

# Information Memorandum



**Toyota Finance Australia Limited**  
(ABN 48 002 435 181)

**Toyota Motor Credit Corporation**  
(incorporated in the State of California, United States of America)

**Toyota Motor Finance (Netherlands) B.V.**  
(incorporated under the laws of the Netherlands)

## **A\$10,000,000,000 Debt Issuance Programme**

Under the Debt Issuance Programme described in this Information Memorandum ("**Programme**"), Toyota Finance Australia Limited ("**TFA**"), Toyota Motor Credit Corporation ("**TMCC**") and Toyota Motor Finance (Netherlands) B.V. ("**TMF**") and together with TFA, TMCC and any other subsidiary of Toyota Motor Corporation ("**Parent**") which accedes to the Programme as an additional issuer, the "**Issuers**" and each an "**Issuer**") may from time to time issue medium term debt obligations ("**MTNs**") and other debt instruments. The aggregate principal amount of outstanding MTNs issued under the Programme may not exceed A\$10,000,000,000 at any one time.

The MTNs will be constituted by, and owing under, the Second MTN Deed Poll dated 15 November 2012 and will be issued with the benefit of certain Credit Support Agreements governed by Japanese law between the Parent and Toyota Financial Services Corporation ("**TFS**") (the Parent and TFS are each a Japanese Corporation and together are referred to as the "**Credit Support Parties**"). TFS has, in turn, entered into Credit Support Agreements with each of the Issuers in respect of the issue of certain debt obligations (including the MTNs) by each of them. These Credit Support Agreements are more fully described at pages 49 and 50 of this Information Memorandum.

No prospectus or other disclosure document in relation to the Programme or the MTNs has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

The MTNs have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**") or the securities laws of any state in the United States. MTNs issued by TMCC are subject to the United States tax law requirements. MTNs may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

This Information Memorandum does not constitute a "prospectus" for the purposes of European Union Directive 2003/71/EC (as amended) ("**Prospectus Directive**"). Accordingly, this Information Memorandum is not to be used in connection with any issue of MTNs constituting an "offer of securities to the public" (as defined in Article 2 of the Prospectus Directive) within the European Economic Area, unless the obligation to publish a "prospectus" does not apply to such offer by virtue of Article 3.2 of the Prospectus Directive. No application has been made for MTNs issued under the Programme to be admitted to trading or listed on a regulated market for the purposes of Directive 2004/39/EC.

For a description of certain other restrictions on offers and sales of MTNs and on distribution of this Information Memorandum, see the section entitled "Selling Restrictions" in this Information Memorandum.

### **Arranger**

**Westpac Banking Corporation**

### **Dealers**

**Australia and New Zealand Banking Group Limited** (ABN 11 005 357 522)

**Commonwealth Bank of Australia**  
(ABN 48 123 123 124)

**nabCapital**  
(ABN 12 004 044 937)

**Westpac Banking Corporation**  
(ABN 33 007 457 141)

**15 November 2012**

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# Introduction

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This Information Memorandum relates to the Programme for the issue from time to time by the Issuers of MTNs and other debt instruments (as more particularly described below and which term, unless the context otherwise requires, includes any interests or rights in respect of any MTNs or other debt instrument).

The Programme replaces the A\$1,000,000,000 MTN Programme originally established by TFA in 2001 and this Information Memorandum replaces in its entirety the Information Memorandum dated 17 June 2008. An Issuer and its related entities may also issue notes, bonds or other debt instruments otherwise than under the Programme.

Subject to applicable laws and directives, an Issuer may issue (i) MTNs and other debt instruments under the Programme in Australia, and (ii) MTNs and other debt instruments under the Programme in countries in Europe and Asia (but not the United States of America unless those MTNs are registered under the Securities Act or an exemption from the registration requirements is available). No action has been taken in any jurisdiction to permit a public offering of MTNs under the Programme.

Each issue of MTNs will be made under documents agreed between the relevant Issuer and relevant Dealers (as defined in the “Summary of the Programme”). This Information Memorandum describes MTNs initially issued in registered form in Australia, Asia and Europe. An Issuer may publish a supplement to this Information Memorandum (or additional Information Memoranda) which describe the issue of debt instruments (or particular classes of debt instruments) not described in this Information Memorandum.

MTNs will be issued in one or more tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches within a particular Series may have various issue dates, issue prices and (if applicable) interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts, but will otherwise be issued on identical conditions. In particular, a pricing supplement (“**Pricing Supplement**”) will be issued for each Tranche and will contain details of the aggregate principal amount, the interest (if any) payable, the issue price, issue date and maturity date of the Tranche, together with any other conditions not contained in this Information Memorandum which apply to that Tranche.

Each Issuer may apply to Austraclear Ltd (ABN 94 002 060 773) (“**Austraclear**”) for approval for MTNs to be traded on the clearing and settlement system operated by Austraclear (“**Austraclear System**”). Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such MTNs. The rights of a holder of interests in MTNs held through the Austraclear System are subject to the rules and regulations of the Austraclear System.

On admission to the Austraclear System, interests in the MTNs may be held through Euroclear Bank SA/NA, (“**Euroclear**”), Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or any other clearing system described in the relevant Pricing Supplement (each of the Austraclear System, Euroclear, Clearstream, Luxembourg, and any other clearing system specified in the applicable Pricing Supplement, a “**Clearing System**”).

Each Series will initially take the form of an entry in a register. No certificate or other evidence of title will be issued in respect of the MTNs unless the relevant Issuer determines that certificates should be available or it is required to do so pursuant to applicable law or regulation (including, without limitation, the regulations governing the operation of one or more of the Clearing Systems).

# Important Notice

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## Responsibility

This Information Memorandum has been prepared by and issued with the authority of each Issuer. The Issuers accept responsibility for the information contained in this Information Memorandum, other than the information provided by the Dealers and Agents (each as defined in the section entitled “Summary of the Programme” below) in relation to their respective descriptions under the heading “Directory”. To the best of the knowledge of each Issuer, the information about itself and the relevant Credit Support Agreement to which it is a party described in “Relationship of Issuers and TFS with Parent” on pages 49 and 50 and the information contained in this Information Memorandum, is in accordance with the facts and does not omit anything likely to affect the import of such information.

## Documents incorporated by reference

The following documents are incorporated by reference in this Information Memorandum:

- all amendments and supplements to this Information Memorandum (including but not limited to each Pricing Supplement) published by an Issuer from time to time;
- Annual Reports and Financial Statements of TFA from time to time lodged with ASIC as updated, amended or supplemented from time to time by subsequent filings by TFA with ASIC;
- Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by TMCC with the United States Securities and Exchange Commission (“**SEC**”), as updated, amended or supplemented from time to time by subsequent filings by TMCC with the SEC;
- Audited Annual Financial Reports and Financial Statements and unaudited Half-Yearly Financial Reports of TMF published from time to time filed with the United Kingdom Financial Services Authority (“**FSA**”) as updated, amended or supplemented from time to time by any subsequent publication and filing by TMF with the FSA;
- the descriptions of TFA, TMCC and TMF, and the Risk Factors relating to an investment in notes issued by TFA, TMCC or TMF, each as set out in the Base Prospectus dated 14 September 2012 in relation to the €50,000,000,000 Euro Medium Term Note Programme established by, among others, the Issuers (“**Base Prospectus**”);
- documents in relation to an Issuer which have been approved by (a) the FSA in its capacity as competent authority under the Financial Services and Markets Act 2000 of the United Kingdom (“**FSMA**”) and/or published and filed with the FSA, and/or (b) the Central Bank of Ireland (“**CBI**”) as competent authority for the purposes of the Prospectus Directive and/or published and filed with the CBI, which in either case modify or supersede any statement contained in (i) the most recent published Annual Reports and Financial Statements of TFA lodged with ASIC, (ii) the most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by TMCC with the SEC, (iii) the most recent published Audited Annual Financial Reports and Financial Statements and unaudited Half-Yearly Financial Reports of TMF filed with the FSA, or (iv) the Base Prospectus (including any Supplementary Prospectuses), as the case may be; and
- all documents published by an Issuer and stated to be incorporated in this Information Memorandum by reference.

This Information Memorandum is to be read and construed with all these documents (excluding any information or statements included in any such documents that is or might be considered to be forward looking) which, unless the context otherwise requires, form part of this Information Memorandum. References to this “Information Memorandum” include such documents collectively and each of them individually. Any statement contained in this Information Memorandum shall be modified or

superseded to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference may be obtained from each Issuer at its office specified in the "Directory" on request.

### **Currency of information**

The information contained in this Information Memorandum has been prepared as of its Preparation Date.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any Annual Report or Financial Statements incorporated by reference in this Information Memorandum, the date up to, or as at, the date on which the Annual Report or Financial Statements relate; and
- in relation to any other information which is incorporated by reference in this Information Memorandum, the date indicated in that information as being its date of release.

Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum of MTNs at any time implies that (a) the information contained in it is correct at any time after the Preparation Date, (b) any other information supplied in connection with the Programme is correct as of any time after the Preparation Date, or (c) there has been no change (adverse or otherwise) in the financial condition or affairs of any Issuer at any time after the Preparation Date. In particular, each Issuer is under no obligation to update this Information Memorandum at any time after an issue of MTNs.

**Investors should review, amongst other things, the documents incorporated by reference in this Information Memorandum when deciding whether or not to purchase any MTNs.**

Also, each Issuer makes filings with regulatory authorities from time to time which may include information material to investors. Copies of such filings in respect of an Issuer are available from that Issuer on request.

### **References to internet site addresses**

Any internet site addresses provided in this Information Memorandum are for reference only and the content of such internet sites is not incorporated by reference into, and does not form part of, this Information Memorandum, except as expressly stated in this Information Memorandum.

### **No independent verification or authorisation**

The only role of the Arranger, Dealers and Agents (each as defined in the "Summary of the Programme") in the preparation of this Information Memorandum has been to confirm to the Issuers that their respective descriptions under "Summary of the Programme" and "Directory" are accurate as at the Preparation Date.

Apart from the foregoing, the Arranger, Dealers or Agents have not independently verified this Information Memorandum or any document incorporated by reference in it. Accordingly, they make no representation, warranty or undertaking, express or implied, as to, and accept no responsibility for, the accuracy or completeness of this Information Memorandum. In particular, none of the Arranger, Dealers or Agents has undertaken to review the financial condition or affairs of any Issuer during the term of the Programme.

No person has been authorised by any of the Issuers to give any information or make any representation not contained in, not incorporated by reference in, or not consistent with, this Information Memorandum in connection with the Issuers, the Programme or the issue or sale of the MTNs and, if given or made, that information or representation must not be relied on as having been authorised by an Issuer, the Arranger, the Dealers or the Agents.

### **Distribution arrangements**

The distribution of this Information Memorandum and the subscription, offer, sale or transfer of MTNs may be restricted by law in certain jurisdictions. None of the Issuers, Arranger, Dealers or Agents represents that this Information Memorandum may be lawfully distributed, or that any MTNs may be lawfully subscribed for, offered, sold or transferred in compliance with any applicable law in any such jurisdiction, or under an exemption available in that jurisdiction, or assumes any responsibility for facilitating any such distribution or offering. No action has been taken, or will be taken, by the Issuers, Arranger, Dealers or Agents in any jurisdiction which would permit a public offering of any MTNs or distribution of this Information Memorandum, or other offering material in relation to MTNs in any jurisdiction where action for that purpose is required.

In particular, the MTNs have not been and will not be registered under the Securities Act or the securities laws of any state in the United States of America. The MTNs may not be offered, sold, delivered or transferred within the United States of America or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), unless those MTNs are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available.

MTNs issued by TMCC also will be subject to the United States tax law requirements including provisions of the United States Internal Revenue Code of 1986, as amended ("**U.S. Internal Revenue Code**"), and the regulations thereunder.

### **No disclosure required**

Each offer to purchase or invitation to buy MTNs to be issued by each Issuer must be made in a manner which does not require disclosure to investors under Part 6D.2 of the Corporations Act 2001 of Australia ("**Corporations Act**").

### **Intending purchasers to make independent investment decision and obtain tax advice**

This Information Memorandum contains only summary information concerning the Issuers and MTNs. It is not intended to provide the basis of any credit or other evaluation in respect of the Issuers or the MTNs and should not be considered as a recommendation by the Issuers, Arranger, the Dealers or any Agent that any recipient of this Information Memorandum or any other financial statements should otherwise deal in any MTNs. It is not, and is not intended to be an offer or invitation to subscribe for, purchase or otherwise deal in any MTNs, or a recommendation or a statement of opinion (or a report of either of those things) that any person do so.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any MTNs or any rights in respect of any MTNs should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the relevant Issuer;
- determine for themselves the relevance of the information contained in this Information Memorandum, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any MTNs or rights in respect of them and each investor is advised to consult its own professional adviser.

## **Fees**

Each Issuer may pay any Dealer or Agent a fee for undertaking its role or reimburse it for certain expenses in respect of the MTNs subscribed by such Dealer, or for such Agent's role, as the case may be. Each Issuer may also indemnify the Dealers against certain liabilities in connection with the offer and sale of MTNs.

The Arranger, Dealers and Agents and their respective subsidiaries, related bodies corporate, officers and employees may have pecuniary or other interests in the MTNs and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any MTNs.

## **No ownership of MTNs issued by TMCC by United States Persons**

MTNs issued by TMCC may not be legally or beneficially owned by, or for the account or benefit of, United States persons (as defined below) at any time. In addition to the United States securities restrictions discussed above under "Important Notice – Distribution Arrangements" and below under "Subscription and Sale", in respect of MTNs issued by TMCC each MTN Holder, and each beneficial owner of, an MTN issued by TMCC shall be deemed to represent, as a condition to purchasing or owning MTNs issued by TMCC or a beneficial interest therein, that neither it nor any person for whose account or benefit MTNs issued by TMCC are being purchased is located in the United States, is a United States person or was solicited to purchase MTNs issued by TMCC while present in the United States. In addition, in respect of MTNs issued by TMCC, each MTN Holder and each beneficial owner of an MTN issued by TMCC hereby agrees not to offer, sell or deliver MTNs issued by TMCC, at any time, directly or indirectly in the United States or to, or for the account or benefit of, any United States person.

For purposes of these restrictions, "United States person" means:

- (a) a citizen or resident of the United States or any of its territories or possessions; or
- (b) a corporation, partnership or other entity treated as a corporation or partnership for United States tax purposes created or organised under the laws of the United States; or
- (c) an estate the income of which is subject to United States federal income taxation regardless of its source; or
- (d) a trust if it:
  - (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust; or
  - (ii) has a valid election in effect to be treated as a United States person; or
- (e) a United States person (as defined in Regulation S).

## **Credit Ratings**

There may be references to one or more credit ratings in a Pricing Supplement, another supplement to this Information Memorandum or a document which is incorporated by reference in this Information Memorandum.

*A credit rating is not a recommendation to buy, sell or hold MTNs and may be subject to revision, suspension or withdrawal at any time by the relevant credit rating agency. Each rating should be evaluated independently of any other rating.*

*Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the relevant document and anyone who receives the relevant document must not distribute it to any person who is not entitled to receive it.*

## **Currencies**

In this Information Memorandum, references to “**A\$**” or “**Australian dollars**” are to the lawful currency of the Commonwealth of Australia, references to “**Japanese Yen**” or “**¥**” are to the lawful currency of Japan, references to “**US dollars**” or “**USD**” are to the lawful currency of the United States of America, references to “**EUR**”, “**Euro**” or “**€**” are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty of the Functioning of the European Union (as amended) and being the lawful currency of the Netherlands.

## **Withholding under the U.S. Foreign Account Tax Compliance Act**

Under provisions of the Foreign Account Tax Compliance Act codified as sections 1471 through 1474 of the U.S. Internal Revenue Code (commonly known as “**FATCA**”, which term includes any regulations or official interpretations issued with respect to those provisions and any intergovernmental agreements entered into in relation to those provisions), proceeds from the sale, retirement or other disposition of, and payments of premium (if any) and interest (including original issue discount, if any) on MTNs issued after 31 December 2012 may be subject to a 30 per cent. gross basis withholding tax if any such payments are made to a “foreign financial institution” or a “foreign non-financial entity” within the meaning of the FATCA rules, unless certain procedural requirements are satisfied and certain information is provided to the United States Internal Revenue Service (the “**IRS**”).

Payments with respect to MTNs issued by TMCC after 31 December 2012 will be subject to FATCA for payments made after 31 December 2013, in the case of interest, and after 31 December 2016 in the case of all other amounts payable on, or gross proceeds from the sale or other disposition of, such MTN. Payments with respect to MTNs issued by TMF or TFA more than six months after the date the U.S. Treasury Department publishes final regulations defining the term “passthru payments” for purposes of FATCA may be subject to FATCA for payments made after 31 December 2016 if the relevant Issuer becomes subject to a compliance and reporting agreement with the IRS or pursuant to an intergovernmental agreement implementing FATCA, and payments under such MTNs (or a portion of such payments) are considered to be attributable to the United States for the purposes of FATCA (such payments, “passthru payments”).

Comprehensive final rules regarding the form and content of the procedural requirements required for foreign financial institutions and foreign non-financial entities to secure exemptions from withholding under FATCA have not yet been published. No additional amounts will be paid by the relevant Issuer in respect of any United States tax withheld or deducted under FATCA. Under certain circumstances, a Non-US Holder (as defined below) of the MTNs might be eligible for refunds or credits of such taxes. Prospective investors are encouraged to consult with their own tax advisers regarding the possible implications of this legislation on their investment in the MTNs.



# Summary of the Programme

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*The following is a summary only and should be read with the rest of this Information Memorandum and, in relation to any MTNs, the Conditions of the MTNs and any relevant Pricing Supplement.*

- Issuers:** Toyota Finance Australia Limited (ABN 48 002 435 181)  
Toyota Motor Credit Corporation  
Toyota Motor Finance (Netherlands) B.V.
- Any other subsidiary of the Parent may become an additional Issuer under the Programme by signing and delivering to the Registrar (as defined below) a new Issuer deed poll. Any reference to “Issuer” in this Information Memorandum includes any Issuer which becomes an additional Issuer under the Programme.
- Description:** A non-underwritten debt issuance programme under which, subject to applicable laws and directives, each Issuer may issue MTNs and other debt instruments within and outside Australia.
- The features of the MTNs are described in greater detail elsewhere in this Information Memorandum.
- Programme Limit:** A\$10,000,000,000
- The Programme Limit may be increased by the Issuers from time to time in accordance with the provisions of the Dealer Agreement for the Programme dated 17 June 2008 as amended by a side letter dated 15 November 2012.
- Programme Term:** The Programme continues until terminated by the Issuers giving 30 days’ notice to the Arranger, the then current Dealers and Agents (each as defined below) or earlier by agreement between the Issuers, Arranger, then current Dealers and Agents.
- Rating:** MTNs to be issued under the Programme have been assigned a AA- / Outlook Negative rating by Standard & Poor’s Rating Services, a division of the McGraw Hill Companies Inc. and a Aa3 / Outlook Negative rating by Moody’s Investors Service Limited.
- Structured MTNs may have a different credit rating to the other MTNs. Where an individual Tranche or Series is rated, the rating may not necessarily be the same as the ratings specified above.
- A credit rating is not a recommendation to buy, sell or hold MTNs and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.*
- Credit ratings are for distribution only to a person (a) who is not a “retail client” within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the relevant document and anyone who receives the relevant document must not distribute it to any person who is not entitled to receive it.*

- Listing:** The Issuers do not currently intend to list the MTNs on any stock exchange.
- However, an Issuer may elect to apply to list one or more Tranches on a market operated by ASX Limited (“**ASX**”) or any other stock exchange specified in the relevant Pricing Supplement. MTNs quoted on the ASX will not be transferred through or registered on the Clearing House Electronic Sub-Register System (“**CHESS**”) operated by the ASX and will not be “Approved Financial Products” for the purposes of CHESS. If an interface between the Register (as defined below) and CHESS is established the documents relating to the Programme may be amended to facilitate settlement on CHESS and the MTNs may become “Approved Financial Products” for the purposes of CHESS.
- Arranger:** Westpac Banking Corporation
- Dealers:** Australia and New Zealand Banking Group Limited  
Commonwealth Bank of Australia  
National Australia Bank Limited  
Westpac Banking Corporation
- Details of each Dealer’s Australian Business Number (“**ABN**”) and Australian Financial Services Licence (“**AFSL**”) number are set out in the Directory.
- Additional Dealers may be appointed from time to time by an Issuer for any Tranche or by the Issuers to the Programme generally. An Issuer may also issue MTNs directly to purchasers or investors (as applicable) procured by it.
- Registrar:** The person appointed by an Issuer and notified in the relevant Pricing Supplement to establish and maintain a Register (as defined below) in respect of a Series on an Issuer’s behalf.
- A Registrar may also provide issue and paying agency services with respect to each Series initially lodged and held through or predominantly through the Austraclear System.
- I&P Agent (Offshore):** Each person appointed from time to time by an Issuer to perform issue and paying agency functions with respect to a Series initially lodged and held through or predominantly through a Clearing System outside Australia.
- Calculation Agents:** If a Calculation Agent is required for the purpose of calculating any amount or making any determination in respect of a Series, that appointment will be notified in the relevant Pricing Supplement.
- The relevant Issuer may terminate the appointment of the Calculation Agent and appoint additional or other Calculation Agents.
- Where no Calculation Agent is appointed, the calculation of interest, principal and other payments in respect of MTNs will be made by the relevant Issuer.
- Agents:** Each Registrar, Calculation Agent, I&P Agent (Offshore) and any other person appointed by an Issuer to perform other agency functions with respect to a Series. Details of each appointment will be notified in the relevant Pricing Supplement.
- Form of MTNs:** MTNs will be initially issued in registered form by entry in a register (“**Register**”) maintained by the Registrar. They will be debt obligations of

the relevant Issuer which are constituted by, and owing under, the Second MTN Deed Poll dated 15 November 2012.

Medium term notes: MTNs may be fixed rate MTNs, floating rate MTNs, index linked MTNs, zero coupon MTNs or other forms of structured MTNs. They may be issued at par or at a discount or premium as described in the relevant Pricing Supplement.

*Tenor:* MTNs will have a tenor of more than 365 days (or as otherwise specified in the relevant Pricing Supplement).

*Issuance and Purchase:* MTNs may be issued at any price on a fully or partly paid basis, as specified in the relevant Pricing Supplement.

*MTN Conditions:* The conditions applicable to the MTNs are set out in this Information Memorandum as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such MTN.

MTNs of any Series may be described as “MTNs”, “Bonds”, “Instruments”, “Indexed MTNs”, “Amortising MTNs”, “Credit Linked MTNs”, “FRNs”, “Zero Coupon MTNs”, “Subordinated MTNs” or by another marketing name specified in the relevant Pricing Supplement.

Method of Issue: The MTNs may be issued on a syndicated or non-syndicated basis.

Currency of MTNs: Australian dollars. Subject to any applicable legal or regulatory requirements, MTNs may also be denominated in any other freely transferable and freely convertible currency (each an “**Alternate Currency**”) as may be agreed between the relevant Issuer and the relevant Dealer.

Payments in respect of MTNs may be made in, or limited to, a currency or currencies other than the currency in which the MTNs are denominated, all as set out in the relevant Pricing Supplement.

Denominations: MTNs will be issued in denominations of A\$1,000 (or a similar amount in an Alternate Currency) unless otherwise specified in the relevant Pricing Supplement.

Clearing Systems: MTNs may be transacted either within or outside any Clearing System (as defined below).

Each Issuer may apply to Austraclear for approval for MTNs to be traded on the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such MTNs. The rights of a holder of interests in MTNs held through the Austraclear System are subject to the rules and regulations of the Austraclear System.

On admission to the Austraclear System, interests in the MTNs may be held through Euroclear or Clearstream, Luxembourg or any other Clearing System described in the relevant Pricing Supplement. In the case of Euroclear or Clearstream, Luxembourg and as at the date of this Information Memorandum, entitlements in respect of holdings of interests in the MTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the MTNs in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in MTNs held through Euroclear, Clearstream, Luxembourg or any other Clearing System described in the relevant Pricing Supplement are subject to the respective rules and regulations for accountholders of the relevant Clearing System, the terms and conditions of agreements between the relevant Clearing System and their respective nominees and/or custodians and the rules and regulations of the Austraclear System. In addition, any transfer of interests in an MTN, which is held through another Clearing System will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration summarised in the section headed "Transfer procedure" below.

Title: Entry of the name of the person in the Register in respect of a Registered MTN constitutes the conclusive evidence that the person so entered is the absolute owner of such MTN subject to correction for fraud or error. Title to such MTN passes when details of the transfer are entered in the Register.

MTNs held in the Austraclear System will be registered in the name of Austraclear. Title to MTNs held in a Clearing System will be determined in accordance with the rules and regulations of that Clearing System.

No certificates or other evidence of title will be issued to holders of MTNs unless the relevant Issuer determines that certificates should be available or are required by any applicable law.

Credit Support Agreements:

The MTNs will have the benefit of certain Credit Support Agreements governed by Japanese law between the Parent and TFS and between TFS and each of the Issuers in respect of the issue of certain debt obligations (including the MTNs) by each of them. These Credit Support Agreements are more fully described in pages 49 and 50 of this Information Memorandum.

Status and ranking:

MTNs will be direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the relevant Issuer, except for liabilities mandatorily preferred by law.

Negative pledge:

If so specified in the applicable Pricing Supplement, MTNs will have the benefit of a negative pledge as described in the MTN Conditions.

Governing law:

The MTNs, and all related documents, will be governed by the laws in force in New South Wales.

Use of proceeds:

The net proceeds realised from the issue of MTNs will be used for general corporate purposes by the relevant Issuer.

Transfer procedure:

MTNs may be transferred in whole but not in part.

MTNs may only be transferred by completing and delivering to the Registrar a signed transfer form in compliance with all applicable laws.

Unless otherwise specified in the applicable Pricing Supplement, MTNs may only be transferred if:

- (a) in the case of MTNs to be transferred in or into Australia:

- (i) the offer or invitation giving rise to the transfer of the MTNs (A) is for an aggregate consideration of at least A\$500,000 (or its equivalent in an alternative currency, and in either case, disregarding moneys lent by the transferor or its associates to the transferee), or (B) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and
  - (ii) the transfer is not to a “retail client” for the purposes of section 761G of the Corporations Act; and
- (b) at all times, the transfer complies with all applicable laws or directives of the jurisdiction where the transfer takes place.

Interests in respect of MTNs held in a Clearing System are transferable only in accordance with the rules and regulations of the relevant Clearing System.

Restrictions on the transfer of MTNs may also be set out in the applicable Pricing Supplement in addition to, or in lieu of, the restrictions set out above.

**Redemption:** MTNs may be redeemed before their stated maturity as described in the MTN Conditions.

MTNs held in a Clearing System will be redeemed through that Clearing System in a manner consistent with the rules and regulations of that Clearing System.

**Payments and Record Date:**

Payments in respect of MTNs will be made to the persons whose names are entered in the Register on the relevant Record Date.

Payments to persons who hold interests or rights in respect of any MTNs held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

If MTNs are not held in a Clearing System, payments will be made to the account of the MTN Holder (as defined in the Conditions) noted in the Register. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately before the payment date to the MTN Holder at its address appearing in the Register at the close of business on the Record Date.

In the case of MTNs issued by TMCC, unless otherwise provided for in the relevant Pricing Supplement, payments will be made outside of the United States of America.

No payment will be mailed to an address in the United States of America or transferred to an account maintained by the relevant holder in the United States of America.

**Stamp duty:** Any stamp duty incurred at the time of issue of the MTNs will be for the account of the relevant Issuer. Any stamp duty incurred on a transfer of MTNs will be for the account of the transferee or transferor.

No Australian stamp duty is currently payable on the issue or transfer of the MTNs.

Taxes:

An overview of the Australian taxation treatment of payments of interest on the MTNs issued and certain other matters is set out under “Australian Taxation”.

An overview of the US taxation treatment of payments of interest on the MTNs issued by TMCC and certain other matters is set out under “United States Taxation”.

An overview of the Netherlands taxation treatment of payments of interest on MTNs issued by TMF and certain other matters is set out under “Netherlands Taxation”.

Investors should obtain their own taxation advice as to the taxation status of investing in MTNs having regard to their own particular circumstances.

Withholding tax:

Unless otherwise specified in the relevant Pricing Supplement:

- MTNs will be issued in a manner which enables the relevant Issuer to pay interest to holders free of Australian interest withholding tax;
- all payments by each Issuer in respect of MTNs will be made free and clear of and without withholding or deduction for or of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of (in the case of MTNs issued by TFA) only Australia or any political sub-division of Australia, (in the case of MTNs issued by TMCC) only the United States or any political sub-division of the United States and (in the case of MTNs issued by TMF) only the Netherlands or any political sub-division of the Netherlands, unless such withholding or deduction is required by law;
- all payments in respect of the MTNs will be made subject to any deduction or withholding required by the provisions of FATCA and no additional amounts will be paid to cover the amounts so withheld or deducted; and
- payments in respect of MTNs issued by TMCC may be subject to, withholding or deduction for or of United States federal tax to the extent a non-US Holder (as defined below) fails to provide certain information to the Registrar or I&P Agent (Offshore) or to a financial institution through which it holds such MTNs (generally, United States Internal Revenue Service Form W-8 (as applicable)).

ERISA representations and warranty:

Each purchaser, each subsequent transferee and each person directing such purchaser or subsequent transferee to acquire MTNs issued by TMCC, by its purchase or other acquisition of MTNs issued by TMCC, is deemed to represent and warrant (which representation and warranty will be deemed to be repeated on each date on which MTNs issued by TMCC are held by such purchaser or subsequent transferee, as the case may be) that either (a) no portion of the assets used by it to acquire and hold the MTNs issued by TMCC constitutes assets of (i) any employee benefit plan that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (ii) any individual retirement account, Keogh plan or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code, (iii) any entity whose underlying assets are considered to include "plan assets" within the meaning of ERISA of any such plan, account or arrangement, or (iv) any governmental, church or non-U.S. plan that is not subject to Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code but may be subject to other laws that are substantially similar to those provisions (each, a "**Similar Law**"), or (b) its purchase, holding and subsequent disposition of the MTNs issued by TMCC will not constitute a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the U.S. Internal Revenue Code or any provision of Similar Law.

TFNs and ABNs:

Each Issuer will deduct amounts from payments of interest at the prescribed rate if an Australian resident investor, or a non-Australian resident investor that acquires and holds their MTNs in the course of carrying a business at or through a permanent establishment in Australia, has not supplied an appropriate Australian Tax File Number ("**TFN**"), (in certain circumstances) an ABN or proof of some other appropriate exemption as may be necessary to enable the payment to be made without deduction.

Selling restrictions:

The offer, sale, transfer and delivery of MTNs and the distribution of this Information Memorandum and other material in relation to the MTNs are subject to restrictions in any jurisdiction in which the MTNs may be offered, sold or transferred applying in any such jurisdictions in connection with the offering and sale of a particular Tranche. In particular, restrictions on the offer or sale of the MTNs in Australia, the United Kingdom, the United States of America, the European Economic Area, the Netherlands, Japan, Hong Kong, Singapore and New Zealand are set out under "Selling Restrictions".

Restrictions on the offer, sale and/or distribution of MTNs may also be set out in the applicable Pricing Supplement

Substituted Issuers:

Each Issuer may, without the consent of the holders of the relevant MTNs, substitute any Related Entity or a Subsidiary (including a special purpose company) in respect of any Series in accordance with the relevant MTN Conditions. The MTN Conditions specify the matters that need to be complied with before such a substitution takes place which include the obtaining of all necessary governmental contacts.

# Toyota Group and Corporate Profile

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Each of TFA and TMF are wholly-owned subsidiaries of TFS. TMCC is a wholly owned subsidiary of Toyota Financial Services Americas Corporation, a California corporation which is itself a wholly-owned subsidiary of TFS. TFS is a wholly-owned holding company subsidiary of the Parent, which is the ultimate parent company of the Toyota group.

The Toyota group primarily conducts business in the automotive industry. Toyota also conducts business in the finance and other industries. Toyota's business segments are automotive operations, financial services operations and all other operations.

Toyota's automotive operations include the design, manufacture, assembly and sale of passenger cars, minivans and commercial vehicles such as trucks and related parts and accessories. Toyota's financial services business consists primarily of providing financing to dealers and their customers for the purchase or lease of Toyota vehicles. Toyota's financial services also provide retail leasing through the purchase of lease contracts originated by Toyota dealers. Related to Toyota's automotive operations is its development of intelligent transport systems. Toyota's all other operations business segment includes the design and manufacture of prefabricated housing, information technology related businesses, including an e-commerce marketplace called GAZOO.com, and sales promotions for KDDI communication related products.

Toyota sells its vehicles in approximately 170 countries and regions. Toyota's primary markets for its automobiles are Japan, North America, Europe and Asia.

The Parent's principal executive office is located at 1, Toyota-cho, Toyota City, Aichi Prefecture 471-8571, Japan.

## TFA

The principal activities of TFA, which are an integral part of the Toyota group's presence in Australia, are:

- to finance the acquisition of motor vehicles by customers in the form of leasing, term purchase, consumer and commercial loans;
- to provide bailment facilities and commercial loans to motor dealers;
- to provide operating lease and fleet management services to customers; and
- to administer and manage extended warranty and insurance products.

## TMCC

TMCC provides a variety of finance and insurance products to authorised Toyota and Lexus vehicle dealers or dealer groups and, to a lesser extent, other domestic and import franchise dealers (collectively referred to as "**vehicle dealers**") and their customers in the United States (excluding Hawaii) and Puerto Rico. TMCC's products fall primarily into the following categories:

- *Finance* - TMCC acquires a broad range of retail finance products including retail instalment sales contracts (or "**retail contracts**") in the United States and Puerto Rico and leasing contracts accounted for as either direct finance leases or operating leases (or "**lease contracts**") from vehicle and industrial equipment dealers in the United States. TMCC also provides dealer financing, including wholesale financing (also referred to as floorplan financing), term loans, revolving lines of credit and real estate financing to vehicle and industrial equipment dealers in the United States and Puerto Rico.
- *Insurance* - through a wholly-owned subsidiary, TMCC provides marketing, underwriting and claims administration related to covering certain risks of vehicle dealers and their customers in



the United States. TMCC also provides coverage and related administrative services to certain of its affiliates in the United States.

## **TMF**

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

# MTN Conditions

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*The following are the conditions which, as supplemented, amended or replaced by the relevant Pricing Supplement, apply to each MTN constituted by the Second MTN Deed Poll dated 15 November 2012. References to the "Pricing Supplement" in these conditions do not limit the provisions which may be supplemented, amended or replaced by the Pricing Supplement in relation to a particular Series.*

*References to the "Issuer" are to the Issuer of the particular Series. References to "MTNs" are to the MTNs of one specific Series only, not to all MTNs that may be issued under the Programme.*

*Definitions and interpretation provisions are set out in Condition 23 ("Interpretation"). All capitalised terms not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement.*

## Part 1 Introduction

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### 1 Introduction

#### 1.1 Programme

MTNs are issued under a debt issuance programme established by, among others, the Issuer.

#### 1.2 Pricing Supplement

MTNs are issued in Series.

A Series may comprise one or more Tranches. The MTNs of each Tranche of a Series are issued on the same Conditions, except that the Issue Price, the Issue Date, the Interest Commencement Date and, in respect of the first payment of interest (if any), the interest payment amount (as specified in the relevant Pricing Supplement) may be different in respect of a different Tranche of a Series.

Each Tranche is the subject of a Pricing Supplement which supplements, amends or replaces these Conditions. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

Copies of the Pricing Supplement are available for inspection or on request by an MTN Holder or prospective MTN Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

#### 1.3 Types of MTNs

An MTN is either:

- (a) a Fixed Rate MTN;
- (b) a Floating Rate MTN;
- (c) a Zero Coupon MTN; or
- (d) a Structured MTN (being either an Index Linked MTN or an Instalment MTN),

or a combination of the above (or any other type of debt obligation including a certificate of deposit), as specified in the relevant Pricing Supplement.

#### **1.4 Denomination**

MTNs are issued in a single Denomination as specified in the Pricing Supplement.

#### **1.5 Currency**

MTNs are denominated in the currency specified in the Pricing Supplement.

#### **1.6 Clearing Systems**

MTNs may be held in a Clearing System, in which case the rights of a person holding an interest in the MTNs lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

## **Part 2 The MTNs**

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### **2 Form**

#### **2.1 Constitution under MTN Deed Poll**

MTNs are debt obligations of the Issuer, constituted by, and owing under, the MTN Deed Poll.

#### **2.2 Form**

MTNs are initially issued in registered form by entry in the Register.

All MTNs issued by TMCC will be issued in a manner sufficient to cause the MTNs to be regarded as issued in registered form for United States federal tax purposes.

Interest or other payments in respect of MTNs issued by TMCC will only be made in respect of MTNs in permanent form.

#### **2.3 No certificates**

No certificates will be issued to MTN Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

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### **3 Status**

#### **3.1 Status**

MTNs constitute direct, unconditional, unsubordinated and (subject to Condition 4 (“Negative pledge”)) unsecured obligations of the Issuer.

#### **3.2 Ranking**

MTNs rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law.

#### **3.3 Credit support**

The MTNs have the benefit of the Credit Support Agreements.

The Credit Support Agreements do not constitute a direct or indirect guarantee by the Parent or TFS of the obligations of the Issuers under the MTNs.

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## **4 Negative pledge**

The MTNs will be subject to this Condition only if this Condition is specified to be applicable in the Pricing Supplement.

So long as any of the MTNs remains Outstanding the Issuer will not create or permit to be outstanding any Security Interest (other than a Permitted Security Interest) for the benefit of the holders of any Relevant Indebtedness on the whole or any part of its property or assets, present or future, to secure any Relevant Indebtedness issued or expressly guaranteed by the Issuer or in respect of which the Issuer has given any indemnity without in any such case at the same time according to the MTNs the same security as is granted or is outstanding in respect of such Relevant Indebtedness or such guarantee or indemnity or such other security as shall be approved by Ordinary Resolution (as defined in the Meetings Provisions) of the holders of the affected MTNs then outstanding provided, however, that such covenant will not apply to Security Interests securing outstanding Relevant Indebtedness which does not in the aggregate at any one time exceed 20 per cent. of Consolidated Net Tangible Assets of the Issuer and its consolidated subsidiaries (if any).

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## **5 Title and transfer of MTNs**

### **5.1 Title**

Title to MTNs passes when details of the transfer are entered in the Register.

### **5.2 Effect of entries in Register**

Each entry in the Register in respect of a Registered MTN constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the MTN Holder to pay principal and (if applicable) interest and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to MTN Holders under these Conditions in respect of the Registered MTN.

### **5.3 Register conclusive as to ownership**

Entries in the Register in relation to a Registered MTN constitute conclusive evidence that the person so entered is the absolute owner of the MTN subject to correction for fraud or error.

### **5.4 Non-recognition of interests**

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Registered MTN as the absolute owner of that Registered MTN. This Condition applies whether or not a Registered MTN is overdue and despite any notice of ownership, trust or interest in the Registered MTN.

### **5.5 Joint holders**

Where two or more persons are entered in the Register as the joint holders of a Registered MTN then they are taken to hold the Registered MTN as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Registered MTN.

### **5.6 Transfers in whole**

MTNs may be transferred in whole but not in part.

## **5.7 Compliance with laws**

MTNs may only be transferred if:

- (a) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act; and
- (b) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

## **5.8 Transfer procedures**

Interests in MTNs held in a Clearing System are transferable only in accordance with the rules and regulations of that Clearing System.

Application for the transfer of MTNs not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by, or on behalf of, both the transferor and the transferee.

Transfers are registered without charge provided all applicable Taxes have been paid.

## **5.9 Effect of transfer**

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred MTNs and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

## **5.10 CHES**

MTNs listed on the Australian securities exchange operated by ASX Limited (ABN 98 008 624 691) are not transferred through, or registered on, the Clearing House Electronic Sub-Register System operated by ASX Limited and are not "Approved Financial Products" (as defined for the purposes of that system).

## **5.11 Austraclear as MTN Holder**

If Austraclear is recorded in the Register as the MTN Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Registered MTN is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

- (a) the Registrar's decision to act as the Registrar of that Registered MTN is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Registered MTN, but only indicates that the Registrar considers that the holding of the Registered MTN is compatible with the performance by it of its obligations as Registrar under an Agency Agreement; and
- (b) the MTN Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

## 5.12 Compulsory transfer

This Condition 5.12 only applies to MTNs issued by TMCC.

In the event of a direct or indirect transfer of a Registered MTN to or for the account or benefit of a U.S. Person, the Issuer shall have the right to compel such MTN Holder to promptly sell such Registered MTN to a person that is not a U.S. Person.

*If the Issuer gives notice to, or otherwise requires in writing, an MTN Holder to sell a Registered MTN to a person that is not a U.S. Person pursuant to this Condition 5.12 (“Compulsory transfer”), then the Issuer may withhold any payments of interest in respect of such Registered MTN (without being under any obligation to pay any amount by way of compensation for doing so) until such time as such Registered MTN has been sold and the Issuer is satisfied in its sole discretion that such Registered MTN is no longer held for the account or benefit of a U.S. Person.*

For the purposes of this Condition 5.12 (“Compulsory transfer”), “**U.S. Person**” means:

- (a) a citizen or resident of the United States or any of its territories or possessions;
- (b) a corporation, partnership or other entity treated as a corporation for United States tax purposes created or organised under the laws of the United States;
- (c) an estate the income of which is subject to United States federal income taxation regardless of its source;
- (d) a trust if it:
  - (i) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust; or
  - (ii) has a valid election in effect to be treated as a United States person; or
- (e) a U.S. Person (as defined under Sections 230.901 to 230.904 (inclusive) of Title 17 of the United States Code of Federal Regulations (“**Regulation S**”)).

## Part 3 Interest

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### 6 Fixed Rate MTNs

*This Condition 6 (“Fixed Rate MTNs”) applies to the MTNs only if the Pricing Supplement states that it applies.*

#### 6.1 Interest on Fixed Rate MTNs

Each Fixed Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

#### 6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

### 6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate MTN for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate MTN and the applicable Day Count Fraction.

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## 7 Floating Rate MTNs

*This Condition 7 ("Floating Rate MTNs") applies to the MTNs only if the Pricing Supplement states that it applies.*

### 7.1 Interest on Floating Rate MTNs

Each Floating Rate MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on:

- (a) each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the Interest Commencement Date or a preceding date determined under this paragraph (b).

### 7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate MTN must be determined by the Calculation Agent in accordance with these Conditions.

### 7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate MTNs during the immediately preceding Interest Period.

### 7.4 ISDA Determination

If ISDA Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the ISDA Rate plus or minus the Margin (if any).

In this Condition:

- (a) **"ISDA Rate plus or minus the Margin (if any)"** means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate MTNs were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
  - (ii) the Period End Dates are each Interest Payment Date, the Margin is the Spread and the Floating Rate Day Count Fraction is the Day Count Fraction; and

- (b) “**Swap Transaction**”, “**Floating Rate**”, “**Calculation Agent**” (except references to “**Calculation Agent for the Floating Rate MTNs**”), “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**”, “**Period End Date**”, “**Spread**” and “**Floating Rate Day Count Fraction**” have the meanings given to those terms in the ISDA Definitions.

## 7.5 Screen Rate Determination

If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, “**Screen Rate**” means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the “**Screen Rate**” means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the “**Screen Rate**” means:
- (i) the rate the Calculation Agent calculates as the arithmetic mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
  - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

## 7.6 Bank Bill Rate Determination

If Bank Bill Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate MTNs for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition:

- (a) “**Bank Bill Rate**” means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “**BBSW**” page of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, “**Bank Bill Rate**” means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to



the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time; and

- (b) “**Bill**” has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

## **7.7 Interpolation**

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

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## **8 Structured MTNs**

*This Condition 8 (“Structured MTNs”) applies to the MTNs only if the Pricing Supplement states that it applies.*

### **8.1 Interest on Structured MTNs**

Each interest bearing Structured MTN bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear on:

- (a) each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the Interest Commencement Date or a preceding date determined under this paragraph (b).

### **8.2 Interest Rate**

The Interest Rate payable in respect of an interest bearing Structured MTN must be determined in the manner specified in the Pricing Supplement.

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## **9 General provisions applicable to interest**

### **9.1 Maximum or Minimum Interest Rate**

If the Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period, then the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified, as the case may be.

## **9.2 Calculation of Interest Rate and interest payable**

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate MTN and interest bearing Structured MTN, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that MTN.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the MTN by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

## **9.3 Calculation of other amounts**

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

## **9.4 Notification of Interest Rate, interest payable and other items**

The Calculation Agent must notify the Issuer, the Registrar, the MTN Holders (in accordance with Condition 20.1 ("Notices to MTN Holders")), each other Agent and any stock exchange or other relevant authority on which the MTNs are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth business day of the Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the MTN Holders, each other Agent and each stock exchange or other relevant authority on which the MTNs are listed after doing so.

## **9.5 Determination final**

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each MTN Holder and each other Agent.

## **9.6 Rounding**

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and

- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
  - (i) in the case of Australian dollars, United States dollars or euro, the nearest cent; and
  - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

## Part 4 Redemption and purchase

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### 10 Redemption

#### 10.1 Scheduled redemption

Each MTN is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the MTN has been previously redeemed;
- (b) the MTN has been purchased and cancelled;
- (c) the Pricing Supplement states that the MTN has no fixed maturity date; or
- (d) its maturity is varied pursuant to the Issuer's or MTN Holder's option in accordance with Conditions 10.5 ("Early redemption at the option of MTN Holders (MTN Holder put)") or 10.6 ("Early redemption at the option of the Issuer (Issuer call)").

#### 10.2 Partly paid MTNs

Each Partly Paid MTN is redeemable on the Maturity Date in accordance with the Pricing Supplement.

#### 10.3 Instalment MTNs

Each Instalment MTN is partially redeemable in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment MTN is reduced by the Instalment Amount with effect from the Instalment Date.

#### 10.4 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the MTNs of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the redemption date if the Issuer determines that it is required under Condition 13.2 ("Withholding tax") to increase the amount of a payment in respect of an MTN.

However, the Issuer may only do so if:

- (a) the Issuer has given at least 15 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;
- (b) before the Issuer gives the notice under paragraph (a), the Registrar has received a certificate signed by two directors of the Issuer that the Issuer would be required under Condition 13.2 ("Withholding tax") to pay an additional amount on the next payment in respect of the MTNs;

- (c) in the case of Fixed Rate MTNs, no notice of redemption is given earlier than 60 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and
- (d) in the case of Floating Rate MTNs and Structured MTNs bearing a floating rate of interest:
  - (i) the proposed redemption date is an Interest Payment Date; and
  - (ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

#### **10.5 Early redemption at the option of MTN Holders (MTN Holder put)**

If the Pricing Supplement states that an MTN Holder may require the Issuer to redeem all or some of the MTNs of a Series held by that MTN Holder before their Maturity Date, the Issuer must redeem the MTNs specified by the MTN Holder at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the redemption date if the following conditions are satisfied:

- (a) the amount of MTNs to be redeemed is a multiple of their Denomination;
- (b) the MTN Holder has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the MTN Holder to the MTN;
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the MTN is denominated to which the payment should be made or an address to where a cheque for payment should be sent;
- (d) the redemption date is an Early Redemption Date (Put) specified in the Pricing Supplement; and
- (e) any other condition specified in the Pricing Supplement is satisfied.

An MTN Holder may not require the Issuer to redeem any MTN under this Condition 10.5 ("Early Redemption at the option of MTN Holders (MTN Holder put)") if the Issuer gives or has given notice that it will redeem that MTN under Condition 10.4 ("Early redemption for taxation reasons") or Condition 10.6 ("Early redemption at the option of the Issuer (Issuer call)").

#### **10.6 Early redemption at the option of the Issuer (Issuer call)**

If the Pricing Supplement states that the Issuer may redeem all or some of the MTNs of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the MTNs specified in the Pricing Supplement at the Redemption Amount and any interest accrued but unpaid on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

- (a) the amount of MTNs to be redeemed is, or is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice to the Registrar, the MTN Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed;

- (c) the proposed redemption date is an Early Redemption Date (Call) specified in the Pricing Supplement; and
- (d) any other condition specified in the Pricing Supplement is satisfied.

#### **10.7 Partial redemptions**

If only some of the MTNs are to be redeemed under Condition 10.6 (“Early redemption at the option of the Issuer (Issuer call)”), the MTNs to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

#### **10.8 Effect of notice of redemption**

Any notice of redemption given under this Condition 10 (“Redemption”) is irrevocable.

#### **10.9 Late payment**

If an amount is not paid under this Condition 10 (“Redemption”) when due, then:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder;
- (b) for a Zero Coupon MTN, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the MTN Holder; and
- (c) for a Structured MTN as specified in the Pricing Supplement:
  - (i) interest continues to accrue at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the MTN Holder; or
  - (ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Pricing Supplement.

#### **10.10 Purchase**

The Issuer and any of its Related Entities may at any time purchase MTNs in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all MTN Holders alike. MTNs purchased under this Condition 10.10 (“Purchase”) may be held or resold at the discretion of the purchaser or (if the purchaser is the Issuer) cancelled at the discretion of the Issuer, subject to compliance with any applicable law or requirement of any stock exchange or other relevant authority on which the MTNs are listed.

## Part 5 Payments

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### **11 General provisions**

#### **11.1 Summary of payment provisions**

Payments in respect of MTNs must be made in accordance with Condition 12 (“Payments”).

#### **11.2 Payments subject to law**

All payments are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and the administrative practices and procedures of fiscal and other authorities in relation to tax, anti-money laundering and other requirements which may apply to payments of amounts due (whether principal, redemption amount, interest or otherwise) in respect of MTNs, but without prejudice to the provisions of Condition 13 (“Taxation”). However, if any withholding is required under FATCA, the Issuer will not be required to pay any additional amount under Condition 13 (“Taxation”) on account of such withholding.

#### **11.3 Payments on business days**

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention.

The MTN Holder is not entitled to any additional payment in respect of that delay.

#### **11.4 Currency indemnity**

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due (except where that currency is no longer available). However, if an MTN Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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## **12 Payments**

### **12.1 Payment of principal**

Payments of principal and any final Instalment Amount in respect of a Registered MTN will be made to each person registered on the Record Date as the holder of a Registered MTN.

### **12.2 Payment of interest**

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a Registered MTN will be made to each person registered on the Record Date as the holder of that Registered MTN.

### **12.3 Payments to accounts**

Payments in respect of MTNs will be made in Australia unless prohibited by law, and:

- (a) if the MTNs are held in the Austraclear System, by crediting on the payment date, the amount due to:
  - (i) the account of Austraclear (as the MTN Holder) in the country of the currency in which the Registered MTN is denominated previously notified to the Issuer and the Registrar; or
  - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Registered MTN is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and
- (b) if the MTNs are not held in the Austraclear System, by crediting on the payment date, the amount then due under each Registered MTN to an account previously notified by the MTN Holder to the Issuer and the Registrar.

If a payment in respect of MTNs is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

### **12.4 Payments by cheque**

If the MTN Holder has not notified the Registrar of an account to which payments to it must be made by the Record Date, payments in respect of the Registered MTN will be made by cheque sent by prepaid post on or before the payment date, at the risk of the registered MTN Holder, to the MTN Holder (or to the first named joint holder of the MTN) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of an MTN Holder are taken to have been received by the MTN Holder on the payment date and, no further amount is payable by the Issuer in respect of the MTNs as a result of the MTN Holder not receiving payment on the due date.

### **12.5 No payment in the United States**

No payment of principal (or premium, if any) or interest in respect of any MTN, will be mailed to an address in the United States or transferred to an account maintained by any MTN Holder in the United States.

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## **13 Taxation**

### **13.1 No set-off, counterclaim or deductions**

All payments in respect of the MTNs must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

### **13.2 Withholding tax**

Subject to this Condition 13.2 and Conditions 13.3 (“Withholding tax exemptions (MTNs issued by TFA)”), 13.4 (“Withholding tax exemptions (MTNs issued by TMCC)”) and 13.5 (“Withholding tax exemptions (MTNs issued by TMF)”), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the MTNs such that the MTN Holder would not actually receive on the due date the full amount provided for under the MTNs, then:

- (a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and
- (b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the Issuer agrees to pay an additional amount so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition, each MTN Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

Notwithstanding the foregoing, no Issuer shall be required to pay an Additional Amount under this Condition 13 in respect of any tax imposed pursuant to FATCA.

### **13.3 Withholding tax exemptions (MTNs issued by TFA)**

In the case of MTNs issued by TFA, TFA is not required to pay an Additional Amount under Condition 13.2(b) ("Withholding tax") if the obligation to do so arises as a result of any one or more of the following:

- (a) the deduction is required in respect of Taxes by reason of the MTN Holder having some connection with a Relevant Tax Jurisdiction other than the mere holding of the MTN or receipt of payment in respect of the MTN;
- (b) the deduction is required as a result of Taxes which would not be required to be deducted if the MTN Holder (or the person receiving payment on its behalf):
  - (i) provided TFA, its agent or any tax authority with their name, address, registration number or similar details or any relevant tax exemption or similar details; or
  - (ii) ensured that any third party complied with any other statutory requirements (such as making a declaration of non-residence or similar claim) for any relevant tax exemption;
- (c) the deduction is required as a result of an MTN Holder being an Offshore Associate of TFA and the MTN Holder is acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;
- (d) the deduction is required in respect of a payment to, or to a third party on behalf of, an Australian resident MTN Holder or a non-resident MTN Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that MTN Holder has not supplied an appropriate tax file number, an Australian business number or other exemption details; or
- (e) in any other circumstances specified in the Pricing Supplement.

### **13.4 Withholding tax exemptions (MTNs issued by TMCC)**

In the case of MTNs issued by TMCC, TMCC is not required to pay an Additional Amount under Condition 13.2(b) ("Withholding tax") if the obligation to do so arises as a result of any one or more of the following:

- (a) the deduction would not have been required but for:
  - (i) the existence of any present or former connection between the relevant MTN Holder or beneficial owner of the MTN (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such MTN Holder or beneficial owner, if such MTN Holder or beneficial owner is an estate, a trust, a partnership or a corporation) and the United States,



including, without limitation, being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having or having had a permanent establishment therein;

- (ii) the failure of such MTN Holder to comply with any certification, identification, documentation or information reporting requirements under the income tax laws and regulations of the United States, without regard to any tax treaty, or any political subdivision or taxing authority thereof or therein to establish entitlement to an exemption from withholding as a United States Alien; or
  - (iii) the claim for payment in relation to an MTN being made on a date more than 10 days after the date on which such payment is due or is duly provided for, whichever occurs later;
- (b) the deduction is required as a result of Taxes which would not be required to be deducted if the MTN Holder (or the person receiving payment on its behalf) could have avoided such withholding or deduction by satisfying any statutory or procedural requirements including, without limitation, the provision of information;
  - (c) the relevant Tax is an estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
  - (d) the relevant Tax is payable other than by withholding from payments of principal of or interest on a MTN;
  - (e) the relevant Tax is imposed by reason of such holder's past or present status as a personal holding company, private foundation or other tax exempt organisation, passive foreign investment company, foreign personal holding company bank or controlled foreign corporation with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;
  - (f) the relevant Tax is imposed by reason of such holder's past or present status as the actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote or as a bank extending credit pursuant to a loan agreement entered into the ordinary course of its trade or business;
  - (g) the relevant Tax is imposed solely because the MTN Holder, beneficial owner or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the MTN Holder or the beneficial owner of a MTN if such compliance is required by statute or regulation of the United States, or by an applicable income tax treaty to which the United States is a party, as a precondition to relief or exemption from such tax, assessment or other governmental charge; or
  - (h) in any other circumstances specified in the Pricing Supplement,

nor shall Additional Amounts be paid with respect to a payment of principal of or interest on an MTN to a holder that is not the beneficial owner of such MTN to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such MTN.

### **13.5 Withholding tax exemptions (MTNs issued by TMF)**

In the case of MTNs issued by TMF, TMF is not required to pay an Additional Amount under Condition 13.2(b) ("Withholding tax") if the obligation to do so arises as a result of any one or more of the following:

- (a) the deduction is required as a result of Taxes which would not be required to be deducted if the MTN Holder (or the person receiving payment on its behalf) could

have avoided such withholding or deduction by satisfying any statutory or procedural requirements including, without limitation, the provision of information;

- (b) the relevant Tax imposed solely because the MTN Holder, beneficial owner or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with the Netherlands of the MTN Holder or the beneficial owner of a MTN if such compliance is required by statute or regulation of the Netherlands, or by an applicable income tax treaty to which the Netherlands is a party, as a precondition to relief or exemption from such tax, assessment or other governmental charge; or
- (c) in any other circumstances specified in the Pricing Supplement.

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## 14 Time limit for claims

A claim against the Issuer for a payment under an MTN is void unless made within 5 years from the date on which payment first became due.

## Part 6 Events of Default

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## 15 Events of Default

### 15.1 Event of Default

An Event of Default occurs in relation to a Series if:

- (a) default is made by the Issuer in the payment when due of any principal or interest in respect of any MTN and the default continues for a period of 14 days after the date when due;
- (b) default is made by the Issuer in the performance or observance of any covenant, condition or provision contained in the Conditions applicable to any of the MTNs or of any covenant, condition or provision for the benefit of MTN Holders contained in these Conditions or the MTN Deed Poll and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of the MTNs) and at the expiration of any applicable grace period therefor such covenant, condition or provision is not performed or observed in the period of 60 consecutive days after the date on which written notice of such default, requiring the Issuer to perform or observe such covenant, condition or provision, first shall have been given to the Issuer and the Registrar by the holders of not less than 25 per cent. in aggregate nominal amount of MTNs then outstanding;
- (c) the entry by a court having competent jurisdiction of:
  - (i) a decree or order granting relief in respect of the Issuer in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;
  - (ii) a decree or order adjudging the Issuer to be insolvent, or approving a petition seeking reorganisation, arrangement, adjustment or composition of the Issuer and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or
  - (iii) a final and non-appealable order appointing a custodian, receiver, liquidator, assignee, trustee or other similar official of the Issuer or of any substantial

part of the property of the Issuer, or ordering up the winding up or liquidation of the Issuer,

in each case of (i), (ii) or (iii) otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger, reconstruction or reorganisation in which a continuing corporation effectively assumes all obligations of the Issuer under the MTNs or the terms of which have previously been approved by the written consent of holders of a majority in aggregate nominal amount of the MTNs then outstanding affected thereby, or by resolution adopted by the holders of a majority in aggregate nominal amount of such MTNs then outstanding present or represented at a meeting of the holders of the MTNs affected thereby at which a quorum is present, as provided in the Meetings Provisions; or

- (d) the commencement by the Issuer of a voluntary proceeding under any applicable bankruptcy, insolvency or other similar law or the consent of the Issuer to the entry of a decree or order for relief in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law, or the consent by the Issuer to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or similar official of the Issuer or for any substantial part of the property of the Issuer or the making by the Issuer of a general assignment for the benefit of creditors, or the Issuer failing generally to pay its debts as they become due, or the taking of corporate action by the Issuer in furtherance of any such action (in each case otherwise than for the purposes of such a consolidation, amalgamation, merger, reconstruction or reorganisation as is referred to in paragraph (c)).

Any Events of Default by the Issuer, other than the events described in Condition 15.1(a) ("Event of Default") above or in respect of where a default is made by the Issuer in the performance or observance of any covenant, condition or provision described in Condition 15.1(b) ("Event of Default") above which cannot be modified and amended without the written consent of the holders of all outstanding MTNs, may be waived by an Ordinary Resolution (as defined in the Meetings Provisions) of the holders of the affected MTNs then outstanding.

## **15.2 Consequences of an Event of Default**

If an Event of Default occurs then an MTN Holder may declare by notice to the Issuer (with a copy to the Registrar) that each MTN held by it is to be redeemed at its Redemption Amount (together with any accrued interest but unpaid), and unless all such defaults shall have been remedied by the Issuer (or by the Parent or TFS pursuant to the relevant Credit Support Agreement) prior to receipt of such written notice, those amounts become due and payable on the next Business Day after service of the notice.

At any time after such declaration of acceleration with respect to the MTNs has been made and before a judgment or decree for payment of the money due with respect to any MTNs has been obtained by any MTN Holder, such declaration and its consequences may be rescinded and annulled, by an Ordinary Resolution (as defined in the Meeting Provisions) of the holders of the affected MTNs then outstanding, if:

- (a) the Issuer has paid to, or deposited with, the Registrar a sum sufficient to pay:
  - (A) all overdue payments of interest on the MTNs; and
  - (B) the principal of the MTNs which has become due otherwise than by such declaration of acceleration; and
- (b) all Events of Default with respect to the MTNs, other than the non-payment of the principal of such MTNs which has become due solely by such declaration of acceleration, have been either (i) remedied or (ii) waived as provided in Condition 15.1 ("Event of Default").

No such rescission shall affect any subsequent default or impair any right consequent thereon.

### **15.3 Notification**

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies MTN Holders, each other Agent and any stock exchange or other relevant authority on which the MTNs are listed of the occurrence of the Event of Default.

## **Part 7 General**

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## **16 Agents**

### **16.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any MTN Holder.

### **16.2 Appointment and replacement of Agents**

Each initial Agent for a Series is specified in the Pricing Supplement. Subject to Condition 16.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

### **16.3 Change of Agent**

Notice of any change of an Agent or its Specified Offices must promptly be given to the MTN Holders by the Issuer or the Agent on its behalf.

### **16.4 Required Agents**

The Issuer must:

- (a) at all times maintain a Registrar; and
- (b) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

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## **17 Meetings of MTN Holders**

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Registered MTN Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions by Extraordinary Resolution.

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## **18 Variation**

### **18.1 Variation with consent**

Unless Condition 18.2 ("Variation without consent") applies, any Condition may be varied by the Issuer with the consent of the MTN Holders by Extraordinary Resolution in accordance with the Meetings Provisions.

## **18.2 Variation without consent**

Any Condition may be amended by the Issuer without the consent of the MTN Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the MTN Holders; or
- (d) only applies to MTNs issued by it after the date of amendment.

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## **19 Further issues**

The Issuer may from time to time, without the consent of the MTN Holders, issue further MTNs having the same Conditions as the MTNs of any Series in all respects (or in all respects except for the Issue Date, Issue Price, Interest Commencement Date and, in respect of the first payment of interest (if any), the interest payment amount) so as to form a single series with the MTNs of that Series.

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## **20 Notices**

### **20.1 Notices to MTN Holders**

All notices and other communications to MTN Holders must be in writing and must be left at the address of or sent by prepaid post to the address of the MTN Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication).

In addition, notices or other communications to MTN Holders:

- (a) may also be given by an advertisement published in the Australian Financial Review or The Australian; or
- (b) if the Pricing Supplement specifies an additional or alternate newspaper, may also be given by an advertisement published in that newspaper.

### **20.2 Notices to the Issuer and the Agents**

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, the Specified Office of the Issuer or the Agent.

### **20.3 When effective**

They take effect from the time they are received unless a later time is specified in them.

### **20.4 Deemed receipt - publication in newspaper**

If published in a newspaper, they are taken to be received on the first date that publication has been made in all the required newspapers.

### **20.5 Deemed receipt - postal**

If sent by post, they are taken to be received five days after posting.

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## 21 Substitution of the Issuer

### 21.1 Substitution of Issuer

Subject to Condition 21.2 (“Conditions to substitution”) the Issuer (“**Retiring Issuer**”) may without the consent of the relevant MTN Holders substitute for itself, the Parent or any Subsidiary of the Parent as the debtor (“**Substitute Issuer**”) in respect of any Series (“**Relevant MTNs**”).

### 21.2 Conditions to substitution

The Retiring Issuer may make a substitution under these Conditions only if:

- (a) (**rating**) any rating of the Relevant MTNs will not be downgraded as a result of the substitution;
- (b) (**documents**) the Retiring Issuer and the Substitute Issuer have entered into the documents (“**Documents**”) necessary to effect the substitution and in which the Substituted Issuer has undertaken in favour of each MTN Holder of the Relevant MTNs to be bound by these Conditions, the Agency Agreement and the MTN Deed Poll, as the debtor in respect of those Relevant MTNs in place of the Retiring Issuer;
- (c) (**legal opinion**) the Substitute Issuer has obtained a legal opinion confirming that the Substitute Issuer’s obligations under the Documents are valid, binding and (subject to the terms of the Documents) enforceable subject only to the qualifications of the same or similar nature as apply to the Retiring Issuer’s obligations under these Conditions, the Agency Agreement and the MTN Deed Poll;
- (d) (**tax residence**) the Substitute Issuer is resident for tax purposes in a territory (“**New Residence**”) other than that in which the Retiring Issuer was resident for tax purposes (“**Former Residence**”), the Documents contain provisions necessary to ensure that each holder of the Relevant MTNs has the benefit of an undertaking in terms corresponding to the provisions of Condition 13 (“Taxation”), with, where applicable, the substitution of references to the Former Residence with references to the New Residence;
- (e) (**authorisations**) the Substitute Issuer and the Retiring Issuer have obtained all the authorisations necessary for the substitution and for the Substitute Issuer to comply with its obligations under these Conditions, the Agency Agreement and the MTN Deed Poll;
- (f) (**listing**) each stock exchange, or other relevant authority on which the Relevant MTNs are listed has confirmed (or provide similar advice) that the Relevant MTNs will continue to be listed after the proposed substitution; and
- (g) (**process agent**) if applicable, the Substitute Issuer has appointed a process agent in New South Wales as its agent to receive service of process on its behalf in relation to any action in connection with the Relevant MTNs.

### 21.3 Substituted Issuer’s rights

With effect on and from the time the substitution takes effect:

- (a) the Retiring Issuer has no further obligations to any MTN Holder, or other party to the Agency Agreement, in relation to the Relevant MTNs;
- (b) the Substitute Issuer has rights which are identical to the rights which the Retiring Issuer had in respect of the Relevant MTNs;

- (c) the Substitute Issuer assumes obligations towards the MTN Holders, and each of the parties to the Agency Agreement, which are identical to the obligations which the Retiring Issuer had in respect of the Relevant MTNs;
- (d) the Substitute Issuer is taken to be a party to the Agency Agreement and the MTN Deed Poll and is bound by their terms; and
- (f) a reference in the Agency Agreement and the MTN Deed Poll to “Issuer” includes a reference to the Substitute Issuer.

In paragraphs (b) and (c) a reference to “identical” rights or obligations is a reference to rights or obligations substantially identical in character to those rights or obligations rather than identical as to the person entitled to them or obliged to perform them.

#### **21.4 Other rights and obligations not affected**

Despite anything contained in these Conditions, the MTN Holders, each Agent, the Retiring Issuer and all other parties to the Agency Agreement remain entitled to their rights and bound by their obligations in respect of Relevant MTNs which have accrued up to and including when the substitution takes effect.

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## **22 Governing law**

### **22.1 Governing law**

MTNs are governed by the law in force in New South Wales, Australia.

### **22.2 Jurisdiction**

The Issuer submits, and each MTN Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

### **22.3 Serving documents**

Without preventing any other method of service, any document in any action may be served on the Issuer or an MTN Holder by being delivered or left at their registered office or principal place of business.

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## **23 Interpretation**

### **23.1 Definitions**

In these Conditions the following expressions have the following meanings:

**Additional Amount** means an additional amount payable by the Issuer under Condition 13.2 (“Withholding tax”).

**Agency Agreement** means:

- (a) the agency and registry services agreement between the Issuer and the Registrar specified in the Pricing Supplement; and
- (b) any other agency agreement entered into by the Issuer in relation to MTNs.

**Agent** means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement.

**Amortised Face Amount** means, in relation to an MTN, an amount equal to the sum of:

- (a) the issue price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the amortisation yield specified in the Pricing Supplement (compounded annually) to the issue price (as specified in the Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the MTN becomes due and repayable.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

**Austraclear** means Austraclear Ltd (ABN 94 002 060 773).

**Austraclear Regulations** means the regulations known as the “Austraclear Regulations” together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system.

**Austraclear System** means the system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between the participants of that system.

**Australian Tax Act** means the Income Tax Assessment Act 1936 of Australia and where applicable, the Income Tax Assessment Act 1997 of Australia.

**Business Day** means a day on which banks are open for general banking business in Sydney and in each (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place) and, if an MTN is to be issued or a payment made in respect of it, a day on which each Clearing System for the relevant MTN is operating.

**Business Day Convention** means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any MTN, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:
  - (i) that date is brought forward to the first preceding day that is a Business Day; and
  - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;



- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

**Calculation Agent** means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions.

**Clearing System** means:

- (a) the Austraclear System; or
- (b) any other clearing system specified in the Pricing Supplement.

**Conditions** means, in respect of an MTN, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such MTN and references to a particular numbered Condition shall be construed accordingly.

**Consolidated Net Tangible Assets** means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom all goodwill, trade names, trademarks, patents, unamortised debt discount and expense and other like intangibles of the Issuer and its consolidated subsidiaries (or, where the Issuer has no consolidated subsidiaries, of the Issuer), all as set forth on the most recent balance sheet of the Issuer and its consolidated subsidiaries (or, where the Issuer has no consolidated subsidiaries, the most recent balance sheet of the Issuer) prepared in accordance with generally accepted accounting principles as practised in the jurisdiction of the Issuer's incorporation.

**Corporations Act** means the Corporations Act 2001 of Australia.

**Credit Support Agreements** means the agreements, governed by Japanese law:

- (a) between the Parent and TFS dated 14 July 2000 as supplemented by a Supplemental Credit Support Agreement dated 14 July 2000 and a Supplemental Credit Support Agreement No. 2 dated 2 October 2000;
- (b) between TFS and each of TFA and TMF dated 7 August 2000; and
- (c) between TFS and TMCC dated 1 October 2000.

**Day Count Fraction** means, in respect of the calculation of interest or any other amount for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:

- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if “**Actual/365**” or “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (iii) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
  - (iv) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if “**30/360**”, “**360/360**” or “**Bond Basis**” is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

- “**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;
- (g) if “**RBA Bond Basis**” or “**Australian Bond Basis**” is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
- (i) the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; and
  - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)); and
- (h) any other day count fraction specified in the Pricing Supplement.

**Denomination** means the notional face value of an MTN specified in the Pricing Supplement.

**ERISA** means the U.S. Employee Retirement Income Security Act of 1974, as amended.

**Event of Default** means an event so described in Condition 15 (“Events of Default”).

**Exchange Date** means the first day following the expiration of a period of 40 days after the Issue Date of the relevant issuance of the MTNs.

**Extraordinary Resolution** has the meaning given in the Meetings Provisions.

**FATCA** means the Foreign Account Taxation Compliance Act provisions set out in sections 1471 through to 1474 of the United States Internal Revenue Code 1986, as amended (including any regulations or official interpretations issued with respect to those provisions and any intergovernmental agreements entered into in relation to those provisions).

**Fixed Rate MTN** means an MTN on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement.

**Floating Rate MTN** means an MTN on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the Pricing Supplement.

**Index Linked MTN** means an MTN in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Pricing Supplement.

**Information Memorandum** means, in respect of an MTN, the information memorandum or other offering document referred to in the Pricing Supplement, prepared by, or on behalf of, and approved by, the relevant Issuer in connection with the issue of that MTN and all other documents incorporated by reference in it, including any applicable Pricing Supplement and any other applicable amendments or supplements to it.

**Instalment Amounts** has the meaning given in the Pricing Supplement.

**Instalment MTN** means an MTN which is redeemable in one or more instalments, as specified in the Pricing Supplement.

**Interest Commencement Date** means, for an MTN, the Issue Date of the MTN or any other date so specified in the Pricing Supplement.

**Interest Determination Date** has the meaning given in the Pricing Supplement.

**Interest Payment Date** means each date so specified in, or determined in accordance with, the Pricing Supplement.

**Interest Period** means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

**Interest Rate** means, for an MTN, the interest rate (expressed as a percentage per annum) payable in respect of that MTN specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Series).

**Issue Date** means the date on which an MTN is, or is to be, issued, as specified in, or determined in accordance with, the Pricing Supplement.

**Issuer** means, in the case of the relevant MTNs, the Issuer specified in the relevant Pricing Supplement, being Toyota Finance Australia Limited, Toyota Motor Credit Corporation or Toyota Motor Finance (Netherlands) B.V. or any Subsidiary of the Parent which accedes to the MTN Deed Poll as an additional issuer under Clause 3 ("Accession of additional issuers") of the MTN Deed Poll or which is substituted for the Issuer under Condition 21 ("Substitution of the Issuer"). A reference to "Issuer" is a reference to each of them individually unless specified.

**Margin** means the margin specified in, or determined in accordance with, the Pricing Supplement.

**Maturity Date** means, the date so specified in, or determined in accordance with, the Pricing Supplement.

**Meetings Provisions** means the provisions relating to meetings of MTN Holders set out in schedule 1 ("Meetings Provisions") of the MTN Deed Poll.

**MTN** means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the MTN Deed Poll.

**MTN Deed Poll** means the deed poll entitled Second MTN Deed Poll executed by the Issuers on or about 15 November 2012.

**MTN Holder** means each person whose name is entered in the Register as the holder of that Registered MTN.

*For the avoidance of doubt, where an MTN is held in a Clearing System, references to an MTN Holder include the operator of that system or a nominee for that operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).*

**Offshore Associate** means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that is either:

- (a) a non-resident of Australia for tax purposes, which does not acquire the MTNs in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia for tax purposes, that acquires the MTNs in carrying on a business at or through a permanent establishment outside Australia.

**Outstanding** means, in relation to the MTNs of all or any Series, all the MTNs (or all the MTNs of that or those Series) issued other than:

- (a) those which have been redeemed in full in accordance with the Conditions;
- (b) those in respect of which the date for redemption (whether in respect of the whole principal amount or the final instalment (when redeemable in instalments)) in accordance with the Conditions has occurred and the redemption moneys therefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Conditions after such date) have been duly paid to the applicable Agent;
- (c) those MTNs which have become void under Condition 14 ("Time limit for claims"); and
- (d) those MTNs which have been purchased or otherwise acquired and cancelled as provided in Condition 10.10 ("Purchase") and those which have been purchased or otherwise acquired and are being held by the relevant Issuer for subsequent resale or reissuance as provided in Condition 10.10 ("Purchase") during the time so held.

**Parent** means Toyota Motor Corporation.

**Partly Paid MTN** means an MTN in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

**Permitted Security Interest** shall mean:

- (a) any Security Interest arising by operation of law or any right of set-off;
- (b) any Security Interest granted by the Parent in favour of a TMC Subsidiary (while such beneficiary remains a TMC Subsidiary) or by one TMC Subsidiary in favour of another TMC Subsidiary (while such beneficiary remains a TMC Subsidiary);
- (c) any Security Interest created in connection with, or pursuant to, a limited-recourse financing, securitisation or other like arrangement where the payment obligations in respect of the indebtedness secured by the relevant Security Interest are to be discharged from the revenues generated by assets over which such Security Interest is created (including, without limitation, receivables),

and (in addition to (a), (b) and (c) above), where the Issuer is TFA, any Security Interest provided for by one of the following transactions if the transaction does not secure payment or performance of an obligation:

- (i) a transfer of an account or chattel paper;
- (ii) a commercial consignment; or
- (iii) a PPS lease.

where “account”, “chattel paper”, “commercial consignment” and “PPS lease” have the same meanings given to them in the Personal Property Securities Act 2009 of Australia.

**Pricing Supplement** means, in respect of a Tranche, the pricing supplement specifying the relevant issue details in relation to it.

**Process Agent** means TFA.

**Record Date** means:

- (a) in the case of payments of principal and any final Instalment Amount in respect of a Registered MTN, 10.00 am on the payment date; and
- (b) in the case of payments of interest and Instalment Amounts (other than the final Instalment Amount), the close of business in the place where the Register is maintained on the eighth calendar day before the payment date,

or any other date so specified in the Pricing Supplement.

**Redemption Amount** means:

- (a) for an MTN (other than a Zero Coupon MTN or a Structured MTN), the outstanding principal amount as at the date of redemption;
- (b) for a Zero Coupon MTN, the Amortised Face Amount calculated as at the date of redemption; and
- (c) for a Structured MTN, the amount determined by the Calculation Agent in the manner specified in the Pricing Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions.

**Reference Banks** means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

**Reference Rate** has the meaning given in the Pricing Supplement.

**Register** means the register, including any branch register, of holders of MTNs established and maintained by or on behalf of the Issuer under an Agency Agreement.

**Registered MTN** means any MTN which, for the purposes of New South Wales law, is in registered form and which is owing under the MTN Deed Poll.

**Registrar** means the person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement as the party responsible for establishing and

maintaining the Register on the Issuer's behalf from time to time and perform any payment and other duties as specified in that agreement.

**Regular Period** means:

- (a) in the case of MTNs where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of MTNs where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of MTNs where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**Regulation S** has the meaning given in Condition 5.12 ("Compulsory Transfer").

**Related Entities** has the meaning given to it in the Corporations Act.

**Relevant Indebtedness** shall mean any indebtedness in the form of or represented by bonds, notes, debentures or other securities which have a final maturity of more than a year from the date of their creation and which are admitted to trading on one or more stock exchanges.

**Relevant Screen Page** means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Markets Limited) specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

**Relevant Tax Jurisdiction** means:

- (a) (in the case of MTNs issued by TFA) only Australia or a political sub-division of Australia;
- (b) (in the case of MTNs issued by TMCC) only the United States or a political sub-division of the United States; and
- (c) (in the case of MTNs issued by TMF) only the Netherlands or a political subdivision of the Netherlands.

**Relevant Time** has the meaning given in the Pricing Supplement.

**Security Interest** means a mortgage, pledge, lien, security interest or other charge.

**Series** means an issue of MTNs made up of one or more Tranches all of which form a single Series and are issued on the same Conditions, except that the Issue Price, Issue Date, the Interest Commencement Date and, in respect of the first interest payment (if any), the interest payment amount (as specified in the relevant Pricing Supplement) may be different in respect of different Tranches of a Series.

**Specified Office** means the office specified in the Information Memorandum or any other address notified to MTN Holders from time to time.

**Structured MTN** means:

- (a) an Index Linked MTN; or
- (b) an Instalment MTN.

**Subsidiary** of an entity means another entity which is a subsidiary of the first within the meaning of part 1.2 division 6 of the Corporations Act or is a subsidiary of or otherwise controlled by the first within the meaning of any approved accounting standard.

**Taxes** means taxes, levies, imposts, assessments, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of an MTN Holder.

**TFA** means Toyota Finance Australia Limited (ABN 48 002 435 181).

**TFS** means Toyota Financial Services Corporation.

**TMCC** means Toyota Motor Credit Corporation.

**TMC Subsidiary** means any of the Parent's subsidiaries consolidated in accordance with generally accepted accounting principles in the United States.

**TMF** means Toyota Motor Finance (Netherlands) B.V.

**Tranche** means an issue of MTNs specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions.

**United States** means the United States of America (including the States and District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

**United States Alien** means any person who is, for United States federal income tax purposes:

- (a) a foreign corporation;
- (b) a foreign partnership any member of which is a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust;
- (c) a non-resident alien individual; or
- (d) a non-resident alien fiduciary of a foreign estate or trust.

**U.S. Person** has the meaning given in Condition 5.12 ("Compulsory Transfer").

**Zero Coupon MTN** means an MTN which does not carry entitlement to periodic payment of interest before the redemption date of the MTN and which is issued at a discount to its principal amount.

## 23.2 References to certain general terms

Unless the contrary intention appears, a reference in these Conditions to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;



- (b) a document (including these Conditions) includes any variation or replacement of it;
- (c) law means common law, principles of equity and laws made by any parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (d) a directive means a treaty, an official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (e) **“Australian dollars”** or **“A\$”** is a reference to the lawful currency of the Commonwealth of Australia;
- (f) **“United States dollars”** or **“USD”** is a reference to the lawful currency of the United States of America;
- (g) **“Japanese Yen”** or **“¥”** is a reference to the lawful currency of Japan;
- (h) **“EUR”, “Euro”** or **“€”** is a reference to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty of the Functioning of the European Union (as amended) and being the lawful currency of the Netherlands;
- (i) a time of day is a reference to Sydney time;
- (j) the word **“person”** includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (k) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (l) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (m) anything (including any amount) is a reference to the whole and each part of it; and
- (n) the words **“including”**, **“for example”** or **“such as”** when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

### 23.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the MTNs of the relevant Series;
- (c) a reference to an MTN is a reference to an MTN of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to an MTN Holder is a reference to the holder of MTNs of a particular Series;
- (e) if the MTNs are Zero Coupon MTNs or Structured MTNs which do not bear interest, references to interest are not applicable; and

- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

#### **23.4 References to principal and interest**

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (“Taxation”), any premium payable in respect of an MTN, and any other amount in the nature of principal payable in respect of the MTNs under these Conditions;
- (b) the principal amount of an MTN issued at a discount is to be taken as at any time to equal the lesser of:
  - (i) its Denomination; and
  - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of an MTN which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;
- (d) the principal amount of a Partly Paid MTN is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment MTN at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to “interest” is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the MTNs under these Conditions.

#### **23.5 Number**

The singular includes the plural and vice versa.

#### **23.6 Headings**

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

#### **23.7 Terms defined in Pricing Supplement**

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the MTNs.

## Relationship of Issuers and TFS with Parent

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Each of TMF and TFA has entered into a Credit Support Agreement in English with TFS dated as of 7 August 2000 and TMCC has entered into a Credit Support Agreement in English with TFS dated as of 1 October 2000 (each a “**Credit Support Agreement**” and together the “**Credit Support Agreements**”, as may be amended, modified or supplemented from time to time). TFS has entered into a Basic Credit Support Agreement dated 14 July 2000, a Supplemental Credit Support Agreement dated 14 July 2000 and a Supplemental Credit Support Agreement No. 2 dated 2 October 2000 in each case in Japanese with the Parent (collectively, the “**Basic Agreement**”, as may be amended, modified or supplemented from time to time).

The following is a summary of certain of the terms of the Credit Support Agreements and the Basic Agreement, copies or, in the case of the Basic Agreement, an English translation of which are available from each Issuer at its office specified in the Directory on page 76.

TFS has agreed with each of the Issuers in the Credit Support Agreements:

- (i) to own, directly or indirectly, all of the outstanding shares of the capital stock of the relevant Issuer and not to pledge, directly or indirectly, or in any way encumber or otherwise dispose of any such shares of stock so long as the relevant Issuer has any outstanding bonds, debentures, notes and other investment securities and commercial papers (hereinafter called the “**Securities**”), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to TFS, may not be successfully challenged;
- (ii) to cause the relevant Issuer and its subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in the jurisdiction of incorporation of the relevant Issuer and as shown on the relevant Issuer’s most recent audited annual consolidated balance sheet, of at least EUR100,000 in the case of TMF, A\$150,000 in the case of TFA and USD100,000 in the case of TMCC so long as Securities of each such relevant Issuer are outstanding. Tangible net worth means the aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets; and
- (iii) if the relevant Issuer at any time determines that it will run short of cash or other liquid assets to meet its payment obligations on any Securities then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than TFS, then the relevant Issuer will promptly notify TFS of the shortfall and TFS will make available to the relevant Issuer, before the due date of such Securities, funds sufficient to enable it to pay such payment obligations in full as they fall due. The relevant Issuer will use such funds made available to it by TFS solely for the payment of such payment obligations when they fall due.

The Parent has agreed with TFS in the Basic Agreement:

- (i) to own, directly or indirectly, all of the outstanding shares of the capital stock of TFS and not to pledge, directly or indirectly, or in any way encumber or otherwise dispose of any such shares of stock so long as TFS has any outstanding bonds, debentures, notes and other investment securities and commercial paper (hereinafter called “**TFS Securities**”, which shall include, except for the purpose of paragraph (iii) below, any Securities issued by subsidiaries or affiliates of TFS in respect of which TFS has guarantee or credit support obligations), unless required to dispose of any or all such shares of stock pursuant to a court decree or order of any governmental authority which, in the opinion of counsel to the Parent, may not be successfully challenged;
- (ii) to cause TFS and TFS’s subsidiaries, if any, to have a consolidated tangible net worth, as determined in accordance with generally accepted accounting principles in Japan and as shown on TFS’s most recent audited annual consolidated balance sheet, of at least JPY10,000,000 so long as TFS Securities are outstanding. Tangible net worth means the

aggregate amount of issued capital, capital surplus and retained earnings less any intangible assets; and

- (iii) if TFS at any time determines that it will run short of cash or other liquid assets to meet its payment obligations in respect of any TFS Securities or obligations under any guarantee and credit support agreements then or subsequently to mature and that it shall have no unused commitments available under its credit facilities with lenders other than the Parent, then TFS will promptly notify the Parent of the shortfall and the Parent will make available to TFS, before the due date in respect of such obligations, funds sufficient to enable it to pay such payment obligations in full as they fall due. TFS will use such funds made available to it by the Parent solely for the payment of such payment obligations when they fall due.

The Credit Support Agreements and the Basic Agreement are not, and nothing contained therein and nothing done by TFS and the Parent respectively should be deemed to constitute a guarantee, direct or indirect, by TFS or the Parent respectively of any Securities or TFS Securities, respectively, including the MTNs. The Parent's obligations under the Basic Agreement and the obligations of TFS under the Credit Support Agreements, rank *pari passu* with its direct, unconditional, unsubordinated and unsecured debt obligations.

The Credit Support Agreements and the Basic Agreement are executed for the benefit of the holders of Securities and TFS Securities, as the case may be, including the MTNs and such holders may rely on the observance by TFS and/or the Parent as the case may be, of the provisions of the Credit Support Agreements and/or the Basic Agreement, as the case may be.

The Credit Support Agreements and the Basic Agreement provide that the holders of Securities and/or TFS Securities, as the case may be, including the MTNs, have the right to claim directly against TFS and/or the Parent, as the case may be, to perform any of its obligations under the Credit Support Agreements and/or the Basic Agreement, as the case may be. Such claim must be made in writing with a declaration to the effect that such a holder will have recourse to the rights given under the relevant Credit Support Agreement or the Basic Agreement, as the case may be. If TFS and/or the Parent receives such a claim from any of the holders of Securities and/or TFS Securities, as the case may be, TFS and/or the Parent must indemnify, without any further action or formality, such a holder against any loss or damage arising out of or as a result of the failure to perform any of its obligations under the Credit Support Agreements and/or the Basic Agreement, as the case may be. The holder of Securities and/or TFS Securities who made the claim may enforce such indemnity directly against TFS and/or the Parent, as the case may be.

The Credit Support Agreements and Basic Agreement each provide that either TFS or the relevant Issuer, in the case of the Credit Support Agreements, or that either the Parent or TFS, in the case of the Basic Agreement, may terminate such Agreement upon 30 days written notice to the other, with a copy to each statistical rating agency that, upon the request of the relevant Issuer or TFS, has issued a rating in respect of the relevant Issuer or any Securities, in the case of the Credit Support Agreements or, upon the request of TFS or the Parent, has issued a rating in respect of TFS or any TFS Securities, in the case of the Basic Agreement (in each case, a "**Rating Agency**"), subject to the limitation that termination will not take effect until or unless (i) all Securities, in the case of the Credit Support Agreements, or all TFS Securities, in the case of the Basic Agreement, issued on or prior to the date of such termination notice have been repaid or (ii) each Rating Agency has confirmed to the relevant Issuer, in the case of the Credit Support Agreements, or TFS, in the case of the Basic Agreement, that the debt ratings of all such Securities, in the case of the Credit Support Agreements, or all TFS Securities, in the case of the Basic Agreement, will be unaffected by such termination.

The Credit Support Agreements and the Basic Agreement are governed by, and construed in accordance with, the laws of Japan.

Each of the Issuers and TFS have entered into a credit support fee agreement which requires each of the Issuers to pay a fee to TFS based on a percentage of the weighted average outstanding amount of the relevant Issuer's bonds and other liabilities or securities entitled to credit support under the relevant Credit Support Agreement and Basic Agreement described above.

# Form of MTN Pricing Supplement

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*The Pricing Supplement to be issued in respect of each Tranche will be substantially in the form set out below.*

Series No.: [●]

Tranche No.: [●]



**[Toyota Finance Australia Limited**

(ABN 48 002 435 181) /

**Toyota Motor Credit Corporation /**

**Toyota Motor Finance (Netherlands) B.V.<sup>1</sup>**

**A\$[●]**

**Debt Issuance Programme**

Issue of

**[Aggregate Principal Amount of Tranche]**

**[Title of MTNs] due [●] (“MTNs”)**

**Pricing Supplement**

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated 15 November 2012 (“**Information Memorandum**”) in relation to the above Programme) relates to the Tranche referred to above. It is supplementary to, and should be read in conjunction with the terms and conditions of the MTNs contained in the Information Memorandum (“**Conditions**”) and the Second MTN Deed Poll dated 15 November 2012 made by the Issuer (“**MTN Deed Poll**”). Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the MTNs or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

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<sup>1</sup> Delete as appropriate

THE MTNS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR UNDER THE SECURITIES OR “BLUE SKY” LAWS OF ANY STATE IN THE UNITED STATES. THE MTNS SHALL NOT BE OFFERED, SOLD, DELIVERED, PLEDGED OR OTHERWISE TRANSFERRED TO OR HELD BY, IN THE CASE OF MTNS, (A) A CITIZEN OR RESIDENT OF THE UNITED STATES OR ANY OF ITS TERRITORIES OR POSSESSIONS, (B) A CORPORATION, PARTNERSHIP OR OTHER ENTITY CREATED OR ORGANISED UNDER THE LAWS OF THE UNITED STATES, OR (C) A U.S. PERSON (AS DEFINED UNDER SECTIONS 230.901 THROUGH 230.904 OF TITLE 17 OF THE UNITED STATES CODE OF FEDERAL REGULATIONS (“**REGULATION S**”)) (ANY PERSON DESCRIBED IN CLAUSES (A), (B) OR (C) OF THIS SENTENCE, A “**U.S. PERSON**”). BY ITS ACCEPTANCE OF THE MTNS, OR OF A BENEFICIAL INTEREST THEREIN, EACH MTN HOLDER OR BENEFICIAL OWNER OF THE MTNS OR AN INTEREST THEREIN SHALL BE DEEMED TO HAVE REPRESENTED TO THE ISSUER THAT (A) SUCH MTN HOLDER OR BENEFICIAL OWNER IS NOT A U.S. PERSON AND THAT SUCH MTN HOLDER OR BENEFICIAL OWNER IS NOT IN THE UNITED STATES NOR IS IT PURCHASING THE MTNS OR A BENEFICIAL INTEREST THEREIN FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON AND (B) THAT EITHER (1) NO PORTION OF THE ASSETS USED BY IT TO ACQUIRE AND HOLD THE MTNS CONSTITUTES ASSETS OF (i) ANY EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), (ii) ANY INDIVIDUAL RETIREMENT ACCOUNT, KEOGH PLAN OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (“**CODE**”), (iii) ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF ERISA OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (iv) ANY GOVERNMENTAL, CHURCH OR NON-U.S. PLAN THAT IS NOT SUBJECT TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE BUT MAY BE SUBJECT TO OTHER LAWS THAT ARE SUBSTANTIALLY SIMILAR TO THOSE PROVISIONS (EACH, A “**SIMILAR LAW**”), OR (2) ITS PURCHASE, HOLDING AND SUBSEQUENT DISPOSITION OF THE NOTES WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA, SECTION 4975 OF THE CODE OR ANY PROVISION OF SIMILAR LAW.

[FOR UNITED STATES FEDERAL SECURITIES LAWS PURPOSES, THE MTN DEED POLL CONSTITUTES A TEMPORARY GLOBAL NOTE ISSUED IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT AND WILL BECOME A PERMANENT GLOBAL NOTE ON OR AFTER THE EXCHANGE DATE]<sup>2</sup>

The particulars to be specified in relation to such Tranche are as follows:

- 1 Issuer: [Toyota Finance Australia Limited / Toyota Motor Credit Corporation / Toyota Motor Finance (Netherlands) B.V.]
- 2 Lead Manager: [Name]
- 3 Registrar: [Name]
- Agency Agreement: [The Registrar has been appointed to act in that capacity pursuant to an [insert description of agreement] dated [insert date] between the Registrar and the Issuer.]
- 4 Calculation Agent: [Name and address]
- Agency Agreement: [The Calculation Agent has been appointed to act in that capacity pursuant to an [insert description of agreement] dated [insert date] between the Calculation Agent and the Issuer.]
- 5 Type of Issue: [Competitive tender / Private placement]
- 6 Description: [MTNs / Notes / Bonds / Instruments]

<sup>2</sup> Only applicable for MTNs issued by TMCC

- 7 Dealer(s): [Name]
- 8 If to form a single Series with an existing Series, specify date on which all MTNs of the Series become fungible, if not the Issue Date: [Specify]
- 9 Aggregate principal amount of Tranche: [Specify]
- 10 If interchangeable with existing Series: [Specify]
- 11 Issue Date: [Specify]
- 12 Issue Price: [Specify]
- 13 Purchase Price: [Specify]
- 14 Denomination(s): [Specify amount and currency]
- 15 Type of MTNs: [Fixed Rate MTNs / Floating Rate MTNs / Zero Coupon MTNs / Index Linked MTNs / Other]
- 16 If interest-bearing, specify which of Conditions 6 (“Fixed Rate MTNs”), 7 (“Floating Rate MTNs”) is applicable and then specify the matters required for the relevant Condition.<sup>3</sup> [•]
- 17 Condition 6 for Fixed Rate MTNs: Applicable: [Yes / No]
- (a) Fixed Coupon Amount: [•]
- (b) Interest Rate(s): [•]
- (c) Interest Commencement Date, if not Issue Date: [•]
- (d) Interest Payment Dates: [•]
- (e) Day Count Fraction: [•] (if none specified, Australian Bond Basis (as defined in the Terms and Conditions))
- (f) Initial Broken Amount: [•]
- (g) Final Broken Amount: [•]
- 18 Condition 7 for Floating Rate MTNs: Applicable: [Yes / No]
- (a) Interest Commencement Date, if not Issue Date: [•]
- (b) Interest Rate: [Specify if ISDA Determination or Screen Rate Determination] [(Condition 7.4 or 7.5)]
- (c) Interest Payment Dates: [•]
- (d) Business Day Convention: [Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention]
- [If Condition 7.4 applies (ISDA Determination)]
- (e) Floating Rate Option: [•]
- (f) Designated Maturity: [•]

<sup>3</sup> For MTNs issued by TMCC only, where an interest payment date falls during the 40 day lock-up period during which the MTNs are in temporary form (e.g. where Notes pay monthly interest or, possibly, in the case of a second or subsequent Tranche of a Series), additional provisions will need to be included.

- (g) Reset Date: [•]
- (h) Relevant Screen Page: [•]
- (i) Relevant Time: [•]
- (j) Reference Rate: [•]
- (k) Reference Banks: [If none are specified, the Reference Banks will be four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate]
- (l) Relevant Financial Centre: [•]
- (m) Interest Determination Date: [•]
- [The following apply whether Condition 7.4 or 7.5 applies]
- (n) Margin: [•] (state whether positive or negative)
- (o) Minimum/Maximum Interest Rate: [•] / [Not applicable]
- (p) Day Count Fraction: [•]
- (p) Fallback Interest Rate: [•]
- 19 Other rates: Applicable: [Yes / No]  
[Specify full interest determination provisions, including Interest Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum/maximum rates]
- 20 Default Rate: [Specify]
- 21 Amortisation Yield: [•] [In the case of Zero Coupon MTNs, specify the Amortisation Yield]
- 22 Maturity Date: [•] [In the case of an amortising MTN, insert the date on which the last instalment of principal is payable]
- 23 Redemption Amount: [] [If Redemption Amount is not the outstanding principal amount of the MTNs, insert amount or full calculation provisions]
- 24 Early redemption at the option of the Issuer (Issuer Call):
- (a) Specify if Condition 10.6 ("Early redemption at the option of the Issuer ("Issuer Call)") is applicable: Applicable: [Yes / No]
- (b) Specify minimum notice period for the exercise of the call option: [•]
- (c) Specify maximum notice period for the exercise of the call option: [•]
- (d) Early Redemption Date (Call): [•]
- (e) Specify any relevant conditions to exercise of option: [•]
- (f) Specify whether redemption at Issuer's option is permitted in respect of some MTNs only and, if so, any minimum aggregate principal amount and the means by which MTNs will be [•]



	selected for redemption:	
25	Early redemption at the option of MTN Holders (MTN Holder Put):	
	(a) Specify if Condition 10.5 (“Early redemption at the option of MTN Holders (MTN Holder Put)”) is applicable:	Applicable: [Yes / No]
	(b) Specify minimum notice period for exercise of put option:	[•]
	(c) Specify maximum notice period for exercise of put option:	[•]
	(d) Early Redemption Date (Put):	[•]
	(e) Specify any relevant conditions to exercise of option:	[•]
26	Early redemption for taxation reasons:	Applicable: [Yes / No]
27	Taxation:	<i>[Specify the additional circumstances in which an exception to the gross-up obligation is to apply pursuant to Condition 13.3]</i>
28	Other relevant terms and conditions:	<i>[Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included]</i>
29	ISIN:	[•]
30	Common Code:	[•]
31	Any Clearing System other than Euroclear / Clearstream Banking / Austraclear Australia:	[•]
32	Additional selling restrictions:	<i>[Specify any variation to the selling restrictions]</i>
33	Listing:	[•]
34	Negative Pledge (Condition 4) (“Negative Pledge”):	[Not Applicable / Applicable]
35	Events of Default:	<i>[Specify any additional Events of Default (or modifications to Condition 15)]</i>
36	Additional or alternate newspapers (Condition 20.1) (“Notices to MTN Holders”):	[•]

# Selling Restrictions

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*Under the Dealer Agreement dated 17 June 2008 as amended by a side letter dated 15 November 2012 between the Issuers, the Arranger and the Dealers (as amended and supplemented from time to time, the “**Dealer Agreement**”), the MTNs will be offered by the Issuers through one or more Dealers. The Issuers have the sole right to accept any offer to purchase MTNs and may reject that offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase MTNs made to it in whole or (subject to the terms of such offer) in part. The Issuers are entitled under the Dealer Agreement to appoint one or more additional financial institutions as a Dealer for a particular Tranche or the Programme generally. Such financial institutions will be required to agree to the following selling restrictions.*

*Each Dealer must comply with (a) all applicable laws and directives in any jurisdiction in which it may purchase, offer, sell, deliver or transfer MTNs or have in their possession or distribute this Information Memorandum or any relevant supplement, advertisement or other offering material in relation to the MTNs, and (b) the following selling restrictions. Additional selling restrictions and changes to the following selling restrictions may be set out in a relevant supplement issued in respect of the relevant MTNs or in a supplement to this Information Memorandum.*

*Neither the Issuers nor any Dealer represents that any MTNs may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.*

*In addition and unless the relevant supplement otherwise provides each Dealer must, in connection with the primary distribution of the MTNs issued by TFA, not sell those MTNs to any person in circumstances where employees or officers of the Dealer directly involved in, the sale know or have reasonable grounds to suspect that, as a result of such sale, any of those MTNs (or an interest in or right in respect of them) were being, or would later be, acquired either directly or indirectly by an associate of TFA within the meaning of section 128F(9) of the Income Tax Assessment Act 1936 of Australia and associated regulations (and, where applicable, any replacement legislation including, but not limited to, the Income Tax Assessment Act 1997 of Australia) (“**Australian Tax Act**”), except as permitted by section 128F(5) of the Australian Tax Act.*

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## 1 General

No action has been taken in any jurisdiction that would permit a public offering of the MTNs or possession or distribution of this Information Memorandum or any relevant supplement, advertisement or other offering material in any jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuers and Dealers to comply with all applicable laws and directives in each jurisdiction in which they purchase, offer, sell, deliver or transfer MTNs or have in their possession or distribute or publish this Information Memorandum or any relevant supplement, advertisement or other offering material and to obtain any authorisation required by them for the purchase, offer, sale, delivery or transfer by them of any MTNs under the laws or directives in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, deliveries or transfers, in all cases at their own expense, and neither the Issuers nor any Dealer has responsibility for such matters. In accordance with the above, any MTNs purchased by any person may not be offered or sold by such person in any jurisdiction in circumstances which would result in any Issuer being obliged to register any prospectus or similar document relating to the MTNs in that jurisdiction.

The following selling restrictions may be changed by the Issuers after consultation with the Dealers following a change in any law or directive or in its interpretation or administration by an authority or the introduction of a new law or directive. Any change will be set out in the

relevant supplement issued in respect of the MTNs to which it relates (or in another supplement to this Information Memorandum).

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## **2 Australia**

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any MTNs has been, or will be, lodged with ASIC. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the MTNs in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, this Information Memorandum or any supplement, advertisement or other offering material relating to the MTNs in Australia,

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in any other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under either Part 6D.2 or Chapter 7 of the Corporations Act;
- (ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the financial services licensing requirements of Chapter 7 of the Corporations Act); and
- (iv) such action does not require any document to be lodged with ASIC.

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## **3 The United States of America**

- (1) The MTNs have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed, and each further Dealer to be appointed under the Dealer Agreement will be required to represent and agree, that it has offered, sold and delivered any MTNs, and will offer, sell and deliver any MTNs (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all MTNs of the Tranche of which such MTNs are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased MTNs of a Tranche hereunder (or in the case of a sale of a Tranche of MTNs issued to or through more than one Dealer, each of such Dealers as to the MTNs of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant lead manager) shall determine and certify to the Issuer, the other Dealers (if any) and (if applicable) the lead manager the completion of the distribution of the MTNs of such Tranche and as such, the end of the distribution compliance period with respect to such Tranche. Each Dealer has also agreed and each further Dealer to be appointed under the Dealer Agreement will be required to agree that, at or prior to confirmation of sale of MTNs, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases MTNs from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered, delivered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Each Dealer has represented and agreed, and each further Dealer to be appointed under the Dealer Agreement will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any MTN, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Until the expiration of the 40-day distribution compliance period referred to above for a Tranche of MTNs, an offer or sale of any MTNs forming part of the Tranche within the United States by a dealer (whether or not participating in the offering of the MTNs) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

Terms used in this subparagraph (1) have the meaning given to them by Regulation S under the Securities Act.

- (2) In addition, with respect to MTNs issued by TMCC that, as specified in the applicable Pricing Supplement, are intended to be issued under the procedures set forth in Section 1.871-14(e) of the U.S. Treasury Regulations (“**FTRO Rules**” and such MTN, an “**FTRO MTN**”), each Dealer has represented and agreed, and each further Dealer to be appointed under the Dealer Agreement will be required to represent and agree, as follows:
- (A) except to the extent permitted under Section 1.163-5(c)(2)(i)(D) of the U.S. Treasury Regulations (“**D Rules**”), (i) each Dealer has not offered or sold, and during the restricted period shall not offer or sell, MTNs to a person who is within the United States or its possessions or to a United States person, and (ii) each Dealer has not delivered and will not deliver within the United States or its possessions definitive MTNs that are sold during the restricted period;
  - (B) that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling MTNs are aware that such MTNs may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
  - (C) each Dealer that is a United States person represents that it is acquiring the MTNs for the purposes of resale in connection with their original issuance and if it retains the MTNs for its own account, it will only do so in accordance with the requirements of Section 1.163-5(c)(2)(i)(D)(6) of the U.S. Treasury Regulations; and
  - (D) with respect to each affiliate that acquires MTNs from a Dealer for the purpose of offering or selling such MTNs during the restricted period, such Dealer has repeated and confirmed the representations and agreements contained in Clauses (A), (B) and (C) on such affiliate’s behalf.

The Dealers further agree to sell FTRO MTNs only to financial institutions (as defined in section 871(h)(5)(B) of the U.S. Internal Revenue Code or members of a clearing organization, and only to such financial institutions or clearing organization members that agree to provide periodic certificates regarding ownership of the FTRO MTNs in the form and at the times required by Section 1.871-41(e)(3)(i) of the U.S. Treasury Regulations.

Terms used in this subparagraph (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

- (3) Each issuance of Index Linked MTNs and Dual Currency MTNs will be subject to such additional United States selling restrictions, if any, as the relevant Issuer and the relevant Dealers shall agree as a term of the issuance and purchase of such MTNs, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The Dealers agree that they will offer, sell or deliver such MTNs only in compliance with such additional United States selling restrictions.

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## 4 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of MTNs which are the subject of the offering contemplated by this Information Memorandum as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such MTNs to the public in that Relevant Member State:

- (a) if the applicable Pricing Supplement in relation to the MTNs specify that an offer of those MTNs may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such MTNs which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

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## 5 United Kingdom

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

- (a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any MTNs in, from or otherwise involving the United Kingdom;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any MTNs in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and
- (c) in relation to any MTNs which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any MTNs other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the MTNs would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer.

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## 6 The Netherlands

For selling restrictions in respect of the Netherlands, see “European Economic Area” above and in addition:

- (a) *Specific Dutch selling restriction for exempt offers:* Each Dealer has represented and has agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not make an offer of the MTNs to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless:
  - (i) such offer is made exclusively to legal entities which are qualified investors (as defined in the Prospectus Directive and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in the Netherlands;
  - (ii) standard exemption logo and wording are disclosed as required by article 5:20(5) of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*, the “**NLFMSA**”); or
  - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the NLFMSA is not applicable,

provided that no such offer of MTNs shall require any Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of MTNs to the public” in relation to any MTNs in the Netherlands means the communication in any form and by

any means of sufficient information on the terms of the offer and the MTNs to be offered so as to enable an investor to decide to purchase or subscribe the MTNs, as the same may be varied in the Netherlands by any measure implementing the Prospectus Directive in the Netherlands.

- (b) Zero Coupon MTNs in definitive form issued by any of the Issuers may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., with due observance of the Dutch Savings Certificates Act (*Wet inzake Spaarbewijzen*) of 21st May, 1985 (as amended) and its implementing regulations. No such mediation is required in respect of: (a) the transfer and acceptance of rights representing an interest in a Zero Coupon MTN in global form; (b) the initial issue of Zero Coupon MTNs in definitive form by the first holders thereof; (c) in respect of the transfer and acceptances of Zero Coupon MTNs in definitive form between individuals not acting in the conduct of a business or profession; or (d) the transfer and acceptance of such MTNs within, from or into the Netherlands if all Zero Coupon MTNs (either in definitive form or as rights representing an interest in a Zero Coupon MTN in global form) of any particular Series are issued outside the Netherlands and are not distributed within the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of and payments on Zero Coupon MTNs have to be complied with and, in addition thereto, if such Zero Coupon MTNs in definitive form do not qualify as commercial paper traded between professional borrowers and lenders within the meaning of the agreement of 2nd February, 1987 attached to the Royal Decree of 11th March, 1987 (*Staatscourant 129*) (as amended), each transfer and acceptance should be recorded in a transaction note, including the name and address of each party to the transaction and the details and serial numbers of such MTNs.

As used herein “**Zero Coupon MTNs**” are that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their term to maturity or on which no interest is due whatsoever.

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## 7 Japan

The MTNs have not been and will not be registered under Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended) (the “**Financial Instruments and Exchange Law**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold, delivered or transferred and will not offer, sell, deliver or transfer any MTNs, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering, resale, delivery or transfer, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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## 8 Hong Kong

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

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any MTNs (except for MTNs which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than:
- (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent);

- (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or
  - (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the MTNs, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the MTNs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

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## 9 Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") under the Securities and Futures Act (Chapter 289) of Singapore, as amended ("SFA"). Accordingly, the MTNs may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any MTNs be circulated or distributed, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor specified in Section 274 of the SFA;
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the MTNs are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the MTNs shall not be sold within a period of 6 months from the date of the initial acquisition of the MTNs, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the SFA);
- (b) a relevant person (as defined in Section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where MTNs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or



- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the MTNs pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor (under Section 274 of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (b) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (c) where no consideration is or will be given for the transfer;
- (d) where the transfer is by operation of law;
- (e) pursuant to Section 276(7) of the SFA; or
- (f) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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## 10 New Zealand

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

- (a) it has not offered or sold, and will not offer or sell, directly or indirectly, any MTNs; and
- (b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of MTNs,

in each case in New Zealand other than:

- (i) at all times while Part 2 of the Securities Act 1978 of New Zealand (the "**NZ Securities Act**") remains in force:
  - (A) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money;
  - (B) to persons who in all the circumstances can properly be regarded as having been selected otherwise than as members of the public;
  - (C) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the MTNs before the allotment of those MTNs (disregarding any amounts payable, or paid, out of money lent by the relevant Issuer or any associated person of the relevant Issuer);
  - (D) to persons who are eligible persons within the meaning of section 5(2CC) of the NZ Securities Act (or any statutory modification or re-enactment of, or statutory substitution for that Act); or
  - (E) in other circumstances where there is no contravention of the NZ Securities Act; or

- (ii) if the New Zealand Parliament enacts new legislation that applies, either directly or indirectly, to the offer of MTNs ("**New Legislation**"), in circumstances where there is no contravention of the New Legislation.

# Australian Taxation

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## 1 Overview

*The following is a summary of the Australian withholding tax treatment under the Australian Tax Act, the Taxation Administration Act 1953 of Australia and any relevant rulings, judicial decisions or administrative practice, at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the MTNs to be issued by the Issuers under the Programme and certain other Australian tax matters.*

*This summary applies to holders of MTNs that are:*

- *residents of Australia for tax purposes that do not acquire and hold their MTNs in the course of carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that acquire and hold their MTNs in the course of carrying on a business at or through a permanent establishment in Australia (“**Australian Holders**”); and*
- *non-residents of Australia for tax purposes that do not acquire and hold their MTNs in the course of carrying on a business at or through a permanent establishment in Australia, and Australian tax residents that acquire and hold their MTNs in the course of carrying on a business at or through a permanent establishment outside of Australia (“**Non-Australian Holders**”).*

*The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders of the MTNs (including, without limitation, dealers in securities, custodians or other third parties who hold MTNs on behalf of any person). In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the MTNs through Euroclear, Clearstream, Luxembourg, or another clearing system.*

*Holders of the MTNs should also be aware that particular terms of issue of any Series of MTNs may affect the tax treatment of that Series of MTNs. Information regarding taxes in respect of MTNs may also be set out in the applicable Pricing Supplement.*

*This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of the MTN. Each holder should seek professional tax advice in relation to their particular circumstances.*

## 2 Australian Interest Withholding Tax

### Part A - MTNs issued by TFA

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies) including for the purposes of Australian interest withholding tax (“**IWT**”) and dividend withholding tax.

For Australian IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts.

#### **Australian Holders**

Payments of interest in respect of the MTNs to Australian Holders will not be subject to Australian IWT.

#### **Non-Australian Holders**

IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by TFA to a Non-Australian Holder, unless an exemption is available.

**(a) Section 128F exemption from IWT**

An exemption from IWT is available in respect of interest paid on the MTNs if the requirements of section 128F of the Australian Tax Act are satisfied and the MTNs are not “equity interests” for the purposes of the Australian Tax Act.

Unless otherwise specified in any applicable Pricing Supplement (or another relevant supplement to this Information Memorandum), TFA intends to issue the MTNs in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

In broad terms, the requirements are as follows:

- (i) TFA is a resident of Australia and a company (as defined in section 128F(9) of the Australian Tax Act) when it issues the MTNs and when interest is paid;
- (ii) the MTNs are issued in a manner which satisfies the “public offer” test in section 128F of the Australian Tax Act.

In relation to the MTNs, there are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that TFA is offering the MTNs for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers, securities dealers or entities that carry on the business of investing or dealing in securities;
  - offers to 100 or more investors of a certain type;
  - offers of listed MTNs;
  - offers via publicly available information sources; or
  - offers to a dealer, manager or underwriter who offers to sell the MTNs within 30 days by one of the preceding methods;
- (iii) TFA does not know, or have reasonable grounds to suspect, at the time of issue, that the MTNs (or interests in the MTNs) were being, or would later be, acquired, directly or indirectly, by an “associate” of TFA, except as permitted by section 128F(5) of the Australian Tax Act (see below); and
  - (iv) at the time of the payment of interest, TFA does not know, or have reasonable grounds to suspect, that the payee is an “associate” of TFA, except as permitted by section 128F(6) of the Australian Tax Act (see below).

An “associate” of TFA for the purposes of section 128F of the Australian Tax Act includes:

- a person or entity which holds more than 50 per cent. of the voting shares of, or otherwise controls, TFA;
- an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, TFA;
- a trustee of a trust where TFA is capable of benefiting (whether directly or indirectly) under that trust; and
- a person or entity who is an “associate” of another person or company which is an “associate” of TFA under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (iii) and (iv) above), an “associate” of TFA does not include a Non-Australian Holder that is acting in the capacity of:

- (A) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant MTNs, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act); or
- (B) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (for the purposes of the Corporations Act).

**(b) Exemptions under certain double tax conventions**

The Australian government has signed new or amended double tax conventions (“**New Treaties**”) with a number of countries which contain an exemption from IWT (each a “**Specified Country**”). The New Treaties apply to interest derived by a resident of a Specified Country.

Broadly, the New Treaties effectively prevent IWT applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- a “financial institution” resident in a Specified Country which is unrelated to and dealing wholly independently with TFA. The term “financial institution” refers to either a bank or any other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury’s Department website at:  
<http://www.treasury.gov.au/PublicationsAndMedia/Publications/2012/Aus-Tax-Treaties>.

**(c) Payment of additional amounts**

As set out in more detail in Condition 13.2 under “MTN Conditions”, and unless otherwise specified in a supplement to this Information Memorandum, if TFA is at any time required by law to deduct or withhold an amount in respect of any present or future taxes imposed or levied by or on behalf of the Commonwealth of Australia or a political subdivision thereof or therein having the power to tax in respect of the MTNs, TFA must, subject to certain exceptions, pay such additional amounts as shall be necessary in order to ensure that the net amounts receivable by the holders of the MTNs after such deduction or withholding are equal to the respective amounts of principal and interest which would have been received had no such deduction or withholding been required. If TFA is required to pay an additional amount in respect of the MTNs, TFA will have the option to redeem those MTNs in accordance with Condition 10.4 under “MTN Conditions”.

**Part B - MTNs issued by TMCC and TMF**

So long as TMCC and TMF continue to be non-residents of Australia for tax purposes and the MTNs issued by TMCC or TMF, as the case may be, are not attributable to a permanent

establishment of TMCC or TMF in Australia, payments of principal and interest made under MTNs issued by TMCC or TMF should not be subject to Australian IWT.

### 3. Australian income tax – interest payments

Australian Holders will be required to include any interest in respect of their MTNs in their Australian assessable income.

Whether the interest should be recognised as assessable income on a cash receipts or accruals basis (see also the “taxation of financial arrangements” summary below) will depend on the individual circumstances of the Australian Holder.

In respect of MTNs issued by TFA, on the basis that TFA satisfies the requirements of section 128F of the Australian Tax Act in respect of interest paid on the MTNs, then Non-Australian Holders should not be subject to Australian income tax in respect of interest payments received on their MTNs.

### 4. Other tax matters

Under Australian laws as presently in effect:

- (a) *taxation of financial arrangements* - the Australian Tax Act contains tax-timing rules for certain taxpayers to bring to account gains and losses from “financial arrangements”. The rules do not alter the rules relating to the imposition of IWT nor do they override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term “financial arrangements”. They should not, for example, generally apply to holders of the MTNs which are individuals and certain other entities (for example, certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their “financial arrangements”. Potential holders of the MTNs should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made;

- (b) *death duties* – no MTNs will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (c) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any MTNs;
- (d) *TFN/ABN withholding – MTNs issued by TFA* - withholding tax is imposed at the rate of 46.5% on the payment of interest on certain registered securities unless the relevant payee has quoted an appropriate Australian TFN, (in certain circumstances) an ABN or proof of some other appropriate exemption.

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the MTNs issued by TFA, then withholding will not apply to payments to a Non-Australian Holder. Payments to Australian Holders in respect of MTNs issued by TFA in registered form may be subject to a withholding where the Australian Holder does not quote an appropriate TFN, (in certain circumstances) ABN or provide proof of an appropriate exemption;

- (e) *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified

payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the MTNs will need to be monitored;

- (f) *garnishee directions by the Commissioner of Taxation* – the Commissioner may give a direction requiring TFA to deduct from any payment to a holder of the MTNs any amount in respect of Australian tax payable by the holder. If TFA is served with such a direction, then TFA will comply with that direction and make any deduction required by that direction;
- (g) *supply withholding tax* - payments in respect of the MTNs can be made free and clear of any “supply withholding tax”; and
- (h) *goods and services tax (GST)* - neither the issue nor receipt of the MTNs will give rise to a liability for GST in Australia on the basis that the supply of MTNs will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuers, nor the disposal of the MTNs, would give rise to any GST liability in Australia.

# United States Taxation

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## **Certain material United States Federal Income and Estate Tax Considerations for Non-US Holders of MTNs issued by TMCC.**

The following is a general summary of certain general material United States federal income and estate tax consequences under present law of the purchase, ownership and disposition of MTNs issued by TMCC by a Non-US Holder (as defined below) as of the date of this Information Memorandum. Except where noted, this summary deals only with MTNs issued by TMCC that are held as capital assets by a Non-US Holder who acquires the MTNs upon original issuance at their initial offering price. This summary does not address all aspects of United States federal income and estate taxes and does not deal with non-US, state, local or other tax considerations that may be relevant to Non-US Holders in light of their particular circumstances. It also does not provide a detailed description of the United States federal income and estate tax consequences applicable to investors subject to special treatment under the United States federal income tax laws, including Non-US Holders that are financial institutions, a United States expatriate, a person treated as a resident of more than one country, a “controlled foreign corporation”, a “passive foreign investment company” or a corporation that accumulates earnings to avoid United States federal income tax or a Non-US Holder otherwise subject to United States federal income tax on a net income basis.

**THE STATEMENTS ABOUT US FEDERAL INCOME TAX CONSIDERATIONS ARE MADE TO SUPPORT MARKETING OF THE MTNS, NO TAXPAYER CAN RELY ON THEM TO AVOID US TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISER ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE MTNS UNDER THE LAWS OF THE NETHERLANDS, AUSTRALIA, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS AND ANY OTHER JURISDICTION WHERE THE PROSPECTIVE PURCHASER MAY BE SUBJECT TO TAXATION.**

A “**Non-US Holder**” means a beneficial owner of MTNs that is not for United States federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof, (3) an estate the income of which is subject to United States federal income taxation regardless of its source or (4) a trust that is subject to the primary supervision of a US court and to the control of all substantial decisions by one or more US persons.

If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds MTNs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners of a partnership holding MTNs should consult their own tax advisers.

Under present United States federal income and estate tax law, and subject to the discussions of FATCA withholding and information reporting and backup withholding below:

- payments of principal and interest (including original issue discount) on MTNs issued by TMCC to a Non-US Holder will not be subject to United States federal income or withholding tax, if, in the case of interest or original issue discount:
  - (1) the Non-US Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of TMCC’s stock entitled to vote;
  - (2) the Non-US Holder is not (a) a controlled foreign corporation (as defined in section 957 of the U.S. Internal Revenue Code related to TMCC through stock ownership, (b) a bank receiving interest pursuant to a loan agreement entered into in the ordinary course of its trade or business, or (c) a foreign tax-exempt organization or a foreign private foundation for United States federal income tax purposes,



- (3) the interest is not effectively connected with the conduct of a trade or business of the Non-US Holder within the United States;
  - (4) the interest is not contingent on TMCC's or an affiliates' receipts, sales, income or profits or on changes in the value of TMCC's property or otherwise described in Section 871(h)(4) of the U.S. Internal Revenue Code ("**Contingent Interest**"); and
  - (5) on or before the first payment on the MTN, the Non-US Holder (or a financial institution through which it holds the MTN) has provided the Paying Agents with a valid and properly executed U.S. Internal Revenue Service Form W-8 (or successor or substitute therefor) or other appropriate form of certification of non-U.S. status sufficient to establish a basis for exemption under sections 871(h)(2)B) and 881(c)(2)(B) of the U.S. Internal Revenue Code.
- generally, a Non-US Holder will not be subject to United States federal income tax on gain realized upon the sale, exchange, retirement or other disposition of MTNs issued by TMCC unless:
    - (1) the gain is effectively connected with the conduct of a trade or business of the Non-US Holder within the United States; or
    - (2) the Non-US Holder is an individual present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition and certain other conditions are met;
  - MTNs issued by TMCC beneficially owned by an individual who at the time of death was not a citizen or resident of the United States (as defined for the United States federal estate tax purposes) will not be included in the decedent's gross estate for United States federal estate tax purposes as a result of such individual's death, unless:
    - (1) the individual held the MTNs issued by TMCC in connection with the conduct of a trade or business within the United States;
    - (2) the individual actually or constructively owned 10% or more of the total combined voting power of all classes of TMCC's stock entitled to vote, or
    - (3) the MTNs provided for the payment of Contingent Interest.

#### *FATCA Withholding*

Under FATCA, interest (including OID, if any) paid after December 31, 2013 and proceeds of the sale, retirement or other disposition of and payments of premium, if any, paid after December 31, 2016 on MTNs issued after December 31, 2012 may be subject to a 30 per cent. gross basis withholding tax to the extent paid to a "foreign financial institution" or a "foreign non-financial entity" within the meaning of sections 1471 and 1472 of the U.S. Internal Revenue Code (or an intergovernmental agreement implementing such provisions) unless certain procedural requirements are satisfied and certain information is provided to the IRS. Comprehensive final rules regarding the form and content of such procedural requirements have not yet been published. Under certain circumstances, a Non-US Holder of the MTNs might be eligible for refunds or credits of such taxes. Prospective investors are encouraged to consult with their own tax advisers regarding the possible implications of this legislation on their investment in the MTNs.

#### *Information Reporting and Backup Withholding*

Payments of interest on and principal of MTNs, and the proceeds from the sale of MTNs, generally will not be subject to United States federal information reporting except to the extent a sale or other disposition of a MTN is effected through a U.S. office of a broker or through the foreign office of a broker with certain connections to the United States. Payments will not be subject to information reporting to the extent they are paid to a Non-US Holder that is a corporation or otherwise establishes its exemption from information reporting. Payments subject to information reporting generally will be subject to backup withholding tax unless the payment is made outside the United States to a non-U.S. person not controlled by a U.S. person. Any amount withheld may be credited against a Non-US

Holder's United States federal income tax liability or refunded to the extent it exceeds such holder's liability by timely filing appropriate information with the IRS. Non-US Holders should consult their own tax advisers regarding the application of the United States information reporting and backup withholding requirements or rules to their particular situations.

**THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE MTNS UNDER THE INVESTOR'S OWN CIRCUMSTANCES.**

# Netherlands Taxation

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*This is a general summary and the tax consequences as described here may not apply to a holder of MTNs. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of MTNs in his particular circumstances.*

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, the ownership and disposition of MTNs issued by TMF after the date hereof held by a holder of MTNs who is not a resident of the Netherlands. It does not consider every aspect of taxation that may be relevant to a particular holder of MTNs under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This summary is based on the tax laws of the Netherlands as they are in force and in effect on the date of this Information Memorandum. The Netherlands means the part of the Kingdom of the Netherlands located in Europe. The laws upon which this summary is based are subject to change, potentially with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to MTNs is at arm's length.

## 1. Withholding Tax

All payments under the MTNs may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

## 2. Taxes on Income and Capital Gains

A holder of MTNs will not be subject to any Netherlands taxes on income or capital gains in respect of MTNs, including such tax on any payment under MTNs or in respect of any gain realised on the disposal, deemed disposal or exchange of MTNs, provided that:

- (i) such holder is neither a resident nor deemed to be a resident of the Netherlands, nor, if he is an individual, has elected to be taxed as a resident of the Netherlands;
- (ii) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, MTNs are attributable;
- (iii) if such holder is an individual, neither such holder nor any of his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, or certain other of such persons' relatives (including foster children), whether directly and/or indirectly as (deemed) settlor, grantor or similar originator (the "Settlor"), or upon the death of the Settlor, his/her beneficiaries (the "Beneficiaries") in proportion to their entitlement to the estate of the Settlor of a trust, foundation or similar arrangement (the "Separated Private Assets"), (a) indirectly has control of the proceeds of MTNs in the Netherlands, nor (b) has a substantial interest in TMF and/or any other entity that legally or de facto, directly or indirectly, has control of the proceeds of MTNs in the Netherlands. For purposes of this clause (iii), a substantial interest is generally not present if a holder does not hold, alone or together with his spouse, his partner, a person deemed to be his partner, or other persons sharing such person's house or household, or certain other of such person's relatives (including foster children), whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued), shares representing 5 per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of a company; (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates

(“*winstbewijzen*”), or membership rights in a co-operative association, that relate to 5 per cent. or more of the annual profit of a company or co-operative association or to 5 per cent or more of the liquidation proceeds of a company or co-operative association; or (c) membership rights representing 5 per cent. or more of the voting rights in a co-operative association’s general meeting;

- (iv) if such holder is a company, such holder (a) has no substantial interest in TMF, or (b) has a substantial interest in TMF that is not held with the avoidance of Netherlands income tax or dividend withholding tax as (one of) the main purpose(s), or (c) has a substantial interest in TMF that can be allocated to its business assets. For purpose of this clause (iv), a substantial interest is generally not present if a holder does not hold, whether directly or indirectly, (a) the ownership of, certain other rights, such as usufruct, over, or rights to acquire (whether or not already issued) shares representing 5 per cent. or more of the total issued and outstanding capital (or of the issued and outstanding capital of any class of shares) of a company; or (b) the ownership of, or certain other rights, such as usufruct, over profit participating certificates (“*winstbewijzen*”) that relate to 5 per cent. or more of the annual profit of a company or to 5 per cent. or more of the liquidation proceeds of a company; and
- (v) if such holder is an individual, such income or capital gain does not form a “benefit from miscellaneous activities” in the Netherlands (“*resultaat uit overige werkzaamheden*”) which, for instance, would be the case if the activities in the Netherlands with respect to the MTNs exceed “normal active asset management” (“*normaal, actief vermogensbeheer*”).

A holder of MTNs will not be subject to taxation in the Netherlands by reason only of the execution, delivery and/or enforcement of the documents relating to an issue of MTNs or the performance by TMF of its obligations thereunder or under the MTNs.

### **3 Gift, Estate and Inheritance Taxes**

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition of MTNs by way of a gift by, or on the death of, a holder of MTNs who is neither resident nor deemed to be resident in the Netherlands for Netherlands gift, estate or inheritance tax purposes, unless in the case of a gift of MTNs by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For gift, estate and inheritance tax purposes, (i) a gift by a third party such as a trustee, foundation or similar entity or arrangement, will be construed as a gift by the Settlor, and (ii) upon the death of the Settlor, as a rule, his/her Beneficiaries, will be deemed to have inherited directly from the Settlor. Subsequently, the Beneficiaries will be deemed the Settlor of the Separated Private Assets for purposes of the Netherlands gift, estate and inheritance tax in case of subsequent gifts or inheritances.

### **4 Turnover Tax**

No Netherlands turnover tax will arise in respect of any payment in consideration for the issue of MTNs with respect to any cash settlements of MTNs or with respect to the delivery of the MTNs.

### **5 Other Taxes And Duties**

No Netherlands registration tax, capital tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of the Netherlands) of the documents relating to the issue of MTNs or the performance by TMF of its obligations thereunder or under the MTNs.

## 6 Savings Directive

Under European Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest or similar income (similar income for this purpose includes, but is not limited to, payments on redemption of the MTNs representing any discount on the issue of the MTNs or any premium payable on redemption) paid by a person within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments, (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), deducting tax at rates rising over time to 35 per cent.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State (a withholding system in the case of Switzerland at a rate of 35 per cent. with the option of the individual to have the paying agent in Switzerland provide to the tax authorities of the Member State the details of the interest payments in lieu of the withholding). In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

# Directory

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