-Yearly Financial Reports, and other information with the UK Listing Authority and such reports can be found at: [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

TMF's most recent Annual Financial Report and Half-Yearly Financial Report for the six month period subsequent to the period covered by the most recent Annual Financial Report (and any amendments to such report) and each document filed by TMF under the UK Disclosure Rules and Transparency

Rules subsequent to the date of this Information Memorandum shall be deemed to be incorporated by reference herein.

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

TMC files reports and certain other information with the U.S. Securities and Exchange Commission ("SEC"), which are available to the public from the SEC's website at <http://www.sec.gov>. You may also read and copy TMC's SEC filings at the SEC's Public Reference Room in Washington D.C. located at 100 F Street, N.E., Washington, D.C. 20549.

Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

## OTHER INFORMATION

Purchasers are solely responsible for maintaining any necessary security procedures relating to the use of third party electronic trading systems for the purchase of Notes issued by TMF. TMF shall be entitled to rely on all information provided by purchasers in writing and on all information transmitted to TMF by purchasers through third party electronic trading systems. TMF shall have no duty to verify any information transmitted by a purchaser to TMF.

TMF shall not be responsible or liable for any failure in the performance of any third party electronic trading systems or for errors of transmission caused by purchasers or any third party. TMF shall not be liable for loss or damage of any nature whatsoever suffered by any purchaser due to (i) the inability of a purchaser to use a third party electronic trading system for any reason; (ii) the acts of a purchaser or of a purchaser's agents or employees; (iii) acts of war, fire, natural disasters, strikes, riots, unavailability of energy sources or any other causes beyond the reasonable control of TMF; (iv) TMF's disapproval of a purchaser; or (v) TMF's failure to accept a proposed trade. In addition, TMF shall not be responsible or liable for the truth, accuracy or completion of information received or transmitted by any purchaser, or errors, mistakes or omissions therein. In addition, TMF shall not be responsible or liable for losses or damages arising out of the direct sale of Notes issued by TMF as contemplated by this Information Memorandum except for TMF's failure to repay any Notes in accordance with the terms of such Notes. Without limiting any of the foregoing, in no event will TMF be liable for lost profits, loss of goodwill or special, indirect, incidental or consequential damages, even if it has been advised of the possibility of such damages. All references to "TMF" in this paragraph shall also refer to the officers, directors, agents, employees and affiliates of TMF.

All payments on the Notes to holders of the Notes that are to non-residents of the Netherlands will be free and clear of and without deduction or withholding for or on account of any taxes or other governmental charges imposed by the Netherlands.

**TMF reserves the right to change the terms of purchase of Notes, as outlined in this Information Memorandum, without notice, at any time and from time to time, except for trades previously accepted by TMF. No person shall have the right to participate in direct purchases of Notes from TMF prior to approval by TMF. TMF may terminate its prior approval of a purchaser at any time. TMF shall have no obligation to accept any particular trade from a purchaser whether or not the purchaser has been previously approved and whether or not the requested trade is in response to a quote posted by TMF.**

Information may also be obtained by contacting Citigroup Global Markets Inc., CP Investor Marketing, 390 Greenwich Street, 4<sup>th</sup> Floor, New York, NY 10013, telephone: (212) 723-6364.

## INTEREST RATES

### *Fixed Rate Notes*

Notes may (a) be issued at a discount on the date of issue or (b) bear interest at a fixed rate per annum from its date of issue at a rate specified in the applicable term sheet.

### *Floating Rate Notes*

Notes may also bear interest at a floating rate (a “Floating Rate Note”) as specified in the applicable term sheet.

*Interest Rate Basis.* Interest on Floating Rate Notes will be determined by reference to the applicable Interest Rate Basis, which may be:

- the Commercial Paper Rate,
- the Federal Funds Rate,
- the Federal Funds Open Rate,
- LIBOR,
- the Prime Rate, or
- the Treasury Rate.

*Terms.* Each applicable term sheet will specify the terms of a Floating Rate Note, which may include:

- the Interest Rate Basis,
- the Initial Interest Rate,
- the Interest Reset Dates,
- the Interest Reset Period,
- the Interest Payment Dates,
- the period to maturity of the instrument or obligation with respect to which the Interest Rate Basis or Bases will be calculated (“Index Maturity”),
- the number of basis points to be added to or subtracted from the related Interest Rate Basis or Bases (the “Spread”),
- the percentage of the related Interest Rate Basis or Bases by which the Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate (the “Spread Multiplier”), and
- if one or more of the specified Interest Rate Bases is LIBOR, the Index Maturity and the Designated LIBOR Page.



The interest rate borne by Floating Rate Notes will be determined, in general, as described below.

Interest on each Floating Rate Note will be payable monthly, quarterly or semiannually or at any other interval specified in the applicable term sheet (the "Interest Payment Period") and on the date upon which the Note becomes due and payable (the "Maturity Date"). The date or dates on which interest will be payable (each an "Interest Payment Date") will be specified in the applicable term sheet. If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day (such method of adjustment, the "Following Business Day Convention"), except that in the case of a LIBOR Note (as defined below), if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day (such method, the "Modified Following Business Day Convention").

Unless otherwise specified in the applicable term sheet, a "Business Day" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) including dealings in U.S. dollars in all of (i) London, England (a "London Business Day"), (ii) the City of New York; and (iii) a day on which the TARGET2 System is open. "Target2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such Interest Payment Date or Maturity Date, as the case may be.

*Interest Reset Dates.* The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semiannually, or at any other interval specified in the applicable term sheet (such interval, the "Interest Reset Period"). The date or dates on which interest will be reset (each an "Interest Reset Date"), unless otherwise specified in the applicable term sheet, will be in the case of Floating Rate Notes which reset:

- daily – each Business Day;
- weekly – the Wednesday of each week, with the exception of weekly reset Floating Rate Notes as to which the Base Rate is Treasury Rate (as such terms are defined below), which will reset the Tuesday of each week;
- monthly – the third Wednesday of each month;
- quarterly – the third Wednesday of March, June, September, and December; and
- semiannually – the third Wednesday of the two months specified in the applicable term sheet.

If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a LIBOR Note, if such Business Day falls in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Except as set forth above or in the applicable term sheet, the interest rate in effect on each day will be (a) if the day is an Interest Reset Date, the interest rate determined on the related Interest Determination Date (as such term is defined below) immediately preceding such Interest Reset Date, or (b) if the day is not an Interest Reset Date, the interest rate

determined on the related Interest Determination Date immediately preceding the most recent Interest Reset Date. The applicable term sheet may also specify a date (an "Interest Rate Reset Cutoff Date") prior to an Interest Reset Date on which the interest rate for a Floating Rate Note will no longer be subject to adjustment. Beginning on the Interest Rate Reset Cutoff Date, the interest rate applicable from and including the Interest Rate Reset Cutoff Date to but excluding the next Interest Payment Date shall be determined based on the interest rate then in effect on the Interest Rate Reset Cutoff Date.

Interest payments on each Interest Payment Date for each Note will include accrued interest from and including the issue date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding such Interest Payment Date. On the Maturity Date, the interest payable on a Note will include interest accrued to, but excluding, the Maturity Date.

Except as specified otherwise in the applicable term sheet, each Floating Rate Note will accrue interest on an "Actual/360" basis, an "Actual/Actual" basis, or a "30/360" basis, in each case from the period from the original issue date to the Maturity Date, unless otherwise specified in the applicable term sheet. If no interest basis is specified in the applicable term sheet, interest on Floating Rate Notes will be paid on an "Actual/360" basis, or by the actual number of days in the year, in the case of Treasury Rate Notes. For Floating Rate Notes calculated on an Actual/360 basis and Actual/Actual basis, accrued interest for each Interest Calculation Period, as defined below, will be calculated by multiplying:

- (1) the face amount of the Floating Rate Note;
- (2) the applicable interest rate; and
- (3) the actual number of days in the related Interest Calculation Period

and dividing the resulting product by 360 or 365, as applicable; or with respect to an Actual/Actual basis Floating Rate Note, if any portion of the related Interest Calculation Period falls in a leap year, the product of (1) and (2) above will be multiplied by the sum of:

- the actual number of days in that portion of the related Interest Calculation Period falling in a leap year divided by 366, and
- the actual number of days in that portion of the related Interest Calculation Period falling in a non-leap year divided by 365.

For Floating Rate Notes calculated on a 30/360 basis, accrued interest for an Interest Calculation Period will be computed on the basis of a 360-day year of twelve 30-day months, irrespective of how many days are actually in the Interest Calculation Period. Unless specified otherwise in the applicable term sheet, for Floating Rate Notes that accrue interest on a 30/360 basis, if any Interest Payment Date or the Maturity falls on a day that is not a Business Day, the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on the amount payable for the period from and after the Interest Payment Date or Maturity, as the case may be.

"Interest Calculation Period" means with respect to any period, the period from and including the most recent Interest Reset Date (or from and including the date of issue in the case of the first Interest Reset Date) to but excluding the next succeeding Interest Reset Date for which accrued interest is being calculated.

Interest Determination Dates. The interest rate applicable to each Interest Reset Period beginning on the Interest Reset Date with respect to that Interest Reset Period will be the rate determined on the applicable "Interest Determination Date," as follows unless otherwise specified in the applicable term sheet:

- the Interest Determination Date for the Commercial Paper Rate and the Prime Rate will be the second Business Day preceding each Interest Reset Date;
- the Interest Determination Date for the Federal Funds Rate will be the same Business Day as the Interest Reset Date or the first Business Day preceding each Interest Reset Date, as specified in the term sheet;
- the Interest Determination Date for the Federal Funds Open Rate will be the same Business Day as each Interest Reset Date;
- the Interest Determination Date for LIBOR will be the second London Business Day preceding each Interest Reset Date;
- the Interest Determination Date for the Treasury Rate will be the day of the week in which the related Interest Reset Date falls on which day Treasury Bills, as defined below, are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; provided, that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date will be that preceding Friday.

Unless otherwise specified in the applicable term sheet, the calculation agent for the Notes is Citibank, N.A. (the "Calculation Agent"),

The "Calculation Date," where applicable, shall be the earlier of either (i) the tenth calendar day following the applicable Interest Determination Date, or if that day is not a Business Day, the next succeeding Business Day, or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date, as the case may be.

Unless specified otherwise in the applicable term sheet, all percentages resulting from any interest rate calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from the calculation on Floating Rate Notes will be rounded to the nearest cent with one-half cent being rounded upward.

*Commercial Paper Rate Notes*

Commercial paper rate Notes (“Commercial Paper Rate Notes”) will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet. Unless specified otherwise in the applicable term sheet, “Commercial Paper Rate” means the Money Market Yield (as such term is defined below) on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable term sheet published in H.15(519) under the heading “Commercial Paper — Nonfinancial.”

The following procedures will be followed if the Commercial Paper Rate cannot be determined as described above.

(1) If the rate referred to above is not published in H.15(519) by 5:00 P.M., New York City time, on the related Calculation Date, then the Commercial Paper Rate for the Interest Determination Date will be the Money Market Yield on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable term sheet published in H.15 Daily Update under the caption “Commercial Paper/Nonfinancial”.

(2) If by 5:00 P.M., New York City time, on the related Calculation Date the Commercial Paper Rate is not yet published in either H.15(519) or H.15 Daily Update, then the Commercial Paper Rate for the applicable Interest Determination Date will be calculated by the Calculation Agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, as of the applicable Interest Determination Date, of three leading dealers of U.S. dollar commercial paper in The City of New York, which may include the Calculation Agent and its affiliates, selected by the Calculation Agent (after consultation with us) for U.S. dollar commercial paper having the Index Maturity designated in the applicable term sheet placed for industrial issuers whose bond rating is “Aa,” or the equivalent, from a nationally recognized rating agency.

(3) If the dealers selected by the Calculation Agent are not quoting as mentioned in clause (2) above, the Commercial Paper Rate determined on the applicable Interest Determination Date will remain the Commercial Paper Rate then in effect on the applicable Interest Determination Date.

“Money Market Yield” means the rate for which is quoted on a bank discount basis, a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where:

“D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

“M” refers to the actual number of days in the interest period for which interest is being calculated.

“H.15(519)” means the weekly statistical release designated as such published by the Federal Reserve System Board of Governors, or its successor, available through the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/current/default.htm>, or any Successor Source.

“H.15 Daily Update” means the daily update of H.15(519) available through the website of the Board

of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update/default.htm>, or any Successor Source.

“Successor Source” means, in relation to any display page, other published source, information vendor, or provider: (i) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, other published source, information vendor or provider (as the case may be), the successor display page, other published source, information vendor or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

#### *Federal Funds Rate Notes*

Federal funds rate Notes (“Federal Funds Rate Notes”) will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet. Unless specified otherwise in the applicable term sheet, “Federal Funds Rate” means the rate on the applicable Interest Determination Date as published in H.15(519) for that day opposite the caption “EFFECT,” as such rate is displayed on the Reuters Screen FEDFUNDS1 Page.

The following procedures will be followed if the Federal Funds Rate cannot be determined as described above:

- (1) If the rate referred to above does not appear on Reuters Screen FEDFUNDS1 Page or is not yet published in H.15(519) by 5:00 P.M., New York City time, on the related Calculation Date, the Federal Funds Rate for the applicable Interest Determination Date will be the rate published in the H.15 Daily Update for that day opposite the caption “Federal Funds/(Effective)”.
- (2) If the rate referred to in clause (1) is not so published by 5:00 P.M., New York City time, on the related Calculation Date, the Federal Funds Rate for the applicable Interest Determination Date will be calculated by the Calculation Agent as the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in The City of New York, which may include the Calculation Agent and its affiliates, selected by the Calculation Agent (after consultation with us) as of a time before 9:00 A.M., New York City time on the applicable Interest Determination Date.
- (3) If the brokers so selected by the Calculation Agent are not quoting as referred to in clause (2) above, the Federal Funds Rate for the applicable Interest Determination Date will remain the Federal Funds Rate then in effect on the applicable Interest Determination Date.

#### *Federal Funds Open Rate Notes*

Federal funds open rate Notes (“Federal Funds Open Rate Notes”) will bear interest at the rates (calculated with reference to the Federal Funds Open Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet. Unless specified otherwise in the applicable term sheet, “Federal Funds Open Rate” will be the rate for U.S. dollar federal funds on the applicable Interest Determination Date as displayed on Bloomberg Screen FEDSOPEN <INDEX> or any other successor screen for determining such rate available on Bloomberg.

The following procedures will be followed if the Federal Funds Open Rate cannot be determined as described above:

- (1) If the rate referred to above does not appear on Bloomberg Screen FEDSOPEN <INDEX> or any other successor screen or is not published by 5:00 P.M., New York City time, on the related Calculation Date, the Federal Funds Open Rate for the applicable Interest Determination Date will be the rate for that day displayed on Reuters page 5 under the heading "Federal Funds" and opposite the caption "Open," or any successor page for determining such rate available on Reuters.
- (2) If the rate referred to in clause (1) does not appear on Reuters page 5 or any other successor page or is not published by 5:00 P.M., New York City time, on the related Calculation Date, the Federal Funds Open Rate for the applicable Interest Determination Date will be the rate for that day as displayed on Bloomberg Screen FFPREBON <INDEX>, or any successor screen for determining such rate available on Bloomberg.
- (3) If the rate referred to in clause (2) does not appear on Bloomberg Screen FFPREBON <INDEX>, or any successor screen or is not published by 5:00 P.M., New York City time, on the related Calculation Date, the Federal Funds Open Rate for the applicable Interest Determination Date will be calculated by the Calculation Agent as the arithmetic mean of the rates for the last transaction in overnight, U.S. dollar federal funds, arranged before 9:00 A.M. New York City time on the applicable Interest Determination Date, quoted by three leading brokers of U.S. dollar federal funds transactions in New York City selected by the Calculation Agent.
- (4) If the brokers so selected by the Calculation Agent are not quoting as referred to in clause (3) above, the Federal Funds Open Rate on the applicable Interest Determination Date will remain the Federal Funds Open Rate then in effect on the applicable Interest Determination Date.

#### *LIBOR Notes*

LIBOR Notes ("LIBOR Notes") will bear interest at the rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet.

The Calculation Agent will determine LIBOR on each Interest Determination Date as follows:

- (1) With respect to any Interest Determination Date, LIBOR will be generally determined as the average of the offered rates for U.S. dollar deposits in having the Index Maturity specified in the applicable term sheet beginning on the second London Business Day immediately after the Interest Determination Date, that appear on the Designated LIBOR Page as of 11:00 A.M., London time, on that Interest Determination Date, if at least two offered rates appear on the Designated LIBOR Page; provided that if the specified Designated LIBOR Page by its terms provides only for a single rate, that single rate will be used.
- (2) If fewer than two offered rates appear on the Designated LIBOR Page, or, if no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, LIBOR for that Interest Determination Date will be determined based on the rates on that Interest Determination Date at approximately 11:00 A.M., London time, at which U.S. dollar deposits on that date for the period of the specified Index Maturity are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent (after consultation with us) and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. The offered rates must begin on the second London Business Day immediately after the Interest

Determination Date. The Calculation Agent will request the principal London office of each of these banks to quote its rate. If the Calculation Agent receives at least two quotations, LIBOR will be the average of those quotations.

(3) If the Calculation Agent receives fewer than two quotations as referred to in clause (2), LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the London, on the Interest Determination Date by major banks selected by the Calculation Agent (after consultation with us). The rates will be for loans in U.S. dollars to leading European banks having the specified Index Maturity beginning on the second London Business Day after that date and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time.

(4) If the banks so selected by the Calculation Agent are not quoting as referred to in clause (3) above, the rate of interest on the LIBOR Notes with respect to the following Interest Reset Period will remain the rate of interest then in effect on the applicable Interest Determination Date.

“Designated LIBOR Page” means the display page specified in the applicable term sheet, or if no page is so specified or LIBOR Reuters is specified, the display on Reuters, or any successor service, on page LIBOR01, or any other page as may replace that page on that service, for the purpose of displaying the London interbank rates of major banks for the U.S. dollar deposits.

#### *Prime Rate Notes*

Prime rate Notes (“Prime Rate Notes”) will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet. Unless specified otherwise in the applicable term sheet, “Prime Rate” means the rate on the applicable Interest Determination Date published in H.15(519) opposite the caption “Bank Prime Loan.”

The following procedures will be followed if the Prime Rate cannot be determined as described above:

(1) If the rate referred to above is not so published in H.15(519) by 5:00 P.M., New York City time, on the related Calculation Date, the Prime Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date as published in H.15 Daily Update opposite the caption “Bank Prime Loan”.

(2) If the rate referred to in clause (1) above is not so published in H.15 Daily Update by 5:00 P.M., New York City time, on the related Calculation Date, the Prime Rate for the applicable Interest Determination Date will be the rate calculated by the Calculation Agent as the arithmetic mean of the rates of interest publicly announced by three major banks, which may include the Calculation Agent and its affiliates, in New York City selected by the Calculation Agent (after consultation with us) as its U.S. dollar prime rate or base lending rate as in effect for that day. Each change in the Prime Rate or base lending rate so announced by such bank will be effective as of the effective date of the announcement or, if no effective date is specified, as of the date of the announcement.

(3) If the banks selected by the Calculation Agent are not quoting as described in clause (2) above, the Prime Rate for the applicable Interest Determination Date will remain the Prime Rate then in effect on the applicable Interest Determination Date.

*Treasury Rate Notes*

Treasury rate Notes (“Treasury Rate Notes”) will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in the applicable term sheet. Unless specified otherwise in the applicable term sheet, “Treasury Rate” means the rate from the auction held on the applicable Interest Determination Date (“Auction”) of direct obligations of the United States (“Treasury Bills”) having the Index Maturity specified in the applicable term sheet which appears on either the Reuters Screen USAUCTION10 Page or the Reuters Screen USAUCTION11 Page opposite such Index Maturity under the heading “INVEST RATE” or any other page as may replace that page on that service.

The following procedures will be followed if the Treasury Rate cannot be determined as described above:

(1) If Treasury Bills having the Index Maturity specified in the applicable term sheet were auctioned on the applicable Interest Determination Date and the rate described above is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update under the caption “U.S. Government Securities/Treasury Bills/Auction High”.

(2) If the rate described in clause (1) above is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills announced by the United States Department of the Treasury.

(3) If the rate described in clause (2) above is not announced by the United States Department of the Treasury, or if the Auction is not held, the Treasury Rate for the applicable Interest Determination Date will be the Bond Equivalent Yield of the rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable term sheet as published in H.15(519) under the caption “U.S. Government Securities/Treasury Bills/Secondary Market”.

(4) If the rate described in clause (3) above is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update under the caption “U.S. Government Securities/Treasury Bills/Secondary Market”.

(5) If the rate described in clause (4) above is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on the applicable Interest Determination Date, of three primary United States government securities dealers, which may include the Calculation Agent or its affiliates, selected by the Calculation Agent (after consultation with us), for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the applicable term sheet.

(6) If the dealers so selected by the Calculation Agent are not quoting as described in clause (5) above, the Treasury Rate for the applicable Interest Determination Date will remain the Treasury Rate then in effect on the applicable Interest Determination Date.

“Bond Equivalent Yield” means the rate for which is quoted on a bank discount basis, a yield (expressed as a percentage) calculated in accordance with the following formula:



$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where:

“D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal;

“N” refers to 365 or 366, as the case may be; and

“M” refers to the actual number of days in the interest period for which interest is being calculated.

## **DISCLAIMER**

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.