International Primary Market Association

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1.10/guidance note on due diligence
and pilot version of IPMA standard
subscription agreement (Jan.1993)

Members and Recommendations

INTERNATIONAL

PRIMARY

MARKET

ASSOCIATION

MEMBERS AND RECOMMENDATIONS

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MEMBERSHIP 1993

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Banca Commerciale Italiana
Banca di Roma
Banca Nazionale del Lavoro
Banco Bilbao Vizcaya
Banco Central Hispanoamericano S.A.
Banco di Napoli
Banesto
Bank of Tokyo Capital Markets Limited
Bankers Trust International Limited
Banque Bruxelles Lambert SA
Banque et Caisse d'Epargne de l'Etat Luxembourg
Banque Indosuez
Banque Internationale à Luxembourg S.A.
Banque Nationale de Paris
Barclays de Zoete Wedd
Baring Brothers & Co. Limited
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Bayerische Vereinsbank
Berliner Handels-und Frankfurter Bank
BMO Nesbitt Thomson Limited
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Caisse Nationale de Crédit Agricole
Chase Investment Bank
Citicorp Investment Bank Limited
Commerzbank Aktiengesellschaft
Crédit Suisse First Boston Limited
Crédit Commercial de France
Crédit Lyonnais
Credito Italiano
D G Bank
Daiwa Bank (Capital Management) Limited
Daiwa Europe Limited
Den Danske Bank
Deutsche Bank AG
Deutsche Girozentrale Kommunalbank

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DKB International plc
Dresdner Bank
ESB - Espírito Santo Banco de Investimentos
Fuji International Finance plc
Générale Bank
Girozentrale und Bank der österreichischen Sparkassen AG
Goldman Sachs International Limited
Hambros Bank Limited
Helaba Frankfurt Landesbank Hessen-Thüringen
IBJ International Limited
IMI Bank (Lux) S.A.
Istituto Bancario San Paolo di Torino S.p.A
Kankaku (Europe) Limited
Kansallis Osake Pankki
Kidder, Peabody International Limited
Kleinwort Benson Limited
Kokusai Europe Limited
Kredietbank Luxembourg
Lehman Brothers International Ltd.
LTCB International Limited
Merrill Lynch International Ltd
Mitsubishi Finance International plc
Mitsubishi Trust International Limited
Mitsui Trust International Ltd
Monte dei Paschi di Siena
J P Morgan Securities Ltd
Morgan Stanley International
NatWest Capital Markets Limited
New Japan Securities Europe Limited
Nikko Europe Plc
Nippon Credit International Limited
Nomura International plc
Norddeutsche Landesbank Girozentrale
Norinchukin International Plc
Paribas Limited
Postipankki Ltd

Rabobank Nederland
Raiffeisen Zentralbank Osterreich AG
RBC Dominion Securities International Limited
N M Rothschild & Sons Limited
Sakura Finance International Limited
Salomon Brothers International Limited
Samuel Montagu & Co. Limited
Sanwa International plc
Sanyo International Limited
J Henry Schroder Wagg & Co. Limited
ScotiaMcLeod Inc
Skandinaviska Enskilda Banken
Société Générale
Sumitomo Finance International plc
Sumitomo Trust International plc
Swiss Bank Corporation
Tokai Bank Europe Limited
UBS Phillips & Drew
Unibank A/S
Wako International (Europe) Limited
S G Warburg Securities
Westdeutsche Landesbank Girozentrale
Wood Gundy Inc.
Yamaichi International (Europe) Limited
Yasuda Trust Europe Limited
Z-LB- Bank Austria AG Capital Markets

INTERNATIONAL PRIMARY MARKET ASSOCIATION

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SECTION ONE

RECOMMENDATIONS APPLICABLE TO ISSUES OF DEBT INSTRUMENTS INCLUDING EQUITY-RELATED DEBT INSTRUMENTS

INTERNATIONAL PRIMARY MARKET ASSOCIATION

NOTES APPLICABLE TO ALL RECOMMENDATIONS IN SECTION ONE

1. Whenever the term *Lead Manager* is used, this is presumed to be the bookrunner. There can only be one new bookrunner per issue.

2. A Lead Manager who intends to deviate from the recommended procedure is expected so to inform the management and underwriting group at the time of the invitation to participate.

3. IPMA's Members acting as Lead Managers in issues of Euro-securities as defined in the EC Prospectus Directive (89/298/EEC) will be presumed – unless and to the extent that the contrary is stated on the screen, telephone invitation and the invitation telex – to be applying IPMA Recommendations to the issue.

For issues launched in other circumstances, the Lead Manager should either state on the screen, telephone invitation and the invitation telex that IPMA Recommendations are applicable if that is the case or, if some but not all of IPMA Recommendations are to be applicable, this fact, together with an indication of which Recommendations are excluded, should be similarly stated.

The definition in the Prospectus Directive is as follows:

"Euro-securities" shall mean transferable securities which:

- *are to be underwritten and distributed by a syndicate at least two of the members of which have their registered offices in different States, and*
- *are offered on a significant scale in one or more States other than that of the issuer's registered office, and*
- *may be subscribed for or initially acquired only through a credit institution or other financial institution.*

4. Recommendation 2.1 in Section Two also applies to issues or offerings of bonds convertible into, exchangeable for or redeemable in, or bonds with warrants exercisable into, equity.

5. Whenever the term *equity* is used, it includes shares of any description, whether or not voting rights or dividend rights are restricted.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.1

EARLY DISCLOSURE OF TERMS

1. The invitation telex should be considered as the basis of the syndicate participant's commitment subject to the signed syndicate agreements. The Lead Manager should however advise all invited parties by screen or telephone at the earliest possible moment of the basic commercial and non-commercial terms of an issue. In the case of screen displays the telephone conversation may be limited to the invitation.

2. Apart from the commercial terms of an issue, the screen or telephone invitation and/or invitation telex should as a minimum address the following matters on which further information is contained in Appendix C under the headings:

- Guarantees
- Ratings
- Ranking
- Negative Pledge
- Market Related Call Provisions
- Taxation, Tax Redemption and Protection Against Identification or Certification
- Sales Restrictions, Lock-up Provisions and Private Placement Arrangements

...\ cont.

- Expense Caps, Payment of Commissions, Deductibility of Expenses, Stabilisation Accounts
- Force Majeure
- Cross Default

3. An early positive response to a screen or telephone invitation may be reversed upon receipt of the invitation telex only if there are changes in or additions to the basic commercial or non-commercial terms of the issue. If there are subsequent material changes in or additions to the invitation telex (whether in the agreements or otherwise), commitments may be withdrawn but for these reasons only.

Notes

- The information contained in Appendix C serves to facilitate early disclosure and is in no way intended to substitute for professional advice.
- Appendix A contains a full check-list of disclosure requirements for debt and equity-related debt instruments.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.2

TIMING OF ALLOTMENTS

In pre-priced offerings of securities syndicated among managers only, final allotments should be made within the next business day following launch of the issue or as soon as practicable after the management group is formed if earlier. Securities not then allocated should be retained by the Lead Manager for his own account and risk. The application of this Recommendation does not obviate the obligation of management group members under other provisions of the syndicate agreements, such as the provisions relating to defaulting syndicate members.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.3

OPEN UNDERWRITING COMMITMENT

Where the initial underwriting commitment offered to prospective management group members is indicated as a range of amounts, it is recommended that the lower amount shall not be less than 75% of the higher amount.

PROTECTION

In pre-priced offerings of debt and equity-related instruments which are syndicated among managers only, Lead Managers should grant pre-allotments of not less than 50% of the finalised or expected minimum underwriting commitments if so required by management group members at the time of their acceptances of the syndicate invitations.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.4

CO-MANAGER WITHOUT UNDERWRITING OBLIGATION

Lead Managers should not offer underwriting participations on the basis of a tacit or overt understanding or agreement to repurchase the commitment or restrict the allotment to a significantly reduced portion of the commitment.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.5

EXECUTION OF AGREEMENTS

1. In respect of each issue, it is the duty of the Lead Manager to send to each of the managers the final version of the agreements required to be executed by them together with the latest draft of the prospectus or offering circular for receipt not later than two full business days prior to the signing. If this practice cannot be observed then exceptionally but alternatively, the Lead Manager will make such documentation available not less than two full business days prior to the signing in his offices in the place of signing and, if the signing is not in London, also in the offices of his nominated representative in London.

2. Lead Managers requesting managers to appoint authorised signatories to execute agreements on their behalf, and managers in providing such appointments, should use the following form:

...\ cont.

Quote

We, [Name of your Institution], hereby appoint [Name of your signatory] or [Names of Lead Managers' signatories] acting alone with power to execute and deliver on our behalf the [Name of documents] in connection with the issue by [Name of issuer] of its [Description of securities being issued] and to take any other action necessary in connection with such issue.

By: ..... Dated: .....
Authorised representative(s)

Unquote

Note

It is recognised that adaptations to the above form may be required to be made by managers to reflect particular local or corporate requirements.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.6

FLOATING RATE NOTE ALLOTMENTS

Final allotments to management group members of floating rate instruments denominated in US Dollars or Sterling should be in nominal amounts of one million or multiples thereof.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.7

DEBT AND EQUITY-LINKED ISSUE STABILISATION ACCOUNTS

1. Price stabilisation by a Lead Manager should assist in the orderly distribution of an issue, thus promoting an orderly secondary market and ultimate liquidity. Lead Managers should therefore only enter into stabilisation activity in order to encourage the orderly primary distribution of securities.

2. In pre-priced debt issues (other than equity-linked issues), Lead Managers should not deduct stabilisation costs from fees paid to syndicate participants (or otherwise stabilise for the account of the syndicate) unless, when invitations are issued, the Lead Manager specifically reserves the right so to do.

3. Where stabilisation costs may be deducted from fees to be paid:

(a) a syndicate participant should not be liable for any stabilisation losses or unreimbursed expenses which together exceed the actual underwriting commission or, if management and underwriting fees are combined, the 60% of the combined fee which is deemed to be the underwriting commission. Lead Managers should not be obliged to credit the stabilisation account for stabilisation profits in excess of one additional actual or deemed underwriting fee. Stabilisation losses or unreimbursed expenses in excess of these amounts should not be deducted from the management fee and should be borne in their entirety by the Lead Manager.

...\ cont.

(Explanatory Note: In these circumstances the maximum underwriting payout would be 200% of the underwriting fee less unreimbursed expenses and the minimum underwriting payout would be 0% of the underwriting fee);

(b) stabilisation provisions in underwriting agreements may permit the Lead Manager to "hedge" the stabilisation account in whatever instruments are considered by him to be appropriate and provide that the economic results of that hedging will be charged or credited to the stabilisation account;

(c) the Lead Manager should not have the right to distribute a syndicate long position to the underwriters nor should the Lead Manager have the right to require underwriters to supply securities to meet a syndicate short position; and

(d) stabilisation activity for the account of the syndicate should cease:

(i) in pre-priced debt issues (other than equity-linked issues), on the closing date of the issue; or

(ii) in other issues, as soon as practicable after the closing date and the syndicate account should be closed out and all positions covered within 30 days following the signing date.

In this regard, it is accepted that the Lead Manager may purchase or sell to or from his own account to settle a position which exists in the stabilisation account.

4. Where stabilisation is to be carried out by the Lead Manager as agent for the managers, the Lead Manager should account to the managers for any interest earned by it on any moneys earned while acting as agent through stabilisation and for any such moneys, unless it is authorised by the managers to retain all or part of such interest.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.8

PAYMENT OF COMMISSIONS

1. Underwriting fees and net management fees, after deduction of the praecipium only, should be paid no later than:

   (a) closing date, in pre-priced debt issues (other than equity-linked issues); or

   (b) 30 days after the closing date, in other issues.

Where management and underwriting fees are combined, 40% should be deemed to be the management fee. Underwriting fees should be paid subject to deducting or adding the items listed below.

2. Profits realised or losses incurred as a result of over-allotment or stabilisation activities, including borrowing charges connected therewith and taking into account related hedging activities, should be added or deducted only to the extent that these activities are recommended to be for the syndicate account under Recommendation 1.7 on Stabilisation Accounts.

3. Legal costs of the issuer, the cost of the prospectus and expenses incurred for the listing, printing and delivery of the bonds or notes and for all necessary approvals should be paid by the issuer and should in no event be charged to the syndicate. Appendix C(xi) refers.

4. Direct out-of-pocket expenses of the Lead Manager which exceed the expense reimbursement by the issuer:

   (a) should not be charged against fees in pre-priced debt issues (other than equity-linked issues); or

   (b) should be charged against the underwriting fees only to the extent of the lower of 10% of such fees or 20% of such expense reimbursement in other issues.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.9

LATE PAYMENT OF FEES

Lead Managers should settle underwriting and management fees by the date specified in Recommendation 1.8.

If any fees or commissions due to a manager have not been paid on the date on which they are due, the Lead Manager should in addition pay interest of 1% per month or part thereof, such interest to be calculated from (but excluding) the date on which the fees are due and to be added to the amount on which interest is so calculated at the end of each period of 30 days thereafter. The interest rate of 1% per month shall apply to all currencies. It shall be added to the payment of the fees or commissions but identified separately. In case of dispute the Lead Manager may be asked by IPMA to provide evidence as to the dates when payments were effected.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.10

DELIVERY OF DEFINITIVE CERTIFICATES

1. Unless otherwise precluded by the specific applicability of securities laws or regulations or unless otherwise disclosed in the prospectus, definitive certificates should be made available for exchange as soon as practicable after the closing date of an issue, so as to enable the exchange for the global certificate to take place as soon as possible after the fortieth day after the closing date.

2. In the case where applicable securities regulations preclude the exchange of a global certificate for definitive certificates for a period longer than 40 days after the closing date (such as in the case of an issue with a tap feature), or unless otherwise disclosed in the prospectus, definitive certificates should be made available in exchange for the global certificate as soon as possible after the date on which such exchange is first permissible.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.11

REGISTRATION AS REPORTING DEALER

All IPMA Members who lead manage and co-lead manage international security issues or offerings should register, or ensure that an associate company register, as reporting dealers under ISMA rules from the day following allotments. Lead Managers should under normal circumstances remain registered for a minimum of twelve months and co-Lead Managers for a minimum of six months. This shall apply to US Dollar and ECU straight bonds and such other instruments and currencies as the IPMA Board of Directors may from time to time decide.

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DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.12

INCREASES IN ISSUE AMOUNTS/FUNGIBLE ISSUES

1. Where a Lead Manager wishes to increase the amount of an issue before payment date, it is incumbent on him to offer members of the management group a pro rata share of the amount of the increase. Each co-manager should have the option to accept or decline that additional share.

2. A Lead Manager who plans to launch an issue intended to be fungible with an issue previously launched by another Lead Manager should refrain from doing so until after the closing date or until the end of the stabilisation period (as laid down in paragraph 3(d) of Recommendation 1.7 on debt and equity-linked stabilisation accounts) of the previous issue, whichever is the later.

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INTERNATIONAL PRIMARY MARKET ASSOCIATION

DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

RECOMMENDATION 1.13

FIXED PRICE OFFERINGS/RE-OFFERINGS

DISCLOSURE OF SELLING GROUP AND CLAW-BACK

1. In deals involving a selling group, the Lead Manager should disclose to the underwriters on launch that there will be a selling group.

2. In deals involving a selling group, it is recommended that:

   (a) the underwriters are entitled to know from the Lead Manager at the time of invitation what the maximum claw-back from their allotment will be as a result of the selling group's demand for paper; and

   (b) the claw-back due to the selling group's demand should be determined pro rata to underwriting commitments.

BREAKING OF SYNDICATE

At any time – and even a very short time – before the breaking of the syndicate, the Lead Manager should inform the underwriting/selling group of the precise time when the breaking of the syndicate will occur. The Lead Manager can so inform the underwriting/selling group by screen, telephone or telex. Once the syndicate has been broken, the securities may be sold other than on the fixed price offer/re-offer basis.

PRICING ON A YIELD BASIS

This Recommendation applies to deals where the issue price is determined after launch by reference to the yield of an existing security:

1. the underwriting/selling group should be advised at the time of the invitation at what time it is intended that the issue yield and issue price will be determined. The Lead Manager should disclose both any material change to the intended timing and also the issue yield and issue price to the management/selling group as soon as practicable after they have been determined;

2. the issue yield and issue price should be determined on the following basis:

   (a) it should be stated whether the price of the reference security is calculated from its bid, mean or offer price;

   (b) the issue yield is the sum of the yield of the reference security and the margin (annualised where appropriate); and

   (c) unless the Lead Manager indicates to the contrary at the time of invitation, the issue price should be calculated from the issue yield on the ISMA basis.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

SECTION TWO

RECOMMENDATIONS APPLICABLE TO OFFERINGS OF EQUITY AND DEBT ISSUES LINKED TO EQUITY

NOTES APPLICABLE TO ALL RECOMMENDATIONS IN SECTION TWO

1. Whenever the term *Lead Manager* is used, this is presumed to be the bookrunner or, where there is a number of bookrunners, the global co-ordinator.

2. In the Recommendations in Section Two, *Manager* means any person who assumes an obligation towards the issuer of the securities or the owner of the securities which are to be the subject of the offering, to subscribe or purchase, or procure subscribers or purchasers, for the securities.

3. Recommendation 2.1 and Part 2 of Appendix B only apply where the issuer of the shares in question is incorporated outside a Specified Jurisdiction. Recommendation 2.1 and Part 1 of Appendix B apply in *all* cases. For this purpose, *Specified Jurisdiction* means any member state of the European Economic Community or of the European Free Trade Association, Canada, any State of the United States of America, Japan, Australia and New Zealand.

4. IPMA's Members acting as Lead Managers in issues or offerings of Euro-securities as defined in the EC Prospectus Directive (89/298/EEC) will be presumed – unless and to the extent that the contrary is stated on the screen, telephone invitation and the invitation telex – to be applying IPMA Recommendations to the issue or offering (unless disapplied already, under paragraph 3 above).

For issues or offerings launched in other circumstances, the Lead Manager should either state on the screen, telephone invitation and the invitation telex that IPMA Recommendations are applicable if that is the case or, if some but not all of IPMA Recommendations are to be applicable, this fact, together with an indication of which Recommendations are excluded, should be similarly stated.

The definition in the Prospectus Directive is as follows:

"Euro-securities" shall mean transferable securities which:

- *are to be underwritten and distributed by a syndicate at least two of the members of which have their registered offices in different States, and*
- *are offered on a significant scale in one or more States other than that of the issuer's registered office, and*
- *may be subscribed for or initially acquired only through a credit institution or other financial institution.*

5. The Recommendations in this Section Two apply to offerings of shares, whether on issue or where the shares being offered have already been issued, including offerings of investments (such as depositary receipts) which represent shares. Recommendation 2.1 also applies to bonds convertible into, exchangeable for or redeemable in, or bonds with warrants exercisable into, shares.

6. Whenever the term *equity* is used, it includes shares of any description, whether or not voting rights or dividend rights are restricted.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY

RECOMMENDATION 2.1

DISCLOSURE

1. Appendix B contains a check-list of information which may be relevant to issues or offerings of equity.

2. Lead Managers should use the check-list in Part 1 of Appendix B and (where the issuer of the shares in question is incorporated outside a Specified Jurisdiction) the check-list in Part 2 of Appendix B when considering what information should be provided to managers or prospective managers and should (unless prevented from doing so by law or market practice) obtain and provide any such information to managers or prospective managers if so requested. For the avoidance of doubt, there is no requirement to include such information in any invitation telex. The information can be included in any draft prospectus for the issue or (unless there is a legal requirement to disclose the information in the prospectus) only on request by a manager.

3. Lead Managers are reminded that both the EC Prospectus Directive (89/298/EEC) and the Listing Particulars Directive (80/390/EEC) require that investors should be given the information which, according to the particular nature of the issuer and of the securities in question, is necessary to enable investors and their investment advisers to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the issuer and of the rights attaching to the securities. Nothing in these Recommendations should be taken as in any way modifying this overriding obligation or the

requirements of any stock exchange which may be relevant in connection with the offering.

4. If there are subsequent material changes in any information given under this Recommendation, such changes must be promptly notified to the person to whom such information was given.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY

RECOMMENDATION 2.2

EXECUTION OF AGREEMENTS

1. The Lead Manager must send to each of the managers the final version (subject to any subsequent modifications, which must be promptly notified to each of the managers) of the agreements required to be executed by them together with the latest draft of the prospectus or offering circular for receipt not later than five full business days prior to the signing.

2. Lead Managers requesting managers to appoint authorised signatories to execute agreements on their behalf, and managers in providing such appointments, should use the following form:

Quote

> We, [Name of your institution] hereby appoint [Name of your signatory] or [Names of Lead Managers' signatories] acting alone with power to execute and deliver on our behalf the [name of documents] in connection with the issue/sale by [Name of issuer or seller] of [description of securities being issued or sold] and to take any other action necessary in connection with such issue/sale.
>
> By: ..... Dated: .....
> *Authorised representative(s)*

Unquote

Note

It is recognised that adaptations to the above form may be required to be made by managers to reflect particular local or corporate requirements.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY

RECOMMENDATION 2.3

FEES AND LATE PAYMENT

1. The provisions of Recommendation 1.8 apply to all equity-linked debt instruments.

2. In all other issues, the Lead Manager should inform each of the managers, when invitations are issued of:

- the fees (or estimated fees) payable;
- the amount of any praecipium deductible;
- any limit (or the absence of any limit) on deduction for expense overruns;
- unusual cost overruns to be charged to the syndicate (i.e. those not referred to under *Managers' Expenses* in Appendix C(xi));
- the amount of any expense reimbursement payable to the Lead Manager by the Issuer;
- if paragraph 3 or 4 of Recommendation 2.3 is to be disapplied, the time limit for payment.

3. Any fees or commissions which have been notified to managers in accordance with paragraph 2 as not being subject to any deductions should be paid within five business days of closing.

4. Any other fees or commissions should be paid to managers no later than 90 days after the closing date, after deduction only for items and subject to any limits on the overall deductions, notified to managers in accordance with paragraph 2.

5. If any fees or commissions due to a manager have not been paid on the date on which they are due, the Lead Manager should in addition pay interest of 1% per month or part thereof, such interest to be calculated from (but excluding) the date on which the fees are due and to be added to the amount on which interest is so calculated at the end of each period of 30 days thereafter. The interest rate of 1% per month shall apply to all currencies. It shall be added to the payment of the fees or commissions but identified separately. In case of dispute the Lead Manager may be asked by IPMA to provide evidence as to the dates when payments were effected.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY

RECOMMENDATION 2.4

CONDITIONS PRECEDENT

The following should be included as conditions to closing (unless managers have been notified, before they are required to agree to become managers, that they will not be):

- the shares will be listed (or will be listed shortly after closing) on the exchange notified to the managers in accordance with the Recommendation 2.1 and Part 1 of Appendix B;
- an appropriate opinion from legal counsel confirming that the shares have been (or that there is no legal reason why they should not be) issued and are (or will create) valid and binding rights and that the contracts relating to the issue and the rights of the managers under them are valid and binding.

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY

RECOMMENDATION 2.5

STABILISATION

1. The Lead Manager should inform each of the managers, when invitations are issued:

- whether any stabilisation is to be carried out in the shares or other shares connected with them (e.g. *associated securities* for SIB rule purposes);
- whether stabilisation is to be carried out for the account of the managers;
- if so, whether the liability of the managers is subject to a limit and whether there is a limit on the number of shares which can be stabilised;
- details of the period during which stabilisation will or may be carried out.

2. Where stabilisation is to be carried out by the Lead Manager as agent for the managers, the Lead Manager should account to the managers for any interest earned by it on any moneys earned through stabilisation while acting as agent and for any such moneys, unless it is authorised by the managers to retain all or part of such interest or profits, and should notify them on invitation of any deductions to be made from any stabilisation profits before payment to the managers.

SECTION THREE

RECOMMENDATIONS APPLICABLE TO ISSUES OF EQUITY-LINKED DEBT INSTRUMENTS

INTERNATIONAL PRIMARY MARKET ASSOCIATION

EQUITY-LINKED DEBT ISSUES

The same considerations will normally apply to equity-linked debt issues (such as convertible or exchangeable bonds, or bonds with warrants) as apply to equity issues. In addition, because of the debt element of such issues, the Recommendations applying to debt will also be relevant. Accordingly, debt instruments which are linked to equity should comply with both Section One and Recommendations 2.1 and 2.4 in Section Two and Appendix B.

APPENDICES

APPENDIX A: IPMA Screen and Telephone Invitation Check-list for issues of debt and equity-related debt instruments

APPENDIX B: IPMA Disclosure Check-list for issues or offerings of equity or equity-linked instruments

APPENDIX C: Explanatory notes relating to issues of debt and equity-related debt instruments

APPENDIX D: Standard Form Agreement Among Managers Versions 1, 2 and 3; German Law Versions

APPENDIX E: IPMA Standard Terms for Subscription Agreements

APPENDIX A

IPMA SCREEN AND TELEPHONE INVITATION CHECK-LIST FOR ISSUES OF DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

GUARANTEE:

Contractual: indemnity surety
Statutory: jurisdiction

RATINGS S&P Moody's Other

This issue
Other issues

RANKING

Secured & security
Senior
Subordinated
Junior subordinated

NEGATIVE PLEDGE

By issuer: Guarantor: Subsidiaries: all/principal
Type: obligations indebtedness securities
traded foreign

CALL PROVISIONS

By Issuer: None
Yes Amount Date Price

By Holder: None
Yes What Action

...\ cont

TAX

Domestic tax gross up: Tax redemption
Identification protection:
No interest payments in US:

SALES RESTRICTIONS

US: 90 day lock up other termination date
Great Britain:
Issuer's jurisdiction: Jurisdiction of currency:
Private placement: Lead Manager only with Lead Manager permission

EXPENSE CAP

Amount: IPMA: Other:

STABILISATION:

IPMA: Other:

FORCE MAJEURE

None Yes Deviations:
Third-party contract conditions

CROSS DEFAULT

None:
Yes: Issuer: Guarantor:
Type:
Domestic issues:

APPENDIX B

IPMA DISCLOSURE CHECK-LIST FOR ISSUES OR OFFERINGS OF EQUITY OR EQUITY-LINKED INSTRUMENTS

PART 1

Information to be disclosed by the Lead Manager in all issues of shares or equity-linked debt issues

1. Details of shares and circumstances surrounding the offering

1.1 Details of shares being offered

1.1.1 type of shares (e.g. equity or preference shares);

1.1.2 form of shares (e.g. bearer/registered, physical/dematerialised);

1.1.3 whether the shares are to be represented by collective certificates or receipts (e.g. ADRs or GDRs);

1.1.4 par value;

1.1.5 whether the shares are fungible with existing shares or will become so (and if so, when);

1.1.6 dividend entitlement (including, if the shares are preferential, whether the right is cumulative and, if the dividend is variable, the basis on which it is determined);

1.1.7 expected dividend payment date and the expected record date for determining entitlement to dividends;

1.1.8 voting entitlement (including, if the voting rights are different from those of any other class of shares, details of the differences);

1.1.9 any obligations to contribute over and above the subscription price (whether under the constitution of the issuer or under the law) (e.g. if the shares are partly paid or the liability of shareholders is not strictly limited to the amount paid up on their shares);

1.1.10 redemption rights attached to the shares, if any;

1.1.11 description of any conversion rights attached to the shares (e.g. preference shares convertible into ordinary shares).

1.2 Important information relating to the shares

1.2.1 any stock exchange on which the shares are listed;

1.2.2 any identification symbol for the shares used by any relevant stock exchange or quotation system;

1.2.3 percentage of share capital represented by the issue (assuming the shares are fully issued) and number of shares that will be outstanding upon completion of the issue;

1.2.4 dilution in terms of EPS;

1.2.5 if prospective investors would be entitled to pre-emption rights in respect of further share issues, a description of those rights;

1.2.6 in the case of a secondary offering, details of the identity of the vendor;

1.2.7 if it is important that any existing shareholder retains its stake in the issuer, a description of the arrangements made to achieve this (e.g. a "no-sale agreement" or "lock-up" arrangement);

1.2.8 any restriction on the right of the issuer to issue or the offeror to sell further shares or to convert any convertible securities or to exchange any warrants for shares for any period from the launch of the issue, including details of end of the period;

1.2.9 issuer's power to purchase and hold its own shares;

1.2.10 any legal requirement to notify shareholdings (or agreements to acquire shares, such as underwriting commitments) above a certain level to the issuer or any authority;

1.2.11 any "golden share" arrangements;

1.2.12 major shareholders or the absence of any major shareholders, including connected groups of people, if their shareholdings are material in the context of the issue or offering and whether they hold for investment or as dealers;

1.2.13 any market-making arrangements relating to the shares.

1.3 Share history

1.3.1 current dividend yield (if the shares are listed);

1.3.2 dividend history over previous five years (or for as many years as possible, if five years is impracticable);

1.3.3 dividends paid over previous two years or last five occasions on which dividends have been paid, if they have not been paid annually;

1.3.4 price details (monthly highs and lows) over previous two years and the current year (including daily figures for a 15-day period ending not earlier than three days prior to invitation);

1.3.5 average daily volume of trading over a period of 12 months;

1.3.6 recent share issues or issues of equity-linked securities by the issuer in the previous five years, with brief description of each class of shares concerned;

1.3.7 details of changes to the share capital of the issuer for all classes of share, including share splits and rights issues over the previous five years (or, if this period is not possible, for the longest period which is possible).

2. The offering

2.1 timetable, including details of:

2.1.1 the expected date on which the offering will be priced;

2.1.2 the time (if any) at which the managers will become legally bound to subscribe or purchase or to procure subscribers or purchasers;

2.1.3 the time at which managers will have securities allotted to them;

2.1.4 expected closing date;

2.1.5 when listing will be granted (if any);

2.1.6 first expected day of trading of shares being offered (if they are listed).

2.2 the identity of the persons who will determine the price and the basis on which they will do so;

2.3 whether a manager may be required to subscribe or purchase shares;

2.4 composition of management group and structure (e.g. Lead Managers, co-managers, regional Lead Managers etc.);

2.5 whether a primary or secondary offering or IPO;

2.6 any concurrent domestic or other regional offerings of the shares or of other shares;

2.7 whether the offering is subject to claw-back and/or to a "flow-through" arrangement;

2.8 any provision for early protection;

2.9 any greenshoe option, with details of the period within which it can be exercised and by whom;

2.10 any reallowance restrictions;

2.11 selling and trading restrictions, if they are to be imposed (including restrictions on distribution of research materials, if any and Rule 10b-6 restrictions);

2.12 any restrictions on trading between securities involved in the issue (e.g. between ADRs and GDRs and the shares);

2.13 any reservation of geographical areas to any manager or group of managers with description of the areas so reserved;

2.14 any restrictions on grey market trading;

2.15 any force majeure arrangement (including whether an IPMA version is to be used and, if so, which);

2.16 whether there will be roadshows and where;

2.17 governing law of documentation;

2.18 use of proceeds.

3. Settlement and transfer information

3.1 settlement arrangements for initial subscription and subsequent transfer of shares including:

3.1.1 expected timing of settlement;

3.1.2 mechanics for settlement;

3.1.3 any notification requirement;

3.1.4 any "on exchange" requirement;

3.1.5 fees payable (e.g. brokers);

3.1.6 expected timing for delivery of certificates, if any.

4. Tax

4.1 any withholding tax on dividends;

4.2 any other tax which might apply to transactions in the shares (e.g. capital gains on disposals).

PART 2

Additional information to be disclosed by the Lead Manager in all issues of shares or share-linked debt issues where the issuer is incorporated outside a Specified Jurisdiction

1. The market

1.1 any factors relating to the stock exchange on which the shares are listed which could make it difficult to dispose of the shares (e.g. any illiquidity). If there is a very low trading volume on the exchange, details should be given of average daily turnover on the exchange over a 12-month period;

1.2 any limit imposed by the relevant stock exchange outside which shares cannot trade on a given day;

1.3 details of locations where shares trade and methods by which prices can be obtained (e.g. screen-based systems).

2. Additional costs

2.1 any additional costs (e.g. stamp duty, transfer tax or registration fees) payable on subscription, purchase or subsequent transfer of shares.

3. Additional settlement transfer information

3.1 authorisations required for acquisition, transfer or sale of shares;

3.2 any limits on (a) total and (b) individual foreign ownership;

3.3 any requirement to be satisfied in respect of the holding of the shares (e.g. any requirement to register as an investor and hold an identity card and to appoint a domestic agent to receive corporate notices);

3.4 exchange control or other limitations on remission of payments in respect of the shares to investors (e.g. non-convertible currency).

APPENDIX C

EXPLANATORY NOTES RELATING TO ISSUES OF DEBT AND EQUITY-RELATED DEBT INSTRUMENTS

I. GUARANTEES

INTRODUCTION

A. Guarantees are either statutory or contractual in form.

B. A contractual guarantee can broadly be classified as an indemnity or a surety. The former has the following characteristics:

(a) the amount that can be claimed includes all principal, premium and interest (including additional amounts under gross-up provisions) which is due,

(b) the guarantee is valid irrespective of the validity, regularity and enforceability of the bond or note against the issuer,

(c) the guarantee is enforceable whether or not there has been any action taken to enforce the terms of the bond or note against the issuer,

(d) the guarantee is not affected by any waiver or consent or time or indulgence given by the bond holder or note holder in respect of non-payment or breach of covenant by the issuer.

C. A contractual guarantee without any or all of the characteristics mentioned under B (b), (c) and (d) should normally be classified as a surety.

D. In international bond issues contractual guarantees of the indemnity type, which are much more favourable for the investor, are the norm.

E. The effect of a statutory guarantee depends entirely on the terms of the statute pursuant to which the guarantee is given. No broad generalisations can be made about this type of guarantee.

1. If no specific information is provided, the absence of a guarantee should be presumed.

2. If there is a guarantee, the screen, the telephone invitation and the invitation telex should indicate whether the guarantee is statutory or contractual. If it is contractual it should only be described as unconditional and irrevocable if it is of an indemnity type, otherwise it should be disclosed which of the characteristics in B(a) to B(d) above are missing from the guarantee. If the guarantee is statutory its principal characteristics should preferably be disclosed, otherwise reference to the offering circular for a summary should be made.

3. The screen, telephone invitation and invitation telex should also indicate if the guarantee is subordinated or not supported by a negative pledge (see under III).

4. If under applicable law the guarantee is subject to a maximum amount, this limit should be stated.

IIA. RATINGS

INTRODUCTION

A. Ratings of the relevant issue by Moody's and Standard and Poor's should be disclosed. Disclosure of ratings of the issue by other rating agencies is at the option of the Lead Manager.

B. With regard to other outstanding issues of the issuer or guarantor, ratings by Moody's and Standard and Poor's of public long-term debt should be disclosed if the specific issue is not itself rated. If an issue of the issuer has a private rating, this rating may be disclosed if it is periodically updated.

C. There should be no disclosure of ratings of other outstanding debt of the issuer or guarantor if these ratings are based on a third-party guarantee. Commercial paper ratings need not be disclosed.

D. If after the invitation telex has been sent but before the closing of an issue:

(a) the ratings cited in the invitation telex are changed,

(b) the issue is rated differently from the rating indicated in the invitation telex, or

(c) issues whose ratings are referred to in the invitation telex are placed on Moody's "Review List" and/or Standard and Poor's "Watch List",

the Lead Manager should notify the managers, underwriters and selling group members of such an event.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. If the issue is specifically rated by Moody's and Standard and Poor's, that rating should be disclosed.

2. If other outstanding public long-term debt of the issuer or guarantor ranking equally with the issue has a current rating by Moody's and/or Standard and Poor's, that rating should be disclosed.

3. If the issue itself or debt of equal status are not rated while other outstanding public long-term debt of the issuer or guarantor which ranks senior or junior to the issue is rated by Moody's and/or Standard and Poor's, that rating should be disclosed together with a statement as to the inferior or superior status of the current issue.

4. If issues of the issuer or guarantor are currently on Moody's "Review List" and/or Standard and Poor's "Watch List" this fact should be disclosed together with the indicated outcome of such change (i.e. positive or negative).

IIB. RATINGS

EVENT RISK

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

A. If the issuer has agreed to an event risk clause for the issue, this should be disclosed.

B. The effect of the event risk clause should be disclosed in summary form.

C. If the event risk clause has been rated by Standard and Poor's, this should be disclosed. Disclosure of ratings of the event risk clause by other rating agencies is at the option of the Lead Manager.

D. If after the invitation telex has been sent out but before the closing of an issue there is any change to the event risk clause or to the status of its rating with Standard and Poor's, the Lead Manager should notify the managers, underwriters and selling group members of such a change.

III. RANKING OF THE BONDS

INTRODUCTION

A. Euro-issues typically fall into one of the following ranking categories:

(a) secured;

(b) senior (unsecured, unsubordinated);

(c) subordinated (mainly for certain bank issues and many convertibles); or

(d) junior (deeply) subordinated.

For banks, deposit notes rank equally with deposits while subordinated or capital notes are normally junior to deposits. Equity notes are often deeply subordinated.

B. (a) Secured and junior (deeply) subordinated debt (including perpetuals)

Many varieties exist which cannot easily be summarised.

(b) Senior debt for industrials

This may typically be described as follows:

The bonds [or notes] will be direct, unconditional, and unsecured obligations of the issuer and will rank pari passu amongst themselves and [except for .....], will rank equally with all other present and future unsecured and unsubordinated obligations of the issuer.

(c) Senior debt for banks

This may typically be described as follows:

The notes will be unsecured obligations of the issuer and will rank pari passu amongst themselves and with all other present and future unsecured obligations of the issuer (other than subordinated obligations), including those in respect of deposits for the time being outstanding with it.

(d) Subordinated debt for banks

This may typically be described as follows:

The notes will be unsecured obligations of the issuer and will be subordinated to the claims of all depositors and other unsubordinated creditors [except for ....].

(e) Subordinated debt in the case of convertibles

This may typically be described as follows:

The obligations will be subordinated and junior in right of payment (to the extent set out in the Trust Deed) to the prior payment in full amounts then due on senior debt of the issuer.

The definition of senior debt would then be included in the prospectus but not normally in the invitation telex.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. In the case of secured debt, the status and ranking should be spelt out in reasonable detail.

2. In the case of senior ranked debt, unless peculiarities exist, a simple, concise description such as "unsecured and unsubordinated" would be sufficient. In the case of banks, the ranking relative to deposits should be specifically addressed.

3. In the case of subordinated debt, the extent to which the rights of the investor are subordinated to the prior claims of other creditors should be clearly described.

4. Where the debt ranks below subordinated obligations, the specific ranking of the securities must be clearly described. For example, in the case of issues by banks of equity notes or equity commitment notes, the specific ranking of the securities and, if applicable, details of any relationship between the repayment of the securities and the sale of equity by the bank should be disclosed in full.

5. It would be helpful (but not in itself sufficient) to give an indication of the ranking of the securities by including an appropriate descriptive adjective in the title of the issue, such as:

Collateralised Floating Rate Notes
Floating Rate **Subordinated** Notes
Floating Rate **Deposit** Notes

IV. NEGATIVE PLEDGE

INTRODUCTION

A. A negative pledge is normally given by the issuer and the guarantor, if any, to ensure that other creditors do not obtain a better claim to assets on liquidation. The essence of the undertaking is not to create or assume any mortgage, charge, lien or other encumbrance over any present or future assets or revenues to secure other obligations, usually for borrowed money including guarantees, without securing the issue equally and rateably therewith.

US issuers tend to give negative pledges that follow US domestic practice covering other indebtedness with exceptions, many of which are of a standard nature. Non-US issuers may limit the pledge by specifying the type of indebtedness, e.g. foreign securities or traded securities to which the pledge is applicable.

B. Obligations for borrowed money in this context sometimes include moneys arising under sale and leaseback transactions.

C. Traded securities in the above context are securities (bonds, notes, debentures and similar paper) capable of being quoted, listed or ordinarily traded on any stock exchange or over-the-counter markets.

D. Industrial issuers may be prohibited from incurring debt secured by "principal" property or by shares or stock in subsidiaries unless the aggregate amount of all such secured debt does not exceed 5–10% of consolidated net tangible assets subject to certain specified exceptions.

E. The tighter the drafting of the negative pledge the more likely that there will be exceptions, the more common of which are intended to enable the issuer to carry on the normal course of business. Some exceptions while achieving this objective materially weaken the negative pledge. The intention is not to require in the invitation telex a list of all the common exceptions particularly of US issuers but the Lead Manager should disclose those which are uncommon and appear material.

F. The issuer may have accepted negative pledges in domestic public issues and co-managers may enquire as to their general nature.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. The absence of a negative pledge must be disclosed.

2. The screen, telephone invitation and invitation telex should disclose the basic characteristics of the negative pledge and any uncommon exceptions which appear material.

V. MARKET RELATED CALL PROVISIONS

INTRODUCTION

A. In Euro-issues the issuer normally has the right to redeem all or part of the issue at pre-arranged dates and prices prior to the final maturity date of the securities; this is known as a "call provision".

B. In certain Euro-securities, the bond holders have the right to demand redemption at pre-arranged dates and prices prior to the final maturity date of the securities; this is known as "put provision".

C. Redemption prior to the final maturity date of the securities as a result of changes in taxation, legislation or disclosure requirements is addressed under VI.

D. In certain Euro-issues, the issuer has the right to extend the final maturity date. The interest rate for the extended period may be determined at the issuer's discretion. Such a security is known as an "extendable bond".

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. The earliest date and price of a call provision or a put provision should be disclosed on the screen and in the telephone invitation; full details including the dates and prices of a call provision or a put provision should be stated in the invitation telex.

2. In the case of an extendable bond, the invitation telex should describe:

   – the manner in which the interest rate for the extended period is determined,

   – the revised maturity date resulting from the extension,

   – the action, if any, to be taken by the bond holder,

   – the consequence of a failure of a bond holder to take action.

VI. TAXATION, TAX REDEMPTION AND PROTECTION AGAINST IDENTIFICATION OR CERTIFICATION

INTRODUCTION

A. Euro-issues are structured so that the interest on the bonds or notes is free of all income tax in the country of the issuer (and guarantor) provided the investor has no connection with that country other than the mere holding of the bond or note. The terms of the issue normally provide that in the event of a change in tax laws which would impose income tax on interest by way of withholding tax, the issuer will gross up for the withholding. In most issues, the issuer would then also have the right to redeem the bonds or notes.

B. Most Eurobond issues are structured so that the investors are able to collect principal and interest without being required to sign certificates or otherwise identify themselves. The most notable exceptions are the specially targeted registered issues of the US Government and Government Agencies and the floating rate notes of the Kingdom of Belgium and any registered bonds.

C. For US corporate bearer issues, protection is given for the possible imposition of certification or identification requirements. Some floating rate issues omitting the protection have generally been intended for institutional investors (with large denominations, typically $50,000).

D. A choice of paying agents in several countries ensures that there is always a place where investors can receive interest free of withholding tax or certification or identification requirements. Paying agents in Canada, Germany, Luxembourg, The Netherlands, Singapore and Switzerland are also free from any local withholding tax or certification and identification requirements.

Under US tax requirements, Eurobonds or notes in bearer form may not provide for payment of interest in the US. In the case of US issuers, payment may not be made by means of a cheque mailed to an address in the US or by wire transfer to an account in the US. In the case of non-US issuers payment may be made (by cheque or wire transfer) by crediting an account in the US.

E. The relevant provisions in invitation telexes may be set forth in summary form using language similar to the following:

(a) **Taxes**

All payments of principal [premium, if any] and interest will be made free and clear of [country of issuer] withholding and other taxes, subject to customary exceptions. In the event that [such taxes are imposed/certain adverse tax consequences occur], the issuer will pay additional amounts so that [country of issuer] aliens will receive the full amount of principal [premium, if any] and interest which otherwise would have been due, [subject to customary exceptions].

(b) **Optional Redemption**

[On or after ..... the issuer may redeem .../non-redeemable except] in the event of imposition of certain [country of issuer] withholding taxes the notes [at any time/at the next interest payment date] in whole at [price], plus accrued interest and any additional amounts due up to such date.

(c) **US Information Reporting and Back-up Withholding Taxes (Fixed and Floating Rate Notes)**

Under temporary regulations, payments of principal and interest on the notes to a holder made by the issuer or its paying agents outside the United States will generally not be subject to information reporting or back-up withholding unless the issuer or its paying agent has actual knowledge that the holder is a United States person. With certain exceptions the issuer will be required to redeem the notes at par without additional amounts plus any accrued interest within one year in the event that payments thereon outside the United States should become subject to certain US certification, information or other reporting requirements, the effect of which is the disclosure to the issuer, a paying agent or a governmental authority of the nationality, identity or residence of a beneficial owner who is a United States alien. If such requirements can be satisfied by the payment of a back-up withholding tax or similar charge, the issuer will have the option to pay additional amounts in respect of such charges rather than redeem.

(d) **US Information Reporting and Back-up Withholding Taxes (Zero Coupon Bonds)**

Under temporary regulations, payments of principal and interest on the notes to a holder made by the issuer or its paying agents outside the United States will generally not be subject to information reporting of back-up withholding unless the issuer or its paying agent has actual knowledge that the holder is a United States person.

If US information reporting requirements are changed so as to require disclosure of the nationality, residence or identity of the beneficial owners of a bearer note, the issuer will publish a notice permitting any holder of a bearer note to present the notes for redemption at the issue price plus accrued original issue discount to the date of redemption (but without any additional amounts) within 90 days of such notice. If such requirements can be satisfied by the payment of a back-up withholding tax or similar charge, the issuer will have the option to pay the additional amounts and not offer the redemption option.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. It is presumed that the initial payments are free of income tax and the withholding tax regime. Any deviations should be disclosed.

2. It should be disclosed whether there is a gross-up provision and a tax call possibility, in the latter case with the redemption price. If the tax call can be triggered by events other than the imposition of withholding tax, they should be specified.

3. In all cases it should be stated whether the redemption date must be an interest payment date.

4. In the case of US issuers it should be stated whether there is protection against the imposition of certification or identification requirements. If such protections differ materially from the one set out above in E(c) and E(d), the differences should be spelled out.

PRINCIPLES FOR TAX REDEMPTION CLAUSES

Optional tax redemption provisions in circumstances where withholding tax has been or will be imposed should comply with the following principles:

1. The right to call only should arise when a change in law or in the application or official interpretation thereof has occurred and, as a result, the issuer has or will become obligated to gross up.

2. Notice of redemption should not be given earlier than the date 90 days before the earliest date on which grossing up would be required were a payment in respect of the relevant securities then due.

3. An issuer should be required to take reasonable measures available to it to avoid the incidence of withholding tax and the obligation to gross up.

4. An issuer should satisfy the Trustee of its securities (if any) and/or provide certification that the necessary conditions precedent to the right to redeem have been met.

5. In the case of floating rate securities, redemption should be made only on an interest payment date.

MODEL ENGLISH LAW TAX REDEMPTION CLAUSE

The Notes may [also] be redeemed at the option of the Company 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 [Notices] (which notice shall be irrevocable), at the principal amount thereof, together with interest accrued to the date fixed for redemption, if (1) the Company [satisfies the Trustee immediately prior to the giving of such notice that it]* has or will become obliged to pay additional amounts as provided or referred to in Condition [Taxation] as a result of any change in, or amendment to, the laws or regulations or [ ] or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after [date of Subscription Agreement], and (2) such obligation cannot be avoided by the Company 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 Company would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the [Trustee]* [Fiscal Agent]** a certificate signed by two [Directors] of the Company stating that [the obligation referred to in (2) above cannot be avoided by the Company taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (2) above in which event it shall be conclusive and binding on the Note holders and the Coupon holders]* [the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Company has or will become obliged to pay such additional amounts as a result of such change or amendment].**

* Applies to issues constituted by a Trust Deed
** Applies to issues under a Fiscal Agency Agreement

MODEL US TAX REDEMPTION CLAUSE

The Notes may [also] be redeemed at the option of this Company in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice in accordance with "Notices" below (which notice shall be irrevocable), at the principal amount thereof, together with accrued interest to the date fixed for redemption, if the Company has or will become obligated to pay additional interest on the Notes as described under "Payment of Additional Interest" 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 political subdivision or taxing authority thereof or therein, or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after [date of Underwriting/Subscription Agreement], and such obligation cannot be avoided by the Company 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 Company would be obliged to pay such additional interest were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Fiscal Agent a certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred, and an opinion of independent counsel of recognized standing to the effect that the Company has or will become obligated to pay such additional interest as a result of such change or amendment.

The Notes are also subject to redemption if certain events occur regarding US information reporting requirements, as described under "Special Tax Redemption" below.

VII. SALES RESTRICTIONS AND PRIVATE PLACEMENT

INTRODUCTION

A. The current form of appropriate sales restrictions should be set out in full in the subscription agreement.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. Sales restrictions in the countries of the issuer, the guarantor (if any) and the currency should be described and any substantial deviation from generally accepted forms of sales restrictions in other jurisdictions should be disclosed.

If indicating what US sales restrictions apply, the screen and invitation telex should specify the following, deleting as appropriate:

US: [Not/144A Eligible/(Restrictions)], [Reg. S. 1/2/3], [TEFRA D/C]

The key to these simplified codes is as follows:

Not 144A Eligible	144A Sales are not permitted.
144A Eligible	144A Sales by distributors are permitted generally as part of primary sales.
144A Eligible (Restrictions)	144A Sales are permitted as part of primary sales, but subject to the specified restrictions, e.g. Lead Manager(s) only.
Reg. S. 1/2/3	The issuer is a Regulation S. Category 1, 2 or 3 issuer, as appropriate.
TEFRA D/C	The Internal Revenue Service "D Rules" or "C Rules" as appropriate apply to the issue.

If, at the time of launch, not all decisions relating to the applicable US selling restrictions have been taken by the Lead Manager and issuer, blanks may be left but the Lead Manager should notify the syndicate as soon as the appropriate sales restrictions have been chosen.

If blanks are left, managers/selling group members/underwriters should assume that, until notified to the contrary, the TEFRA D rules apply and no sales may be made to US persons or in the USA in order to comply with Regulation S. In offerings not denominated in US Dollars, the same codes may be used, but detailed information on US selling restrictions cannot always be expected in such circumstances.

2. If the mandate requires that the issue is not distributed in a particular country or if the Lead Manager wishes to reserve to himself the distribution in a particular country, this should be disclosed.

3. If a US private placement option is available other than a 144A option, it should be disclosed as should the identity of the managers who can use this option, who can purchase the securities, and what minimum denominations are required to be purchased.

VIII. EXPENSE CAPS, PAYMENT OF COMMISSIONS, DEDUCTIBILITY OF EXPENSES, STABILISATION ACCOUNTS

INTRODUCTION

A. The relevant Recommendations are Recommendations 1.8 and 2.3 on Payment of Commissions and Recommendations 1.7 and 2.5 on Stabilisation Accounts.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. Expense Caps should be disclosed.

2. Lead Managers are presumed to follow the IPMA Recommendations on Payment of Commissions and on Stabilisation Accounts. If the Lead Manager intends to deviate from these Recommendations, this should be disclosed.

...\ cont.

IX. FORCE MAJEURE

A. The managers and underwriters are normally discharged from their underwriting obligations if certain events occur before the payment date.

B. It is recommended that one of the following two force majeure clauses should be used in straight debt issues and that it should be promptly disclosed which of Clause 1 or Clause 2 is being used. Any material variation to, or the non-use of, either Clause should also be promptly disclosed.

Clause 1

Notwithstanding anything contained in this Agreement, [...] ("the Lead Manager") on behalf of the Managers may by notice to the Issuer [and the Guarantor] terminate this Agreement at any time before the time on the Closing Date when payment would otherwise be due under this Agreement to the Issuer in respect of the Securities if:

(a) in the opinion of the Lead Manager, circumstances shall be such as:

(i) to prevent or to a material extent restrict payment for the Securities in the manner contemplated in this Agreement; or

(ii) to a material extent prevent or restrict settlement of transactions in the Securities in the market or otherwise; or

(b) in the opinion of the Lead Manager, there shall have been:

(i) any change in national or international political, legal, tax or regulatory conditions; or

(ii) any calamity or emergency,

which has in its view caused a substantial deterioration in the price and/or value of the Securities,

and, upon notice being given, the parties to this Agreement shall (except for the liability of the Issuer [and the Guarantor] in relation to expenses as

provided in Clause [...] and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.

Clause 2

Notwithstanding anything contained in this Agreement, [...] ("the Lead Manager") on behalf of the Managers may by notice to the Issuer [and the Guarantor] terminate this Agreement at any time before the time on the Closing Date when payment would otherwise be due under this Agreement to the Issuer in respect of the Securities if, in the opinion of the Lead Manager, there shall have been such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in their view be likely to prejudice materially the success of the offering and distribution of the Securities or dealings in the Securities in the secondary market and, upon notice being given, the parties to this Agreement shall (except for the liability of the Issuer [and the Guarantor] in relation to expenses as provided in clause [...] and except for any liability arising before or in relation to such termination) be released and discharged from their respective obligations under this Agreement.

C. Conclusion of third-party agreements, such as swaps, have sometimes been made conditions precedent to the closing of a Euro-issue. This is to be discouraged.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. As stated in B above, it should be promptly disclosed which of Clause 1 or Clause 2 is being used. Any material variation to, or the non-use of, either Clause should also be promptly disclosed.

2. If the closing is made dependent on the conclusion of third-party contracts like swaps, the existence of such conditions should be stated.

X. CROSS DEFAULT

INTRODUCTION

A. The purpose of the cross default clause is to permit the acceleration of payment of principal or the exercise of other remedies to ensure that bond holders or note holders are in a similar position as far as remedies are concerned as other creditors of a troubled issuer. The cross default clause may extend to defaults of the guarantor. The event of default covered must on the whole be material so as not to create an unnecessary crisis.

B. In the strongest type of cross default clause the bonds or notes (together with accrued interest) become capable of acceleration:

(a) if any indebtedness of the issuer, the guarantor, a significant subsidiary or agency [in the case of sovereign issues] (i) shall become or be capable of becoming repayable prior to the due date by reason of default of the issuer, guarantor, significant subsidiary or agency or (ii) shall not be repaid at maturity, or

(b) if any guarantee given by the issuer, guarantor, significant subsidiary or agency shall not be honoured when due and called upon, or

(c) if a security for any such indebtedness or guarantees is enforced in favour of the creditors or such indebtedness.

C. Such a sweeping clause can be cut back in at least six different ways:

(a) limitation of the level of indebtedness covered: only external indebtedness, indebtedness for borrowed money, publicly issued debt or funded debt.

(b) limitation of whose debt is included: only issuer's and not guarantor's, significant subsidiaries' or agency's.

(c) elimination of immaterial defaults: only defaults in respect of an indebtedness or guarantee which exceeds a threshold which may range from $1,000,000 upwards. The threshold may also be expressed in terms of a percentage of the issuer's net worth or may be on an aggregate basis to cover a succession of small defaults.

(d) limitation of the triggering events: only actual acceleration as opposed to capability of being accelerated.

(e) inclusion of a grace period: they often range from 5 to 60 days. Many clauses also provide that they are not triggered if and so long as the issuer is contesting the acceleration in good faith. It is sometimes provided that the grace period starts running only after the holders of a specified percentage (10% to 25%) have given notice to the issuer.

(f) inclusion of a materiality test: some cross default clauses provide that they are not triggered unless the trustee certifies in writing that the default is, in his opinion, material.

SCREEN, TELEPHONE INVITATION AND INVITATION TELEX

1. It should be stated whether or not there is a cross default clause and, if the issue benefits from a guarantee, whether or not the guarantor's debt is covered.

2. Co-managers should be entitled to ask and be informed by the Lead Manager how the cross default clause varied from the strongest type set out above under B.

3. In addition, Lead Managers should be able to answer questions concerning the issuer's cross default clauses in its domestic public issues.

XI. EXPENSES

INTRODUCTION

The following may be helpful as an indicator of which expenses should be attributed to the Issuer, and which to the Lead Manager:

MANAGERS' EXPENSES

Lead Managers' direct out-of-pocket expenses include:

– Lead Managers' legal costs incurred in the preparation and negotiation of the Subscription and Manager Agreements, preparation of the Offering Circular including Terms and Conditions of the bonds, signing and closing agenda, and the cost of legal opinions addressed to the managers;

– Bibles, ISIN/CUSIP Numbers and similar expenses incidental to the execution of the new issue;

– Cost of related travel (i.e. for the purpose of document negotiation and due diligence);

– Telephone, telex, fax and courier charges; and

– Cost of signing or closing ceremony, gifts.

ISSUERS' EXPENSES

Expenses that should not be charged against Lead Managers' out-of-pocket expenses include:

– Printing and distribution of Offering Circular/Prospectus, Extel Cards or Listing particulars and any other printed documents or contracts;

– Printing and distribution of definitive bonds, globals, warrants, etc.;

- Preparation of Fiscal Agency Agreements/Trust Deed;

- Common depositary attendance fees and money transfer fees (if any);

- Costs and expenses in connection with Stock Exchange Listing applications;

- Any costs in connection with obtaining consents, approvals, authorisation of regulatory authorities;

- Issuers' own legal and accounting fees and expenses;

- Paying Agency and Trustee's costs and expenses; and

- Advertising and any notices required in connection with the bonds.

APPENDIX D

Appendix D consists of three Standard Agreements Among Managers and a German Law Schedule.

The circumstances in which each Agreement and the Schedule can be used are stated in explanatory notes preceding each Agreement.

AGREEMENT AMONG MANAGERS

Version 1
(Managers only – Fixed-Price
Non Equity-Related Issues)

EXPLANATORY NOTE
IPMA Standard Form Agreement Among Managers

A. The IPMA Standard Form Agreement Among Managers Version 1 is intended for use in fixed-price non equity-related issues where there is no intention to charge stabilisation losses to the Managers. It also assumes that the IPMA Recommendation that cost overruns should not be charged to co-Managers is to be followed. This revision of Version 1 will apply in respect of all issues using Version 1 where the Invitation Telex is sent on or after 8 April 1991.

B. This version of the IPMA Standard Form Agreement Among Managers will be used when the Invitation Telex contains the words:

> *Agreement Among Managers: IPMA Version 1.*

C. In the telex requesting each Manager to appoint authorised signatories to execute agreements on its behalf the following language should be inserted:

> *The execution of the Subscription Agreement by or on behalf of all parties will constitute your acceptance of the IPMA Agreement Among Managers Version 1 subject to any amendment notified to you in writing at any time prior to the earlier of the receipt by the Lead Manager of the document appointing your authorised signatory and the execution of the Subscription Agreement.*

The effect of adding these words is that each Manager will become bound by this version of the Standard Form Agreement Among Managers (with the appropriate variations) by virtue of having become bound by the Subscription Agreement.

D. The Agreement contemplates that the Lead Manager will notify each co-Manager of the net amount due from it at Closing (i.e. after deduction of the Combined Commission due to it). In making that notification, the Lead Manager should make an appropriate adjustment for any praecipium.

E. Clause 3 has been amended since Version 1 was first issued. The previous version was based on existing precedents widely used in the market, which had developed over a long period of time. It was felt that this language had become over-complicated and the new version represents a simplification, whilst retaining the substance of the previous version.

The Terms of the Agreement Among Managers in respect of each issue where this form of agreement has been selected for use are as follows (subject, in the case of each Manager, to any amendment notified to that Manager in writing at any time prior to the time when the Power of Attorney granted by that Manager to the Lead Manager is received by it or, where no Power of Attorney is granted by that Manager, the date on which that Manager signs the Subscription Agreement). Terms used in this Agreement have the meanings assigned to them in the attached Schedule. Where this Agreement Among Managers has been selected for use, it is conditional upon and will take effect upon the execution of the Subscription Agreement for the relevant issue of Securities.

1. OFFERING

The Managers confirm that the Lead Manager, on their behalf, as agents of the Issuer, has offered or will offer the Securities to Managers in the amounts already notified to each Manager by the Lead Manager.

2. UNDERWRITING

The Securities will as between the Managers be severally underwritten by the Managers in the amounts set out in the Commitment Telex.

3. SUBSCRIPTION BY MANAGERS

If any Manager defaults in its obligation to subscribe any amount of Securities offered to it as described in Clause 1, or if the Lead Manager in its absolute discretion believes that any Manager will so default:

(1) the Lead Manager may require each non-defaulting Manager who has agreed to subscribe Securities as a result of offers described in Clause 1 in a principal amount which is less than its Commitment, to subscribe or purchase additional Securities, but so that no non-defaulting Manager shall, under this paragraph (1) and as a result of offers accepted by it as described in Clause 1 be obliged to subscribe or purchase a principal amount of Securities in excess of its Commitment. In exercising its rights under this paragraph, the Lead Manager shall allocate Securities to each non-defaulting Manager to whom the paragraph applies in proportion to their Commitments, subject to paragraphs (4) and (5);

(2) if any Securities remain to be subscribed or purchased after paragraph (1) has been applied, the Lead Manager may require each of the non-defaulting Managers to subscribe or purchase such Securities in proportion to their Commitments;

(3) any Securities to which this Clause relates will be subscribed or purchased by the non-defaulting Managers at the Selling Price, but after deduction of the defaulting Manager's Combined Commission, divided among the non-defaulting Managers in proportion to the amount of Securities taken up by them under this Clause, which amount shall be notified to each non-defaulting Manager by the Lead Manager;

(4) the Lead Manager may adjust the amount of Securities it requires any Manager to subscribe or purchase under this Clause up or down to such extent as it may deem expedient and equitable so as to ensure that no Manager is required to subscribe or pay for a fraction of any Security;

(5) as an alternative and/or in addition to paragraphs (1) and/or (2), the Lead Manager may, in its absolute discretion, offer any Securities to which this Clause applies to any person (whether or not a Manager) or may retain them for its own account.

4. AUTHORITY TO LEAD MANAGER

Each of the Managers authorises the Lead Manager as its agent and on its behalf to do whatever that Manager is (or all the Managers together are) required or entitled to do under the Subscription Agreement including:

(1) entering into such arrangements with Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system and Centrale de Livraison de Valeurs Mobilières SA as the Lead Manager reasonably believes to be appropriate to effect payment for and delivery of the Global Instrument delivered in respect of the Securities in accordance with the ISMA Primary Market Settlements recommendations;

(2) borrowing for the account of the non-defaulting Managers, for their several accounts in proportion to their respective Commitments, such sum as may be necessary in order that payment to the Issuer can be effected as specified in the Subscription Agreement and the Lead Manager may pay interest at then current rates;

(3) waiving compliance with any of the conditions referred to in the Subscription Agreement in respect of which the right of waiver is reserved.

As an alternative to borrowing under paragraph (2), the Lead Manager may as principal lend, and may charge interest at then current rates on, such sums as are referred to in that paragraph mutatis mutandis on the terms of that paragraph.

Any amounts due from any Manager as a result of any borrowing made on its behalf, or any loan to it, will be paid forthwith upon demand.

5. STABILISATION

(a) Stabilising Manager

Each Manager acknowledges that the Lead Manager is appointed stabilising Manager for the Stabilisation Securities. However, this Clause does not authorise the Lead Manager to carry out stabilisation and/or over-allotment transactions on behalf of the Managers. Any such transactions shall be for the Lead Manager's own account and shall be effected in accordance with applicable laws.

(b) Non-Stabilisation Agreement

No Manager other than the Lead Manager (and any lawful regional stabilising Manager) will effect any transactions (whether in the open

market or otherwise) with a view to stabilising or maintaining the market price of the Stabilisation Securities at levels other than those which might otherwise prevail.

6. EXPENSES

(a) Retention

The amount paid by the Issuer or the Guarantor in respect of Managers' expenses shall be retained by the Lead Manager for its own account. The other Managers will not be reimbursed for any of their expenses in connection with the issue of the Securities.

(b) Expenses on Termination

If the obligations of the Managers under the Subscription Agreement to subscribe the Securities are terminated, the Managers agree to contribute (subject to the aggregate amount of such contribution not exceeding the lower of 6% of the Combined Commission and 20% of the amount reimbursable by the Issuer (failing whom the Guarantor) in respect of expenses) in proportion to their respective Commitments in meeting any direct out-of-pocket expenses incurred by the Lead Manager which are not recoverable and/or are not recovered from the Issuer or the Guarantor under the Subscription Agreement.

7. TERMINATION

If any Manager wishes to terminate its obligations to subscribe the Securities under the Subscription Agreement, it shall consult with the Lead Manager who shall, to the extent the Lead Manager considers reasonably practicable, consult with the other Managers. The Lead Manager may in any event, on behalf of the Managers and in its sole discretion, give notice of such termination to the Issuer in accordance with the terms of the Subscription Agreement and shall not be responsible to any Manager for any consequences resulting from any such notice. No other Manager may give any such notice and the Lead Manager may not be required to give, or not to give, such notice.

8. PARTNERSHIP

None of the provisions of this Agreement or any other agreement relating to the Securities shall constitute or be deemed to constitute a partnership or joint venture between the Managers or any of them, or between them (or any of them) and anyone else, and, except as specifically provided, none of the Managers shall have any authority to bind any other Manager in any way.

9. INDEMNITY

The Managers agree, whether or not the Securities shall have been issued and settlement made of all other rights and obligations under this Agreement, to contribute (without regard to the limit set out in Clause 6(b)) in proportion to their respective Commitments towards (a) all expenses incurred by the Lead Manager and not reimbursed by the Issuer or the Guarantor or any other person in investigating or defending any claim or proceeding which is asserted or commenced by any party (including any governmental or regulatory body) in connection with the issue and offering or proposed issue and offering of the Securities (other than any such claim or proceeding as may arise from the gross negligence or wilful misconduct of the Lead Manager) and (b) any liability, including legal fees, incurred by the Lead Manager in respect of any such claim or proceeding, whether such liability shall be the result of a judgment or of any settlement agreed by the Lead Manager (other than any such expense or liability as to which the Lead Manager receives indemnity in the form of payment from any other person or which arises out of the Lead Manager's gross negligence or wilful misconduct). Further, the Managers confirm their authority to the Lead Manager to take such action in that respect on behalf of the Managers as, in its absolute discretion, the Lead Manager considers appropriate. The Lead Manager shall notify the other Managers of any such claim or proceeding and shall (without prejudice to its foregoing authority), to the extent it considers reasonably practicable, consult the other Managers before taking any decision which the Lead Manager at the time believes may have a substantial effect on the outcome of any such claim or proceeding which it then considers material.

10. GOVERNING LAW AND JURISDICTION

This Agreement, as to which time shall be of the essence, shall be governed by and construed in accordance with English law. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably submits to the jurisdiction of the English courts and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party.

Nothing in this Agreement precludes any party from bringing Proceedings in any other jurisdiction (outside the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions (outside the Contracting States) preclude the bringing of Proceedings in any such other jurisdiction.

...\ cont.

SCHEDULE

Closing Date	The date defined as such in the Subscription Agreement.
Combined Commission	The combined management and underwriting commission set out in the Invitation Telex.
Commitments	The amounts severally underwritten by the Managers as set out in the Commitment Telex.
Commitment Telex	The telex sent to each Manager by or on behalf of the Lead Manager setting out the names and underwriting commitments of all of the Managers. [Note: this information may be contained in the Invitation Telex.]
Guarantor	The Guarantor, if any, of the issue.
Global Instrument	Includes any global instrument to be delivered by the Issuer, as provided for in the Subscription Agreement.
Invitation Telex	The telex inviting each Manager to participate in the issue.
Issuer	The issuer of the Securities.
Lead Manager	The Manager expressed to be the Lead Manager in the Invitation Telex or as notified by any subsequent telex.
Managers	The parties named as such in the Subscription Agreement.
Power of Attorney	The document from a Manager appointing an authorised attorney to execute the Subscription Agreement.
Securities	The securities to be issued as described in the Invitation Telex.
Selling Price	The price at which the Managers agree to subscribe the Securities under the Subscription Agreement (that is, the gross issue price less any selling concession or commission).

Stabilisation Securities — The securities in respect of which the right to carry out stabilising action has been reserved in any circular or prospectus pursuant to the Conduct of Business Rules of the Securities and Investments Board.

Subscription Agreement — The agreement between the Issuer, the Guarantor (if appropriate), the Lead Manager and the other Managers setting out the terms and conditions upon which the Managers agree to subscribe the Securities.

AGREEMENT AMONG MANAGERS

Version 2
(Managers and Separate Selling Group – Fixed-Price
Non Equity-Related Issues)

EXPLANATORY NOTE
IPMA Standard Form Agreement Among Managers

A. The IPMA Standard Form Agreement Among Managers Version 2 is intended for use in fixed-price non equity-related issues where there is a separate Selling Group and where there is no intention to charge stabilisation losses to the Managers. It also assumes that the IPMA Recommendation that cost overruns should not be charged to co-Managers is to be followed.

B. This version of the IPMA Standard Form Agreement Among Managers will be used when the Invitation Telex contains the words:

> *Agreement Among Managers: IPMA Version 2.*

C. In the telex requesting each Manager to appoint authorised signatories to execute agreements on its behalf the following language should be inserted:

> *The execution of the Subscription Agreement by or on behalf of all parties will constitute your acceptance of the IPMA Agreement Among Managers Version 2 subject to any amendment notified to you in writing at any time prior to the earlier of the receipt by the Lead Manager of the document appointing your authorised signatory and the execution of the Subscription Agreement.*

The effect of adding these words is that each Manager will become bound by this version of the Standard Form Agreement Among Managers (with the appropriate variations) by virtue of having become bound by the Subscription Agreement.

D. The Agreement contemplates that the Lead Manager will notify each co-Manager of the net amount due from it at Closing (i.e. after deduction of the Combined Commission due to it). In making that notification, the Lead Manager should make an appropriate adjustment for any praecipium.

The Terms of the Agreement Among Managers in respect of each issue where this form of agreement has been selected for use are as follows (subject, in the case of each Manager, to any amendment notified to that Manager in writing at any time prior to the time when the Power of Attorney granted by that Manager to the Lead Manager is received by it or, where no Power of Attorney is granted by that Manager, the date on which that Manager signs the Subscription Agreement and the Selling Group Agreement). Terms used in this Agreement have the meanings assigned to them in the attached Schedule. Where this Agreement Among Managers has been selected for use, it is conditional upon and will take effect upon the execution of the Subscription Agreement for the relevant issue of Securities.

1. OFFERING

The Managers confirm that the Lead Manager, on their behalf, as agents of the Issuer, has offered or will offer the Securities to the Selling Group on the terms of the Selling Group Agreements and the Selling Group Telexes referred to therein and/or the Managers. Each Manager confirms that the Lead Manager has been authorised to execute, on its behalf, the Selling Group Agreements with the Selling Group.

2. UNDERWRITING

The Securities will as between the Managers be severally underwritten by the Managers in the amounts set out in the Commitment Telex.

3. SUBSCRIPTION BY MANAGERS

If any Selling Group member or Manager defaults in its obligation to subscribe any amount of Securities offered to it as described in Clause 1, or if the Lead Manager in its absolute discretion believes that any Selling Group member or Manager will so default:

(1) the Lead Manager may require each non-defaulting Manager who has agreed to subscribe Securities as a result of offers described in Clause 1 in a principal amount which is less than its Commitment, to subscribe or purchase additional Securities, but so that no non-defaulting Manager shall, under this paragraph (1) and as a result of offers accepted by it as described in Clause 1 be obliged to subscribe or purchase a principal amount of Securities in excess of its Commitment. In exercising its rights under this paragraph, the Lead Manager shall allocate Securities to each non-defaulting Manager to whom the paragraph applies in proportion to their Commitments, subject to paragraphs (4) and (5);

(2) if any Securities remain to be subscribed or purchased after paragraph (1) has been applied, the Lead Manager may require each of the non-defaulting Managers to subscribe or purchase such Securities in proportion to their Commitments;

(3) any Securities to which this Clause relates will be subscribed or purchased by the non-defaulting Managers at the Selling Price, but (where this Clause applies to such Securities by reason of a default by a Manager) after deduction of the defaulting Manager's Combined Commission, divided among the non-defaulting Managers in proportion to the amount of Securities taken up by them under this Clause, which amount shall be notified to each non-defaulting Manager by the Lead Manager;

(4) the Lead Manager may adjust the amount of Securities it requires any Manager to subscribe or purchase under this Clause up or down to such extent as it may deem expedient and equitable so as to ensure that no Manager is required to subscribe or pay for a fraction of any Security;

(5) as an alternative and/or in addition to paragraphs (1) and/or (2), the Lead Manager may, in its absolute discretion, offer any Securities to which this Clause applies to any person (whether or not a Manager) or may retain them for its own account.

4. AUTHORITY TO LEAD MANAGER

Each of the Managers authorises the Lead Manager as its agent and on its behalf to do whatever that Manager is (or all the Managers together are)

required or entitled to do under the Subscription Agreement or the Selling Group Agreements including:

(1) entering into such arrangements with Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system and Centrale de Livraison de Valeurs Mobilières SA as the Lead Manager reasonably believes to be appropriate to effect payment for and delivery of the Global Instrument delivered in respect of the Securities in accordance with the ISMA Primary Market Settlements recommendations;

(2) borrowing for the account of the non-defaulting Managers, for their several accounts in proportion to their respective Commitments, such sum as may be necessary in order that payment to the Issuer can be effected as specified in the Subscription Agreement and the Lead Manager may pay interest at then current rates;

(3) waiving compliance with any of the conditions referred to in the Subscription Agreement in respect of which the right of waiver is reserved.

As an alternative to borrowing under paragraph (2), the Lead Manager may as principal lend, and may charge interest at then current rates on, such sums as are referred to in that paragraph mutatis mutandis on the terms of that paragraph.

Any amounts due from any Manager as a result of any borrowing made on its behalf, or any loan to it, will be paid forthwith upon demand.

5. STABILISATION

(a) Stabilising Manager

Each Manager acknowledges that the Lead Manager is appointed stabilising Manager for the Stabilisation Securities. However, this Clause does not authorise the Lead Manager to carry out stabilisation and/or over-allotment transactions on behalf of the Managers. Any such transactions shall be for the Lead Manager's own account and shall be effected in accordance with applicable laws.

(b) Non-Stabilisation Agreement

No Manager other than the Lead Manager (and any lawful regional stabilising Manager) will effect any transactions (whether in the open market or otherwise) with a view to stabilising or maintaining the market price of the Stabilisation Securities at levels other than those which might otherwise prevail.

6. EXPENSES

(a) Retention

The amount paid by the Issuer or the Guarantor in respect of Managers' expenses shall be retained by the Lead Manager for its own account. The other Managers will not be reimbursed for any of their expenses in connection with the issue of the Securities.

(b) Expenses on Termination

If the obligations of the Managers under the Subscription Agreement to subscribe the Securities are terminated, the Managers agree to contribute (subject to the aggregate amount of such contribution not exceeding the lower of 6% of the Combined Commission and 20% of the amount reimbursable by the Issuer (failing whom the Guarantor) in respect of expenses) in proportion to their respective Commitments in meeting any direct out-of-pocket expenses incurred by the Lead Manager which are not recoverable and/or are not recovered from the Issuer or the Guarantor under the Subscription Agreement.

7. TERMINATION

If any Manager wishes to terminate its obligations to subscribe the Securities under the Subscription Agreement, it shall consult with the Lead Manager who shall, to the extent the Lead Manager considers reasonably practicable, consult with the other Managers. The Lead Manager may in any event, on behalf of the Managers and in its sole discretion, give notice of such termination to the Issuer in accordance with the terms of the Subscription Agreement and shall not be responsible to any Manager for

any consequences resulting from any such notice. No other Manager may give any such notice and the Lead Manager may not be required to give, or not to give, such notice.

8. PARTNERSHIP

None of the provisions of this Agreement or any other agreement relating to the Securities shall constitute or be deemed to constitute a partnership or joint venture between the Managers or any of them, or between them (or any of them) and anyone else, and, except as specifically provided, none of the Managers shall have any authority to bind any other Manager in any way.

9. INDEMNITY

The Managers agree, whether or not the Securities shall have been issued and settlement made of all other rights and obligations under this Agreement, to contribute (without regard to the limits set out in Clause 6(b)) in proportion to their respective Commitments towards (a) all expenses incurred by the Lead Manager and not reimbursed by the Issuer or the Guarantor or any other person in investigating or defending any claim or proceeding which is asserted or commenced by any party (including any governmental or regulatory body) in connection with the issue and offering or proposed issue and offering of the Securities (other than any such claim or proceeding as may arise from the gross negligence or wilful misconduct of the Lead Manager) and (b) any liability, including legal fees, incurred by the Lead Manager in respect of any such claim or proceeding, whether such liability shall be the result of a judgment or of any settlement agreed by the Lead Manager (other than any such expense or liability as to which the Lead Manager receives indemnity in the form of payment from any other person or which arises out of the Lead Manager's gross negligence or wilful misconduct). Further, the Managers confirm their authority to the Lead Manager to take such action in that respect on behalf of the Managers as, in its absolute discretion, the Lead Manager considers appropriate. The Lead Manager shall notify the other Managers of any such claim or proceeding and shall (without prejudice to its foregoing authority), to the extent it considers reasonably practicable, consult the other Managers before taking any decision which the Lead Manager at the time believes may have a substantial effect on the outcome of any such claim or proceeding which it then considers material.

10. GOVERNING LAW AND JURISDICTION

This Agreement, as to which time shall be of the essence, shall be governed by and construed in accordance with English law. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably submits to the jurisdiction of the English courts and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party.

Nothing in this Agreement precludes any party from bringing Proceedings in any other jurisdiction (outside the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions (outside the Contracting States) preclude the bringing of Proceedings in any such other jurisdiction.

SCHEDULE

Closing Date	The date defined as such in the Subscription Agreement.
Combined Commission	The combined management and underwriting commission set out in the Invitation Telex.
Commitments	The amounts severally underwritten by the Managers as set out in the Commitment Telex.
Commitment Telex	The telex sent to each Manager by or on behalf of the Lead Manager setting out the names and underwriting commitments of all of the Managers. [Note: this information may be contained in the Invitation Telex.]
Guarantor	The Guarantor, if any, of the issue.
Global Instrument	Includes any global instrument to be delivered by the Issuer, as provided for in the Subscription Agreement.
Invitation Telex	The telex inviting each Manager to participate in the issue.
Issuer	The issuer of the Securities.
Lead Manager	The Manager expressed to be the Lead Manager in the Invitation Telex or as notified by any subsequent telex.
Managers	The parties named as such in the Subscription Agreement.
Power of Attorney	The document from a Manager appointing an authorised attorney to execute the Subscription Agreement.
Securities	The securities to be issued as described in the Invitation Telex.
Selling Group	The group consisting of certain banks, brokers and dealers (which may include Managers) selected by the Lead Manager.

Selling Group Agreement — The agreement (which may be, once the relevant confirmation has been received, the Selling Group Telex) between members of the Selling Group setting out the terms and conditions upon which members of the Selling Group agree to subscribe the Securities.

Selling Group Telexes — The telexes sent to each member of the Selling Group by or on behalf of the Lead Manager inviting each such member to participate in the issue.

Selling Price — The price at which the Managers agree to subscribe the Securities under the Subscription Agreement (that is, the gross issue price less any selling concession or commission).

Stabilisation Securities — The securities in respect of which the right to carry out stabilising action has been reserved in any circular or prospectus pursuant to the Conduct of Business Rules of the Securities and Investments Board.

Subscription Agreement — The agreement between the Issuer, the Guarantor (if appropriate), the Lead Manager and the other Managers setting out the terms and conditions upon which the Managers agree to subscribe the Securities.

AGREEMENT AMONG MANAGERS

Version 3
(Managers only – Equity-Related Issues)

EXPLANATORY NOTE
IPMA Standard Form Agreement Among Managers

A. The IPMA Standard Form Agreement Among Managers Version 3 is intended for use in equity-related issues. It assumes that cost overruns and stabilisation losses will be charged to co-Managers.

B. This version of the IPMA Standard Form Agreement Among Managers will be used when the Invitation Telex contains the words:

Agreement Among Managers: IPMA Version 3.

C. In the telex requesting each Manager to appoint authorised signatories to execute agreements on its behalf the following language should be inserted:

The execution of the Subscription Agreement by or on behalf of all parties will constitute your acceptance of the IPMA Agreement Among Managers Version 3 subject to any amendment notified to you in writing at any time prior to the earlier of the receipt by the Lead Manager of the document appointing your authorised signatory and the execution of the Subscription Agreement.

The effect of adding these words is that each Manager will become bound by this version of the Standard Form Agreement Among Managers (with the appropriate variations) by virtue of having become bound by the Subscription Agreement.

The Terms of the Agreement Among Managers in respect of each issue where this form of agreement has been selected for use are as follows (subject, in the case of each Manager, to any amendment notified to that

Manager in writing at any time prior to the time when the Power of Attorney granted by that Manager to the Lead Manager is received by it or, where no Power of Attorney is granted by that Manager, the date on which that Manager signs the Subscription Agreement). Terms used in this agreement have the meanings assigned to them in the attached Schedule. Where this Agreement Among Managers has been selected for use, it is conditional upon and will take effect upon the execution of the Subscription Agreement for the relevant issue of Securities.

1. OFFERING

The Managers confirm that the Lead Manager, on their behalf, as agents of the Issuer, has offered or will offer the Securities to Managers in the amounts already notified to each Manager by the Lead Manager.

2. UNDERWRITING

The Securities will as between the Managers be severally underwritten by the Managers in the amounts set out in the Commitment Telex.

3. SUBSCRIPTION BY MANAGERS

If any Manager defaults in its obligation to subscribe any amount of Securities offered to it as described in Clause 1, or if the Lead Manager in its absolute discretion believes that any Manager will so default:

(1) the Lead Manager may require each non-defaulting Manager who has agreed to subscribe Securities as a result of offers described in Clause 1 in a principal amount which is less than its Commitment, to subscribe or purchase additional Securities, but so that no non-defaulting Manager shall, under this paragraph (1) and as a result of offers accepted by it as described in Clause 1 be obliged to subscribe or purchase a principal amount of Securities in excess of its Commitment. In exercising its right under this paragraph, the Lead Manager shall allocate Securities to each non-defaulting Manager to whom the paragraph applies in proportion to their Commitments, subject to paragraphs (4) and (5);

(2) if any Securities remain to be subscribed or purchased after paragraph (1) has been applied, the Lead Manager may require each of the non-defaulting Managers to subscribe or purchase such Securities in proportion to their Commitments;

(3) any Securities to which this Clause relates will be subscribed or purchased by the non-defaulting Managers at the Selling Price;

(4) the Lead Manager may adjust the amount of Securities it requires any Manager to subscribe or purchase under this Clause up or down to such extent as it may deem expedient and equitable so as to ensure that no Manager is required to subscribe or pay for a fraction of any Security;

(5) as an alternative and/or in addition to paragraphs (1) and/or (2), the Lead Manager may, in its absolute discretion, offer any Securities to which this Clause applies to any person (whether or not a Manager) or may retain them for its own account.

4. AUTHORITY TO LEAD MANAGER

Each of the Managers authorises the Lead Manager as its agent and on its behalf to do whatever that Manager is (or all the Managers together are) required or entitled to do under the Subscription Agreement including:

(1) entering into such arrangements with Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system and Centrale de Livraison de Valeurs Mobilières SA as the Lead Manager reasonably believes to be appropriate to effect payment for and delivery of the Global Instrument or Instruments delivered in respect of the Securities in accordance with the ISMA Primary Market Settlements recommendations;

(2) borrowing for the account of the non-defaulting Managers, for their several accounts in proportion to their respective Commitments, such sum as may be necessary in order that payment to the Issuer can be effected as specified in the Subscription Agreement and the Lead Manager may pay interest at then current rates;

(3) waiving compliance with any of the conditions referred to in the Subscription Agreement in respect of which the right of waiver is reserved.

As an alternative to borrowing under paragraph (2), the Lead Manager may as principal lend, and may charge interest at then current rates on, such sums as are referred to in that paragraph mutatis mutandis on the terms of that paragraph.

Any amounts due from any Manager as a result of any borrowing made on its behalf, or any loan to it, will be paid forthwith upon demand.

5. STABILISATION AND COMMISSIONS

(a) Authority to Lead Manager

In order to facilitate the distribution of the Securities, the Managers severally authorise the Lead Manager, in the Lead Manager's absolute discretion and for the account of the Managers, with a view to stabilising or maintaining the market price of the Stabilisation Securities at levels other than those which might otherwise prevail in the open market, during the period ending 30 days after the date of the Subscription Agreement, to the extent permitted by applicable laws:

(1) to purchase and sell any amount of the Stabilisation Securities in the open market or otherwise on such terms as it may decide;

(2) to offer any amount of the Stabilisation Securities in excess of the aggregate principal amount of the Stabilisation Securities;

(3) to take such action to hedge the stabilisation account in whatever securities the Lead Manager may deem appropriate; and

(4) to cover any short position or sell any long position incurred pursuant to (1), (2) or (3) above upon such terms as it may think fit.

Any positions so incurred or transactions so entered into shall be closed out for the account of the Managers within the period referred to above. Any resulting profit or loss shall be for the account of the Managers (pro rata to their respective Commitments) to the extent that it does not exceed 60%

of the Combined Commission and for that of the Lead Manager to the extent that it does.

(b) Power to Borrow

The Lead Manager may advance its own funds, or borrow for the account of the Managers, for the purposes of stabilisation and over-allotment pursuant to sub-Clause (a) above, and may (subject to the limitation contained in the final paragraph of Clause 5(a)) charge or, as the case may be, pay interest at then current rates, such interest to be taken into account as an expense of such action before calculating the profit and loss on such stabilisation or over-allotment.

(c) Non-Stabilisation Agreement

No Manager other than the Lead Manager (and any lawful regional stabilising Manager) will effect any transactions (whether in the open market or otherwise) with a view to stabilising or maintaining the market price of the Stabilisation Securities at levels other than those which might otherwise prevail.

(d) Distribution of Commissions

After payment of the net subscription moneys to the Issuer in accordance with the Subscription Agreement, the Lead Manager shall, out of the balance of the moneys received by it pursuant to the issue of the Securities, (1) from an amount equal to 40% of the Combined Commission (a) deduct the Praecipium (if any) and (b) distribute the balance of such amount to all the Managers in proportion to their respective Commitments, and (2) distribute the balance of the Combined Commission, subject to adjustment in accordance with sub-Clause (e), to all the Managers in proportion to their respective Commitments. Each Manager required to subscribe or purchase additional Securities pursuant to Clause 3 is entitled to the corresponding Combined Commission relating to such Securities which will be paid to it in accordance with this sub-Clause (d).

(e) Adjustment to Commissions

The balance of the Combined Commission shall be adjusted by the Lead Manager, prior to payment, as nearly as practicable in proportion to the respective Commitments of the Managers, as follows:

(1) The Lead Manager shall deduct any expenses incurred in connection with the issue of the Securities to the extent that they exceed the amount set out in the Invitation Telex except that the deduction to cover those expenses shall not exceed the lower of 6% of the Combined Commission and 20% of the expenses reimbursed by the Issuer or the Guarantor (if any) and receivable by the Lead Manager.

(2) The Lead Manager shall deduct any overall loss incurred as a result of transactions effected in accordance with Clause 5(a) except that the deduction, when taken with any adjustment pursuant to sub-Clause (e)(1), shall not exceed 60% of the Combined Commission.

(3) The Lead Manager shall add any overall profit earned as a result of transactions effected in accordance with Clause 5(a) to the extent that the profit so added does not exceed 60% of the Combined Commission.

(4) The Lead Manager shall take account of interest on any borrowings made under Clause 4(2) or of any loan made by it under Clause 4.

6. EXPENSES

(a) Retention

The amount paid by the Issuer or the Guarantor in respect of Managers' expenses shall be retained by the Lead Manager for its own account. The other Managers will not be reimbursed for any of their expenses in connection with the issue of the Securities.

(b) Expenses on Termination

If the obligations of the Managers under the Subscription Agreement to subscribe the Securities are terminated, the Managers agree to contribute (subject to the aggregate amount of such contribution not exceeding the lower of 6% of the Combined Commission and 20% of the amount reimbursable by the Issuer (failing whom the Guarantor) in respect of expenses) in proportion to their respective Commitments in meeting any direct out-of-pocket expenses incurred by the Lead Manager which are not recoverable and/or are not recovered from the Issuer or the Guarantor under the Subscription Agreement.

7. TERMINATION

If any Manager wishes to terminate its obligations to subscribe the Securities under the Subscription Agreement, it shall consult with the Lead Manager who shall, to the extent the Lead Manager considers reasonably practicable, consult with the other Managers. The Lead Manager may in any event, on behalf of the Managers and in its sole discretion, give notice of such termination to the Issuer in accordance with the terms of the Subscription Agreement and shall not be responsible to any Manager for any consequences resulting from any such notice. No other Manager may give any such notice and the Lead Manager may not be required to give, or not to give, such notice.

8. PARTNERSHIP

None of the provisions of this Agreement or any other agreement relating to the Securities shall constitute or be deemed to constitute a partnership or joint venture between the Managers or any of them, or between them (or any of them) and anyone else, and, except as specifically provided, none of the Managers shall have any authority to bind any other Manager in any way.

9. INDEMNITY

The Managers agree, whether or not the Securities shall have been issued and settlement made of all other rights and obligations under this Agreement, to contribute (without regard to the limit set out in Clause 6(b)) in proportion to their respective Commitments towards (a) all expenses incurred by the Lead Manager and not reimbursed by the Issuer or the Guarantor or any other person in investigating or defending any claim or proceeding which is asserted or commenced by any party (including any governmental or regulatory body) in connection with the issue and offering or proposed issue and offering of the Securities (other than any such claim or proceeding as may arise from the gross negligence or wilful misconduct of the Lead Manager) and (b) any liability, including legal fees, incurred by the Lead Manager in respect of any such claim or proceeding, whether such liability shall be the result of a judgment or of any settlement agreed by the Lead Manager (other than any such expense or liability as to which the Lead Manager receives indemnity in the form of payment from any

other person or which arises out of the Lead Manager's gross negligence or wilful misconduct). Further, the Managers confirm their authority to the Lead Manager to take such action in that respect on behalf of the Managers as, in its absolute discretion, the Lead Manager considers appropriate. The Lead Manager shall notify the other Managers of any such claim or proceeding and shall (without prejudice to its foregoing authority), to the extent it considers reasonably practicable, consult the other Managers before taking any decision which the Lead Manager at the time believes may have a substantial effect on the outcome of any such claim or proceeding which it then considers material.

10. GOVERNING LAW AND JURISDICTION

This Agreement, as to which time shall be of the essence, shall be governed by and construed in accordance with English law. With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably submits to the jurisdiction of the English courts and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party.

Nothing in this Agreement precludes any party from bringing Proceedings in any other jurisdiction (outside the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions (outside the Contracting States) preclude the bringing of Proceedings in any such other jurisdiction.

SCHEDULE

Closing Date	The date defined as such in the Subscription Agreement.
Combined Commission	The combined management and underwriting commission set out in the Invitation Telex.
Commitments	The amounts severally underwritten by the Managers as set out in the Commitment Telex.
Commitment Telex	The telex sent to each Manager by or on behalf of the Lead Manager setting out the names and underwriting commitments of all of the Managers. [Note: this information may be contained in the Invitation Telex.]
Guarantor	The Guarantor, if any, of the issue.
Global Instrument	Includes any global instrument or instruments to be delivered by the Issuer, as provided for in the Subscription Agreement.
Invitation Telex	The telex inviting each Manager to participate in the issue.
Issuer	The issuer of the Securities.
Lead Manager	The Manager expressed to be the Lead Manager in the Invitation Telex or as notified by any subsequent telex.
Managers	The parties named as such in the Subscription Agreement.
Power of Attorney	The document from a Manager appointing an authorised attorney to execute the Subscription Agreement.
Praecipium	The praecipium set out in the Invitation Telex.
Securities	The securities to be issued as described in the Invitation Telex.
Selling Price	The price at which the Managers agree to subscribe the Securities under the Subscription Agreement (that is, the gross issue price less any selling concession or commission).

Stabilisation Securities	The securities in respect of which the right to carry out stabilising action has been reserved in any circular or prospectus pursuant to the Conduct of Business Rules of the Securities and Investments Board.
Subscription Agreement	The agreement between the Issuer, the Guarantor (if appropriate), the Lead Manager and the other Managers setting out the terms and conditions upon which the Managers agree to subscribe the Securities.

AGREEMENT AMONG MANAGERS

German Law Versions
Versions for Issues Governed by German Law

The following Clauses amend the Clauses of the same numbers in Versions 1, 2 and 3 of the Agreement Among Managers so that the Agreements can be applied to Issues governed by German law. Apart from these amendments, the German Law Versions 1, 2 and 3 of the Agreement Among Managers are identical to the English Law versions reproduced in full in this IPMA handbook. Where a German Law Version of the Agreement Among Managers is used, the Agreement Among Managers can be designated *German Version 1, German Version 2*, or *German Version 3* as appropriate.

(The German Law Versions take account of the practices used for Deutsche Mark issues. For other issues governed by German law, the standard (i.e. non-German) Versions 1, 2 and 3 of the Agreement Among Managers may be appropriate with some only of the amendments set out below. In such cases, a phrase like (*German Clauses 1 and 10 only*) can be added after *Version 1, 2* or *3*.)

Clause 1

Delete the words *as agents of the Issuer.*

Clause 4(1)

Delete Clause 4(1).

Clause 10

Delete Clause 10 and insert the words:

> *This Agreement shall be governed by and construed in accordance with the law of the Federal Republic of Germany. The courts of Frankfurt am Main, Federal Republic of Germany, shall have non-exclusive jurisdiction over any dispute arising under or in connection with this Agreement and each party irrevocably submits to the jurisdiction of such German courts.*

Schedule

Delete the definition of *Stabilisation Securities* and insert the amended definition:

> *The securities (i) which are the subject of the distribution contemplated hereby or (ii) in respect of which the right to carry out stabilising action has been reserved in any circular or prospectus.*

APPENDIX E

IPMA STANDARD TERMS FOR SUBSCRIPTION AGREEMENTS

DISCLAIMER

Members and their professional advisers should consider the appropriateness of the Standard Form Subscription Agreement in each case where it is proposed that it should be used, and should modify it where necessary or advisable to take account of the special circumstances of the issue or of the issuer. The Standard Form sets out minimum terms only and IPMA accepts no responsibility in respect of such matters.

IPMA STANDARD TERMS FOR SUBSCRIPTION AGREEMENTS

1. INTERPRETATION

Terms used in this document have the same meanings as in the agreement into which they are incorporated (the "Subscription Agreement").

2. THE ISSUE

(A) Subscription

The Managers jointly and severally agree to subscribe the Securities at the Selling Price on the Closing Date, on the terms of the Subscription Agreement. Each Manager has complied, and will comply, with the Selling Restrictions and will indemnify the Issuer against the consequences which may result if it does not do so (unless its failure to do so is based upon legal advice received by it).

(B) Issue

The Issuer agrees to issue the Securities on the Closing Date to the Managers or as they may direct and (if there is one) the Guarantor agrees to give the Guarantee. Each of them will enter into each Specified Document to which it is to be a party, not later than its Specified Date and will obtain any Closing Consents on or before the Closing Date. Each confirms that the Managers may distribute copies of the Disclosure Document, and were authorised to circulate a draft of it, in connection with the offer and sale of the Securities.

3. STABILISATION

Any stabilisation activities described in the Disclosure Document will not be carried out by the Lead Manager as agent for the Issuer or (if there is one) Guarantor and the Lead Manager will not account to them for any resulting profit, nor will they be liable for any loss. No more than the Issue Amount of the Securities will be issued.

4. LISTING

The Issuer agrees that the Securities will be listed on the Stock Exchange and the Issuer and (if there is one) the Guarantor will use all reasonable efforts to obtain and to maintain the listing. If it is unable to do so, having used such efforts, it will use all reasonable efforts to obtain a listing for the Securities on another stock exchange approved by the Lead Manager.

5. REPRESENTATIONS AND WARRANTIES

(A) Warranties

The Issuer (together with the Guarantor (if there is one), on the Agreed Basis) represents and warrants to each Manager that:

(1) Existence: it, and each of its Subsidiaries, exists as a legal entity with full power to own its assets and conduct its business in whatever jurisdiction those assets are located or that business is conducted;

(2) Specified Documents and Securities: the Specified Documents to which it is, or is to be, a party and the Securities are, or (if to be entered into after the date of the Subscription Agreement) will when entered into be, its legally binding obligations, enforceable against it in accordance with their terms (subject to any qualifications in the legal opinions described as Closing Letters);

(3) No Impediments: apart from the Closing Consents (if any), which will be obtained on or prior to the Closing Date, no action or thing (including the obtaining of any consent or licence or the making of any filing or registration) is required to be taken or done for the carrying out of any obligation by it or on its behalf, as contemplated by the Specified Documents. There is nothing which could prevent the carrying out of the transactions contemplated by the Specified Documents and the carrying out of such transactions will not conflict with its constitutional documents (if any) or any of its other obligations or any law to which it is subject;

(4) Disclosure: the Disclosure Document contains all information with respect to it and to it and its Subsidiaries taken as a whole (its "Group") which is material in the context of the issue and offering

of the Securities (including all information required by law and the Stock Exchange). The information contained in the Disclosure Document relating to it and its Group is, in all material respects, true, complete and not misleading and has been verified by it through all reasonable enquiries. Nothing has been omitted from the Disclosure Document which (if it had been included) would materially alter the meaning or significance of the information in the Disclosure Document. Where it consists of opinions or intentions, these are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions;

(5) Financial Statements: its Specified Financial Statements were prepared in accordance with accounting principles and in accordance with the laws applicable to it, which have been applied on a consistent basis, except as disclosed in them. They present fairly the financial position and results of itself and its Group. Since the date of the Specified Financial Statements, there has been no material adverse change, or development involving a prospective material adverse change, in such position or results, except as disclosed in the Disclosure Document;

(6) Litigation: there are no pending actions or proceedings against or affecting it or any of its Subsidiaries or any of its or their properties which, if determined adversely to any such entity, would individually or in the aggregate have a material adverse effect on its condition (financial or other), prospects, results of operations or general affairs or those of its Group, or on its ability to perform its obligations under the Specified Documents or the Securities or (if there is one) the Guarantee or which are otherwise material in the context of the issue of the Securities and, to the best of its knowledge, no such actions or proceedings are threatened or contemplated;

(7) Events of Default: no event has occurred or circumstances have arisen which, had the Securities already been issued, might (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under "Events of Default" in the Securities;

(8) Other Representations: the Representations (if any) set out in the Subscription Agreement are also part of this Agreement.

(B) Repetition and Indemnity

The representations and warranties in Clause 5(A) must remain true, even though circumstances change, up to and including the Closing Date. The Issuer (and the Guarantor, if there is one, on the Agreed Basis) agrees with each Manager that it will indemnify such Manager and each of its officers or employees and each United States Person who controls such Manager for the purpose of Section 15 of the Securities Act against any consequences, direct or indirect, which such Manager, officer or employee or United States Person may suffer (i) as a result of any of the matters represented or warranted by the Issuer or (if there is one) the Guarantor in relation to the issue not being, or being alleged not to be, as represented or warranted and (ii) notwithstanding that such Manager investigates whether the matters represented or warranted are true.

6. UNDERTAKINGS

The Issuer (jointly and severally with the Guarantor, if there is one):

(A) Taxes

will pay any documentary or issue or registration fees payable in any Specified Jurisdiction in connection with the Specified Documents or the transactions contemplated therein or the Securities and any value added or other similar tax payable in respect of any amount payable to the Managers hereunder; and

(B) Warranties

will promptly notify the Lead Manager if, on any day, it is unable to repeat the representations and warranties in Clause 5(A).

7. CONDITIONS

(A) Conditions

The obligations of the Managers to subscribe the Securities are conditional on:

(1) Listing: the Securities being listed on the Stock Exchange, subject only to the issue of the Closing Security, or the Lead Manager being satisfied that they will be listed shortly after the Closing Date;

(2) Closing Letters: the Closing Letters having been delivered to the Managers on, and dated as of, their Specified Dates;

(3) Representations and Warranties: the representations and warranties in Clause 5(A) being true up to and including the Closing Date;

(4) Performance: each of the Issuer and the Guarantor (if there is one) having complied with all its obligations to be performed under the Subscription Agreement on or by the Closing Date;

(5) Closing Certificate: the delivery on the Closing Date of a Closing Certificate by the Issuer and (if there is one) the Guarantor; and

(6) Other Conditions: the satisfaction of the other conditions (if any) set out in the Subscription Agreement.

(B) Waiver

The Lead Manager on behalf of the Managers may, at its discretion and on such terms as it thinks fit, waive compliance with Clause 7(A)(2), (3), (4), (5) and (6).

8. CLOSING

At the Specified Time on the Closing Date and in such place as the Lead Manager may reasonably require, the Issuer will issue to the order of the Managers the Closing Security, duly executed and (if so required) authenticated. Against such delivery, the Managers will pay the Closing Payment in the currency of the Securities for value the Closing Date to such account in the principal financial centre for the currency as the Issuer may specify to the Lead Manager not later than 5 days before the Closing Date. Such payment shall be evidenced by a confirmation by a depositary common to Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System and Cedel SA that it has so made that payment.

9. COMMISSION

The Issuer (failing whom the Guarantor, if there is one) agrees to pay the Commission to the Managers.

10. EXPENSES

The Issuer (failing whom the Guarantor, if there is one) will pay to the Lead Manager the Expense Amount, in the manner specified in the Expenses Letter.

11. TERMINATION

(A) Failure to satisfy conditions

The Lead Manager may, by notice to the Issuer at any time before subscription of the Securities, terminate the Subscription Agreement if any of the conditions in Clause 7(A) is not fulfilled or waived. Upon such termination, the parties shall be released from their obligations under the Subscription Agreement, except for those of the Issuer and (if there is one) the Guarantor under Clauses 5 and 10.

(B) Force Majeure

The Force Majeure Clause shall apply as if set out in these Standard Terms.

12. SURVIVAL OF RIGHTS

Performance of the obligations to issue and subscribe the Securities shall not terminate any rights which any party may have under the Subscription Agreement, which shall continue in full force and effect, nor shall any such rights be affected by an investigation made by or on behalf of any of the Managers.

13. COMMUNICATIONS

Any communication shall be given by letter, telex, fax or telephone to the Issuer or (if there is one) the Guarantor or, through the Lead Manager, the Managers, in each case at its Specified Address and to the person specified under Specified Address. Any communication shall be effective (1) in the case of a letter, when delivered, (2) in the case of telex, when sent, provided what purports to be the correct answerback is received at the beginning and end of the telex, (3) in the case of fax, when acknowledged by the addressee specified under Specified Address and (4) in the case of telephone, when made.

14. GOVERNING LAW AND JURISDICTION

(A) Governing Law and Submission

The Subscription Agreement, as to which time shall be of the essence and which may be executed in any number of counterparts, to be taken together as one agreement, shall be governed by and construed in accordance with English law. The Relevant Courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Subscription Agreement and accordingly any legal action or proceedings arising out of or in connection with the Subscription Agreement ("Proceedings") may be brought in such courts. Each of the Issuer and the Guarantor (if there is one) irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Managers and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(B) Process

Each of the Issuer and (if there is one) the Guarantor irrevocably appoints the Process Agent (if any) as its authorised agent for service of process in England.

 ...\ cont.

IPMA STANDARD SUBSCRIPTION AGREEMENT

(For use with IPMA Standard Terms
for Subscription Agreements)

This Agreement is made on [ ] BETWEEN:

(1) [Name of Issuer] (the "Issuer");

(2) [Name of Guarantor] (the "Guarantor");

(3) [Name of Lead Manager] (the "Lead Manager"); and

(4) [Names of the other Managers] (together with the Lead Manager, the "Managers").

This Agreement records the arrangements between the parties in relation to the issue of the Securities.

1. INTERPRETATION

(A) Definitions

"Agreed Basis" means [insert basis on which the warranties are given by the Issuer and the Guarantor, if there is one – e.g. "joint and several". If there is no Guarantor, delete the definition];

"Closing Certificate" means a certificate, dated the Closing Date and signed by a duly authorised officer of the entity giving it, confirming the warranty in Clause 7(A) (3) of the Standard Terms, as at the Closing Date;

"Closing Consents" means [insert details of those authorisations, consents etc. which cannot be obtained until after the signing of the Subscription Agreement, but which are to be obtained on or before the Closing Date];

"Closing Date" means [ ] or such later date as the Issuer and the Lead Manager on behalf of the Managers may agree;

"Closing Letters" and, in relation to each Closing Letter, its "Specified Date" means:

Closing Letter	Specified Date
[Insert details e.g. legal opinions and auditor's comfort letters]	[Date of Letter]

each substantially in the form of the draft signed for identification by [English legal advisers to the Lead Manager] with such changes as may be approved by the Lead Manager;

"Closing Payment" means an amount equal to the Selling Price less the Commission and the Expense Amount;

"Closing Security" means [e.g. the temporary global bond];

"Commission" means a combined management and underwriting commission of [ ] per cent. of the principal amount of the Securities;

"Disclosure Document" means [e.g. the Prospectus/Offering Circular/ Listing Particulars] dated [ ] [and [e.g. the draft/preliminary Prospectus/Offering Circular/Listing Particulars] dated [ ]], prepared by the Issuer and the Guarantor (if any) in connection with the issue of the Securities;

"Expense Amount" means the amount specified in the Expenses Letter;

"Expenses Letter" means the letter dated [ ] from [ ] to [ ];

"Force Majeure Clause" means [IPMA Version 1/Version 2] in the form in existence on [date on which Managers were informed of the Version to be used], with the clause relating to expenses being deemed to be Clause 10 of the Standard Terms, and with the Lead Manager referred to being deemed to be the Lead Manager, as defined herein;

"Guarantee" means [the guarantee to be contained in the Trust Deed/the guarantees in the form set out in the Fiscal Agency Agreement/the guarantees to be endorsed/enfaced on the Securities], in the form set out in the Specified Documents;

"Issue Amount" means [insert currency and full principal amount of the Securities];

"Process Agent" means [set out name of Process Agent for Issuer and (if there is one) Guarantor. Do not include for Issuers or Guarantors who have a presence in the United Kingdom];

"Relevant Courts" means [insert courts which are to have jurisdiction];

"Relevant Jurisdiction" means [jurisdiction of incorporation of Issuer and (if there is one) Guarantor];

"Securities" means the [currency, total principal amount and description of the Securities to be issued], and includes, where the context admits, the Closing Security, each in the form set out in the Specified Documents;

"Selling Price" means the issue price of [ ] per cent. of the principal amount of the Securities, [plus accrued interest, if any, from [ ] to the Closing Date], less a selling [concession/commission] of [ ] per cent. of such principal amount;

"Selling Restrictions" means the terms set out in the Schedule to the Subscription Agreement and the additional restrictions set out in Clause 2;

"Specified Address" means [set out the specified address and contact details for each party];

"Specified Documents" and, in relation to each Specified Document, its "Specified Date", means:

Specified Document	Specified Date
[Identify contract, including the Subscription Agreement and the Guarantee, if there is one]	[Date of contract]

each (save for this Agreement) substantially in the form of the draft signed for identification by [English legal advisers to the Managers] with such changes as may be approved by the Lead Manager;

"Specified Financial Statements" means [insert details of the financial statements of the Issuer and, if there is one, the Guarantor which are to be the subject of the warranties, e.g. "contained in the Disclosure Document" or "contained in its annual reports for the years [ ]"];

"Specified Jurisdictions" means any Relevant Jurisdiction and [ ];

"Specified Time" means [insert time for closing] (London time) or such other time as may be agreed between the Lead Manager, on behalf of the Managers, and the Issuer;

"Stock Exchange" means [ ]; and

"Subsidiaries" means [insert definition (including affiliates, if appropriate) relevant to the Issuer/Guarantor, e.g. the definition used by the law of incorporation of the Issuer/Guarantor].

(B) Incorporation of Standard Terms

Except as otherwise provided in this Agreement, the terms of the IPMA Standard Terms for Subscription Agreements dated [ ] (the "Standard Terms") shall apply to this Agreement as if they were set out in it. [Note: Alternatively, attach a copy in a Schedule.]

2. ADDITIONAL AGREEMENTS BY THE MANAGERS

[Set out United Kingdom and other selling restrictions.]

3. ADDITIONAL REPRESENTATIONS AND WARRANTIES

In addition to Clause 5 of the Standard Terms, each of the Issuer and (if there is one) the Guarantor represents and warrants on the Agreed Basis to each of the Managers that:

(1) No Directed Selling Efforts

Neither it nor its subsidiaries nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the United States Securities Act of 1933) with respect to the Securities.

[Insert additional warranties including, if Category 1 under Regulation S is used, the following:

"[(2)] No Substantial US Market Interest:

It reasonably believes that there is no substantial US market interest (as defined in Regulation S under the United States Securities Act of 1933) in its debt securities". [Note: if the Issuer is a subsidiary of the Guarantor, only the Guarantor need give this additional warranty.]]

The references in the Standard Terms to the representations and warranties in Clause 5(A) shall be deemed also to include the representations and warranties in this Clause.

4. OTHER TERMS

This Agreement has been entered into on the date stated at the beginning.

[NAME OF ISSUER]
By:

[NAME OF GUARANTOR]
By:

[NAME OF LEAD MANAGER]
By:

[EACH MANAGER]
By: