

THE "TERMS AND CONDITIONS OF THE NOTES" SECTION
FROM THE OFFERING CIRCULAR PUBLISHED BY THE ISSUERS
DATED 28 SEPTEMBER 2007

TERMS AND CONDITIONS OF THE NOTES

Save in respect of Notes which will form a single Series with Notes issued prior to the date of this Offering Circular, the following are the Terms and Conditions (the "Terms and Conditions") of the Notes to be issued by each of the Issuers on or after the date of this Offering Circular which (subject to completion and amendment and to the extent applicable) will be attached to or incorporated by reference into each global Note and which will be incorporated by reference or endorsed upon each definitive Note. The applicable Final Terms in relation to any Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms will be endorsed upon, or attached to, each temporary global Note, permanent global Note, global registered Note and definitive Note. Reference should be made to "Form of the Notes" in this Offering Circular for the form of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions.

Notes issued by Toyota Motor Finance (Netherlands) B.V., Toyota Finance Australia Limited and Toyota Motor Credit Corporation shall be issued in bearer form only. Notes issued by Toyota Credit Canada Inc. may be issued in bearer form or registered form, as indicated in the applicable Final Terms.

In the case of the Notes issued by Toyota Credit Canada Inc., the following restrictions should be noted: unless otherwise specified in the applicable Final Terms (i) the minimum maturity is five years from the Issue Date of such Notes; (ii) Notes may not be redeemed at the option of the Noteholders prior to the fifth anniversary of the Issue Date of such Notes; (iii) in the case of a Series of Notes redeemable in instalments, the aggregate amount of all instalments payable within the first five years may not exceed 25 per cent. of the nominal amount of such Notes; and (iv) except in the case of an Index Linked Note which qualifies as a "prescribed obligation" for the purposes of the Income Tax Act (Canada), no portion of the interest payable on a Note shall be contingent or dependent upon the use of or production from property in Canada or may be computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares in the capital stock of a corporation.

This Note is one of a Series (as defined below) of Notes issued subject to, and with the benefit of, the Agency Agreement dated 28th September, 2007 (the "Agency Agreement"), and made between Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc., Toyota Finance Australia Limited and Toyota Motor Credit Corporation as Issuers and The Bank of New York, as the issuing agent and (unless specified otherwise in the applicable Final Terms) principal paying agent and (unless specified otherwise in the applicable Final Terms) as calculation agent (the "Agent", which expression shall include any successor agent or other Calculation Agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents). Notes in registered form issued by Toyota Credit Canada Inc. ("Registered Notes") are also issued subject to, and with the benefit of, a Note Agency Agreement dated 28th September, 2007 (the "Note Agency Agreement") and made between Toyota Credit Canada Inc. as Issuer, Royal Bank of Canada as the registrar (the "Registrar", which expression shall include any successor registrar) and Royal Bank of Canada, London branch as paying agent (the "Canadian Paying Agent", which expression shall include any additional or successor paying agent appointed for Registered Notes).

References in these Terms and Conditions to the "Notes" shall be references to the Notes of this Series and shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a temporary or permanent global Note or global registered Note and (iii) any global Note.

Interest bearing definitive Notes in bearer form will (unless otherwise indicated in the applicable Final Terms) have interest coupons ("*Coupons*") and, if indicated in the applicable Final Terms, talons for further Coupons ("*Talons*") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons. Definitive Notes repayable in instalments have receipts ("*Receipts*") for the payment of the instalments of principal (other than the final instalment) attached on issue.

The Notes, the Receipts and the Coupons have the benefit of certain Credit Support Agreements governed by Japanese law, one between Toyota Motor Corporation (the "*Parent*") and Toyota Financial Services Corporation ("*TFS*") dated 14th July, 2000 as supplemented by a Supplemental Credit Support Agreement dated 14th July, 2000 and a Supplemental Credit Support Agreement No. 2 dated 2nd October, 2000 (collectively, the "*Basic Agreement*") and others between TFS and each of Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc. and Toyota Finance Australia Limited dated 7th August, 2000 and Toyota Motor Credit Corporation dated 1st October, 2000 (each a "*Credit Support Agreement*" and together with the Basic Agreement the "*Credit Support Agreements*"). However, the Credit Support Agreements do not constitute a direct or indirect guarantee by the Parent or TFS of the Notes.

The Final Terms applicable to the Notes is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of the Notes. References herein to the "*applicable Final Terms*" shall mean the Final Terms attached hereto or endorsed hereon.

As used herein, "*Series*" means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date, the amount and date of the first payment of interest thereon and/or the Issue Price (as indicated in the applicable Final Terms)) are identical (including the Maturity Date, Interest Basis, Redemption/Payment Basis and Interest Payment Dates (if any) and whether or not the Notes are admitted to trading) and expressions "*Notes of the relevant Series*" and related expressions shall be construed accordingly. As used herein, "*Tranche*" means all Notes of the same Series with the same Issue Date and Interest Commencement Date (if applicable).

Copies of the Agency Agreement (which contains the form of the Final Terms), the Offering Circular and Prospectus dated 28th September, 2007, the Credit Support Agreements and (if the Note is offered to the public in a Member State of the European Union, Iceland, Norway or Liechtenstein or admitted to trading on a regulated market within the meaning of the Prospectus Directive) the Final Terms applicable to the Note are available free of charge and available for inspection at the specified offices of the Agent and each of the other Paying Agents. Copies of the Note Agency Agreement (if the Note is a Registered Note) are available free of charge and available for inspection by the holders of Registered Notes at the specified offices of the Registrar and the Canadian Paying Agent. The holders of the Notes (the "*Noteholders*"), which expression shall, in relation to any Notes represented by a global Note, be construed as provided in Condition 1, the holder of the Coupons (the "*Couponholders*") and holders of Receipts (the "*Receiptholders*") are deemed to have notice of the Agency Agreement and the applicable Final Terms, which are binding on them. The holders of Registered Notes are deemed to have notice of the Note Agency Agreement, which is binding on them.

Words and expressions defined in the Agency Agreement or (if the Note is a Registered Note) in the Note Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement, (if the Note is a Registered Note) the Note Agency Agreement or the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes may be issued in bearer form ("*Bearer Notes*") or, in respect of Notes issued by Toyota Credit Canada Inc., in bearer or registered form as set out in the applicable Final Terms and, in the case of definitive Bearer Notes, serially numbered, in the Specified Currency (or Specified Currencies in the case of Dual Currency Notes) and the Specified Denomination(s), all as specified in the applicable Final Terms.

Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

The Note may be a Note bearing interest on a fixed rate basis ("*Fixed Rate Note*"), a Note bearing interest on a floating rate basis ("*Floating Rate Note*"), a Note issued on a non-interest bearing basis ("*Zero Coupon Note*"), a Note with respect to which interest is calculated by reference to an index, index basket and/or a formula ("*Index Linked Interest Note*"), a Note with respect to which interest is calculated by reference to certain parameters ("*Range Accrual Note*") or any combination of the foregoing, depending upon the interest basis specified in the applicable Final Terms. The Note may be a Note with respect to which principal is calculated by reference to an index or index basket and/or a formula ("*Index Linked Redemption Note*"), a Note redeemable in instalments ("*Instalment Note*"), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated ("*Dual Currency Note*"), a Note which is issued on a partly paid basis ("*Partly Paid Note*") or a combination of any of the foregoing, depending upon the redemption or payment basis shown in the applicable Final Terms (and where appropriate in the context, "*Index Linked Interest Notes*" and "*Index Linked Redemption Notes*" are referred to collectively as "*Index Linked Notes*").

Bearer Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable. Wherever Dual Currency Notes or Index Linked Notes are issued to bear interest on a fixed or floating rate basis or on a non-interest bearing basis, the provisions in these Terms and Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes, respectively, shall, where the context so permits, apply to such Dual Currency Notes or Index Linked Notes.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. Subject as set out below, the Issuer and any Paying Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice to the contrary, including any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Bearer Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note, each person who is for the time being shown in the records of Euroclear Bank S.A./N.V. ("*Euroclear*") or of Clearstream Banking, société anonyme ("*Clearstream, Luxembourg*") as the holder of a particular nominal amount of such Notes other than a clearing agency (including Clearstream, Luxembourg and Euroclear) that is itself an account holder of Clearstream, Luxembourg or Euroclear (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer, the Agent and any other Paying Agent or (in the case of Registered Notes) the Registrar and the Canadian Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal (including premium (if any)) or interest on the Notes, for which purpose the bearer of the relevant global Bearer Note or registered holder of the registered global Note shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "*Noteholder*" and "*holder of Notes*" and related expressions shall

be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Title to Registered Notes issued by Toyota Credit Canada Inc. passes on due endorsement in the relevant register which Toyota Credit Canada Inc. shall procure to be kept by the Registrar. Subject as set out above, except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Registered Note shall be deemed to be and may be treated as the absolute owner of such Registered Note for all purposes, whether or not such Registered Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person shall be liable for so treating such registered holder (and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly).

Provisions relating to the transfer of Registered Notes are set out in the relevant Registered Note and the Note Agency Agreement.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, except in relation to Notes in new global note (“*NGN*”) form, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Agent or (in the case of Registered Notes) the Registrar and the Canadian Paying Agent and, in the case of Notes admitted to the Official List and admitted to trading on the London Stock Exchange’s Gilt Edged and Fixed Interest Market, the UK Listing Authority.

If the Specified Currency of the Note is a currency of one of the Member States of the European Union which has not adopted the euro, and if specified in the applicable Final Terms, the Note shall permit redenomination and exchange (as referred to in Condition 18 below or in such other manner as set forth in the applicable Final Terms) at the option of the Issuer.

2. Status of the Notes and the Credit Support Agreements

The Notes and any relevant Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding. The Notes, the Receipts and the Coupons have the benefit of the Credit Support Agreements.

3. Negative Pledge

The Notes will be subject to this Condition 3 only if this Condition 3 is specified to be applicable in the applicable Final Terms. So long as any of the Notes remains outstanding (as defined in the Agency Agreement) the Issuer will not create or permit to be outstanding any mortgage, pledge, lien, security interest or other charge (each a “*Security Interest*”) (other than a Permitted Security Interest (as defined below)) for the benefit of the holders of any Relevant Indebtedness (as defined below) 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 Notes 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 the written consent of holders of a majority in aggregate nominal amount of the Notes then outstanding affected thereby, or by resolution adopted by the holders of a majority in aggregate nominal amount of such Notes then outstanding present or represented at a meeting of the holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement; 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 (as defined below) of the Issuer and its consolidated subsidiaries (if any). For the purposes of this Condition 3:

“*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;

“*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;

“*Permitted Security Interest*” shall mean:

- (i) any Security Interest arising by operation of law or any right of set-off;
- (ii) any Security Interest granted by the Parent in favour of a TMC subsidiary (as defined below) (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);
- (iii) 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

“*TMC subsidiary*” means any of the Parent’s subsidiaries consolidated in accordance with generally accepted accounting principles in the United States.

4. Interest

(a) *Interest on Fixed Rate Notes and Business Day Convention for Notes other than Floating Rate Notes and Index Linked Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date which is specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) to (but excluding) the Maturity Date specified in the applicable Final Terms at the rate(s) per annum equal to the Fixed Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if it does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, or if the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply in the case of Notes represented by a global Note, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount as specified in the applicable Final Terms. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Terms and Conditions, “*Fixed Interest Period*” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or Maturity Date.

Unless specified otherwise in the applicable Final Terms, the “*Following Business Day Convention*” will apply to the payment of all Notes other than Floating Rate Notes or Index Linked Interest Notes, meaning that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due. If the “*Modified Following Business Day Convention*” is specified in the

applicable Final Terms for any Note (other than a Floating Rate Note or an Index Linked Interest Note), it shall mean that if the Interest Payment Date or Maturity Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i) below), the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due unless it would thereby fall into the next calendar month in which event the full amount of payment shall be made on the immediately preceding Business Day as if made on the day such payment was due. Unless specified otherwise in the applicable Final Terms, the amount of interest due shall not be changed if payment is made on a day other than an Interest Payment Date or the Maturity Date as a result of the application of a Business Day Convention specified above or other Business Day Convention specified in the applicable Final Terms.

Except in the case of (i) Notes in definitive form where a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms or (ii) Notes represented by a global Note where the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply, interest shall be calculated in respect of any period (including any period ending other than on an Interest Payment Date (which for this purpose shall not include a period where a payment is made on a day other than an Interest Payment Date or the Maturity Date as a result of the application of a Business Day Convention as provided in the immediately preceding paragraph, unless specified otherwise in the applicable Final Terms)) by applying the Fixed Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate of the amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Fixed Day Count Fraction or other Day Count Fraction specified in the applicable Final Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

In these Terms and Conditions, "*Fixed Day Count Fraction*" means (unless specified otherwise in the applicable Final Terms):

- (i) if "*Actual/Actual (ICMA)*" is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the relevant payment date (the "*Accrual Period*") is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that

would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

- (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
- (ii) if “*Actual/Actual (ISDA)*” is specified in the applicable Final Terms, the actual number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next scheduled Interest Payment Date divided by 365 (or, if any portion of that period falls in a leap year, the sum of (x) the actual number of days in that portion of the period falling in a leap year divided by 366; and (y) the actual number of days in that portion of the period falling in a non-leap year divided by 365); and
- (iii) if “*30/360*” is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next scheduled Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360 and, in the case of an incomplete month, the number of days elapsed; and
- (iv) if “*Actual/360*” is specified in the applicable Final Terms, the actual number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next scheduled Interest Payment Date divided by 360; and
- (v) if “*30E/360*” or “*Eurobond Basis*” is specified in the applicable Final Terms, the number of days in the Accrual Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Accrual Period unless, in the case of an Accrual Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

In these Terms and Conditions:

“*Determination Period*” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“*sub-unit*” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms (or the Issue Date, if no Interest Commencement Date is separately specified) and, unless specified otherwise in the applicable Final Terms, such interest will be payable in arrear on the Maturity Date and on either: (1) the Specified Interest Payment Date(s) (each, together with the Maturity Date, an “*Interest*

Payment Date”) in each year specified in the applicable Final Terms; or (2) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with the Maturity Date, an “*Interest Payment Date*”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date or Issue Date, as applicable. Such interest will be payable in respect of each Interest Period. As used in these Terms and Conditions, “*Interest Period*” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date or Issue Date, as applicable) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(2) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (2) below in this sub-paragraph (A) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

If the accrual periods for calculating the amount of interest due on any Interest Payment Date are not to be changed even though an Interest Payment Date is changed because the originally scheduled Interest Payment Date falls on a day which is not a Business Day (as defined below), this will be specified in the applicable Final Terms by the notation “*no adjustment for period end dates.*”

In these Terms and Conditions, “*Business Day*” means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (1) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any other Applicable Business Centre specified in the applicable Final Terms; and
- (2) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any other Applicable Business Centre specified in the applicable Final Terms), or (2) in relation to any sum payable in euro, a day on which the TARGET System is open. Unless otherwise provided in the

applicable Final Terms, the principal financial centre of any country for the purpose of these Terms and Conditions shall be as provided in the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) as supplemented, amended and updated as of the first Issue Date of the Notes of the relevant Series (the “*ISDA Definitions*”) (except if the Specified Currency is Australian dollars or New Zealand dollars the principal financial centre shall be Sydney or Auckland, respectively). In these Terms and Conditions, “*TARGET System*” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination*

(A) Unless specified otherwise in the applicable Final Terms, where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as determined by the Agent (or such other Calculation Agent specified in the applicable Final Terms). For the purposes of this sub-paragraph (iii) unless specified otherwise in the applicable Final Terms, “*ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any)*” for an Interest Period means a rate equal to the Floating Rate that would be determined under an interest rate swap transaction under the terms of an agreement (regardless of any event of default or termination event thereunder) incorporating the ISDA Definitions with the holder of the relevant Note and under which:

- (1) the manner in which the Rate of Interest is to be determined is the “*Floating Rate Option*” as specified in the applicable Final Terms;
- (2) the Issuer is the “*Floating Rate Payer*”;
- (3) the Agent or other person specified in the applicable Final Terms is the “*Calculation Agent*”;
- (4) the Interest Commencement Date is the “*Effective Date*”;
- (5) the Aggregate Nominal Amount of Notes is the “*Notional Amount*”;
- (6) the relevant Interest Period is the “*Designated Maturity*” as specified in the applicable Final Terms;
- (7) the Interest Payment Dates are the “*Floating Rate Payer Payment Dates*”;
- (8) the Margin is the “*Spread*”;
- (9) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“*LIBOR*”) or on the Euro-zone inter-bank offered rate (“*EURIBOR*”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms; and
- (10) all other terms are as specified in the applicable Final Terms.

(B) When Condition 4(b)(iii)(A) applies, unless specified otherwise in the applicable Final Terms with respect to each relevant Interest Payment Date:

- (1) the amount of interest determined for such Interest Payment Date shall be the Interest Amount for the relevant Interest Period for the purposes of these Terms and

Conditions as though calculated under Condition 4(b)(vi) below; and

- (2) (i) “*Floating Rate*”, “*Floating Rate Option*”, “*Floating Rate Payer*”, “*Effective Date*”, “*Notional Amount*”, “*Floating Rate Payer Payment Dates*”, “*Spread*”, “*Calculation Agent*”, “*Designated Maturity*” and “*Reset Date*” have the meanings given to those terms in the ISDA Definitions; and (ii) “*Euro-zone*” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended (the “*Treaty*”).

(iv) *Screen Rate Determination*

Unless specified otherwise in the applicable Final Terms, where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (x) the offered quotation; or
- (y) the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate (as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (as set forth in the applicable Final Terms) as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date (as defined below) in question plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Agent (or such other Calculation Agent specified in the applicable Final Terms). Unless specified otherwise in the applicable Final Terms, if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent (or such other Calculation Agent specified in the applicable Final Terms) for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations. In addition:

(A) unless specified otherwise in the applicable Final Terms if, in the case of (x) above, no such rate appears or, in the case of (y) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period shall, subject as provided below and except as otherwise indicated in the applicable Final Terms, be the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations (expressed as a percentage rate per annum), of which the Agent (or such other Calculation Agent specified in the applicable Final Terms) is advised by all Reference Banks (as defined below) as at 11:00 a.m. (London time) on the Interest Determination Date plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined by the Agent (or such other Calculation Agent specified in the applicable Final Terms);

(B) except as otherwise indicated in the applicable Final Terms, if on any Interest Determination Date to which Condition 4(b)(iv)(A) applies two or three only of the Reference Banks advise the Agent (or such other Calculation Agent specified in the applicable Final Terms) of such offered quotations, the Rate of Interest for the next Interest Period shall, subject as provided below, be determined as in Condition 4(b)(iv)(A) on the basis of the rates of those Reference Banks advising such offered quotations;

(C) except as otherwise indicated in the applicable Final Terms, if on any Interest Determination Date to which Condition 4(b)(iv)(A) applies one only or none of the Reference Banks advises the Agent (or such other Calculation Agent specified in the applicable Final Terms) of such rates, the Rate of Interest for the next Interest Period shall, subject as provided below and except as otherwise indicated in the applicable Final Terms, be whichever is the higher of:

- (1) the Rate of Interest in effect for the last preceding Interest Period to which Condition 4(b)(iv)(A) shall have applied (plus or minus (as specified in the applicable Final Terms), where a different Margin is to be applied to the next Interest Period than that which applied to the last preceding Interest Period, the Margin relating to the next Interest Period in place of the Margin relating to the last preceding Interest Period); or
 - (2) the reserve interest rate (the “*Reserve Interest Rate*”) which shall be the rate per annum which the Agent (or such other Calculation Agent specified in the applicable Final Terms) determines to be either (x) the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of the lending rates for the Specified Currency which banks selected by the Agent (or such other Calculation Agent specified in the applicable Final Terms) in the principal financial centre of the country of the Specified Currency (which, if Australian dollars, shall be Sydney, if New Zealand dollars, shall be Auckland and if euro, shall be London, unless specified otherwise in the applicable Final Terms) are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Agent (or such other Calculation Agent specified in the applicable Final Terms), being so made plus or minus (as specified in the applicable Final Terms) the Margin (if any), or (y) in the event that the Agent (or such other Calculation Agent specified in the applicable Final Terms) can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which banks selected by the Agent (or such other Calculation Agent specified in the applicable Final Terms) in the principal financial centre of the country of the Specified Currency (which, if Australian dollars, shall be Sydney, if New Zealand dollars, shall be Auckland and if euro, shall be London, unless specified otherwise in the applicable Final Terms) are quoting on such Interest Determination Date to leading European banks for the next Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), provided that if the banks selected as aforesaid by the Agent (or such other Calculation Agent specified in the applicable Final Terms) are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (1) above;
- (D) the expression “*Relevant Screen Page*” means such page, whatever its designation, on which the Reference Rate that is for the time being displayed on the Reuters Monitor Money Rates Service or Dow Jones Markets Limited or other such service, as specified in the applicable Final Terms;
- (E) unless otherwise specified in the applicable Final Terms, the Reference Banks will be the principal London offices of The Bank of New York, National Westminster Bank PLC, UBS Limited and The Bank of Tokyo-Mitsubishi UFJ Limited. The Issuer shall procure that, so long as any Floating Rate Note or Index Linked Interest Note to which Condition 4(b)(iv)(A) is applicable remains outstanding, in the case of any bank being unable or unwilling to continue to act as a Reference Bank, the Issuer shall specify the London office of some other leading bank engaged in the eurodollar market to act as such in its place;
- (F) the expression “*Interest Determination Date*” means, unless otherwise specified in the applicable Final Terms, (x) other than in the case of Condition 4(b)(iv)(A), with respect to Notes denominated in any Specified Currency other than Sterling or euro, the second Banking Day in London prior to the commencement of the relevant Interest Period and, in the case of Condition 4(b)(iv)(A), the second Banking Day in the principal financial centre of the country of the Specified Currency (which, if Australian dollars, shall be Sydney, if New Zealand dollars, shall be Auckland and if euro, shall be London) prior to the commencement of the relevant Interest Period; (y) with respect to Notes denominated in Sterling, the first Banking Day in London of the relevant Interest Period; and (z) with respect to Notes denominated in euro, the second day on which the TARGET system is open prior to the commencement of the relevant Interest Period.

(G) the expression “*Banking Day*” means, in respect of any place, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that place or, as the case may be, as indicated in the applicable Final Terms; and

(H) if the Reference Rate from time to time in respect of Floating Rate Notes or Index Linked Interest Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, any additional provisions relevant in determining the Rate of Interest in respect of such Notes will be set forth in the applicable Final Terms.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest/Interest Amount for any Interest Period, then in no event shall the Rate of Interest/Interest Amount for such Interest Period be less than such Minimum Rate of Interest/Interest Amount. If the applicable Final Terms specifies a Maximum Rate of Interest/Interest Amount for any Interest Period, then in no event shall the Rate of Interest/Interest Amount for such Interest Period be greater than such Maximum Rate of Interest/Interest Amount.

(vi) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent (or, if the Agent is not the Calculation Agent, the Calculation Agent specified in the applicable Final Terms) will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest/Interest Amount specified in the applicable Final Terms) and calculate the amount of interest (the “*Interest Amount*”) payable on the Floating Rate Notes or Index Linked Interest Notes, in each case, for the relevant Interest Period, by applying the Rate of Interest to:

- (A) subject to paragraph (C) below, in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note, the aggregate outstanding nominal amount of the Notes represented by such global Note (or, if they are Partly Paid Notes, the aggregate amount paid up);
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount; or
- (C) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a global Note and the applicable Final Terms indicates that the Rate of Interest shall be applied to the Calculation Amount, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, as specified in the applicable Final Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention or as specified in the applicable Final Terms. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in the case of paragraph (B) or (C) above comprises more than one Calculation Amount, the Interest Amount payable in respect of such Floating Rate Note or Index Linked Interest Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without further rounding.

“*Day Count Fraction*” means, unless specified otherwise in the applicable Final Terms, in respect of the calculation of an amount of interest for any Interest Period:

- (A) if “*Actual/365*” or “*Actual/Actual*” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (B) if “*Actual/365 (Fixed)*” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “*Actual/365 Sterling*” or “*Sterling/FRN*” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “*Actual/360*” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “*30/360*”, “*360/360*” or “*Bond Basis*” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (F) if “*30E/360*” or “*Eurobond Basis*” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Registrar and the Canadian Paying Agent (in the case of Registered Notes) and any stock exchange or relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being admitted to trading and listed and will cause notice of the same to be published or given in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid or prior notice in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Any such amendment will be promptly notified to each stock exchange or relevant authority on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being admitted to trading and listed. For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or other Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the Calculation Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the case of Registered Notes) the Registrar and Canadian Paying Agent and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent in connection with the exercise or non-exercise by either of them of their powers, duties and discretions pursuant to such provisions.

(ix) *Indexed Linked Interest Notes*

In the case of Index Linked Notes where the rate of interest is to be determined by reference to the Index and or the Formula, the rate of interest shall be determined in accordance with the Index and/or the Formula and in the manner specified in the applicable Final Terms. The date on which the interest rate is to be determined (the “*Interest Determination Date*”) shall be as set forth in the applicable Final Terms.

(c) *Index Linked Notes and Dual Currency Notes*

In the case of Index Linked Notes or Dual Currency Notes, if the Rate of Interest or Interest Amount cannot be determined by reference to an index and/or a formula or, as the case may be, an exchange rate, such Rate of Interest or Interest Amount payable shall be determined in the manner specified in the applicable Final Terms. The date on which the valuation of the Index is to be determined or the date on which any Formula or other variable or Rate of Exchange is to be determined under any Index Linked Notes or Dual Currency Notes (the “*Determination Date*”) shall be as set forth in the applicable Final Terms. If the applicable Final Terms specify a Minimum Final Redemption Amount then in no event shall the Final Redemption Amount be less than such Minimum Final Redemption Amount. If the applicable Final Terms specify a Maximum Final Redemption Amount then in no event shall the Final Redemption Amount exceed such Maximum Final Redemption Amount.

(d) *Zero Coupon Notes*

When a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(f)(iii). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the applicable Final Terms.

(e) *Partly Paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment and which therefore remain partly paid (“*Partly Paid Notes*”). In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(f) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note to be redeemed) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note; and (ii) the day on which the Agent or (in the case of Registered Notes) the Registrar or the Canadian Paying Agent has notified the holder thereof (either in accordance with Condition 16 or individually) of receipt of all sums due in respect thereof up to that date.

5. Payments

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or at the option of the payee by a cheque in such Specified

Currency drawn on, a bank (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), unless specified otherwise in the applicable Final Terms; and

- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Notwithstanding the above provisions of this Condition 5(a), a cheque may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States of America or its possessions by any office or agency of the Issuer, the Agent or any Paying Agent or (in the case of Registered Notes) the Registrar or Canadian Paying Agent except as provided in Condition 5(d). Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but (unless otherwise specified in the applicable Final Terms) without prejudice to the provisions of Condition 7.

(b) *Presentation of Notes, Receipts and Coupons – Bearer Notes*

This Condition 5(b) applies to Bearer Notes.

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the Specified Currency in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of a sum due only, endorsement) of definitive Notes and payments of interest in respect of the definitive Notes will (subject as provided below) be made in the Specified Currency in the manner provided in paragraph (a) against presentation and surrender (or, in the case of part payment of a sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States which expression, used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction).

In the case of definitive Notes, payments of instalments of principal (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) against presentation and surrender (or, in the case of part payment of a sum due only, endorsement) of the relevant Receipt. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. If any definitive Note is redeemed or becomes repayable prior to the stated Maturity Date, principal will be payable in the manner provided in paragraph (a) on presentation and surrender of such definitive Note together with all unmatured Receipts appertaining thereto. Receipts presented without the definitive Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Fixed Rate Notes in definitive form (other than Dual Currency Interest Notes or Index Linked Interest Notes) become due and repayable, such Notes should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Unless otherwise specified in the applicable Final Terms, each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have

become due. Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Interest Note or Index Linked Interest Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date or Issue Date (as applicable) shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note (against presentation or surrender, as the case may be, of such global Note if the global Note is not issued in NGN form) at the specified office of any Paying Agent located outside the United States except as provided below. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(c) Presentation and Surrender of Notes – Registered Notes

Provisions in relation to payments of principal and interest in respect of Registered Notes will be set out in the relevant registered global Note or definitive Registered Note and as otherwise set out in these Terms and Conditions.

(d) Global Notes

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for the holder's share of each payment so made by the Issuer to, or to the order of, the holder of such global Note. No person other than the holder of such global Note shall have any claim against the Issuer in respect of any payments due on the global Note.

Interest on the Notes is payable only outside the United States and its possessions, within the meaning of United States Treasury regulation section 1.163-5(c)(1)(ii)(A). No interest on the Notes shall be paid into an account maintained by the payee in the United States or mailed to an address in the United States unless the payee is described in United States Treasury regulation sections 1.163-5(c)(2)(v)(B)(1) or (2).

Notwithstanding the foregoing, payments of interest in respect of global Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payments at such specified offices outside the United States of the full amount owing in respect of the Notes in the manner provided above when due;

- (ii) payment of the full amount owing in respect of the Notes at such specified offices outside the United States is illegal or effectively precluded by the imposition of exchange controls or other similar restrictions on the full payment or receipt of interest; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) *Payment Day*

Unless specified otherwise in the applicable Final Terms, if the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day in the relevant place of presentation, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, “*Payment Day*” means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London; and
 - (C) any other Applicable Business Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Applicable Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) *Conversion into euro*

Unless specified otherwise in the applicable Final Terms, if the Issuer is due to make a payment in a currency (the “*original currency*”) other than euro in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency’s replacement or disuse or other circumstances beyond the Issuer’s control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the “*Euro FX Rate*”) at which the original currency is offered in exchange for euro in the London foreign exchange market (or, at the option of the Issuer or its designated Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Issuer or by its designated Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the original currency will be payable. Any payment made in euro or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 9.

(g) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor under Condition 14;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(f)(iii)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor under Condition 14, except as provided in sub-paragraph (i) above.

6. Redemption and Purchase

(a) *At Maturity*

Unless otherwise indicated in the applicable Final Terms and unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) *Redemption for Tax Reasons*

The Issuer may redeem the Notes in whole, but not in part, at any time at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption under this Condition 6(b), if the Issuer shall determine that as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the jurisdiction in which the Issuer is incorporated or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the Issue Date of the Notes, the Issuer would be required to pay Additional Amounts, as provided in Condition 7, on the occasion of the next payment due in respect of the Notes.

The Notes are also subject to redemption as a whole, but not in part, in the other circumstances described in Condition 7.

Notice of intention to redeem Notes will be given at least once in accordance with Condition 16 not less than 30 days nor more than 60 days prior to the date fixed for redemption under this Condition 6(b), provided that no such notice of redemption shall be given earlier than 90 days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such Additional Amounts remains in effect. From and after any redemption date, if moneys for redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to (but excluding) such redemption date.

(c) Final Terms

The Final Terms applicable to the Notes shall indicate either:

- (i) that the Notes cannot be redeemed prior to their Maturity Date (except as otherwise provided in paragraph (b) above and in Condition 9); or
- (ii) that such Notes will be redeemable at the option of the Issuer and/or the holders of the Notes prior to such Maturity Date in accordance with the provisions of paragraphs (d) and/or (e) below on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(d) Redemption at the Option of the Issuer ("Issuer Call Option")

If the Issuer is specified in the applicable Final Terms as having an option to redeem, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given:

- (i) not more than 60 nor less than 30 days' notice to the holders of the Notes in accordance with Condition 16, or such other notice as is specified in the applicable Final Terms; and
- (ii) not less than 5 days before the date of the notice referred to in (i) (or such other notice as is specified in the applicable Final Terms) is to be given, notice to the Agent or (in the case of Registered Notes) the Registrar and the Canadian Paying Agent;

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). If the applicable Final Terms specify the Notes are redeemable in part, such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the event of redemption of some only of the Notes, the Notes to be redeemed ("*Redeemed Notes*") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "*Selection Date*"). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published or notified in accordance with Condition 16 not less than 30 days prior to the date fixed for redemption, or such other period as is specified in the applicable Final Terms. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 at least 10 days prior to the Selection Date. Unless specified otherwise in the applicable Final Terms, if an Optional Redemption Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)(i)), it shall be subject to adjustment in accordance with the Business Day Convention applicable to the Notes or such other Business Day Convention specified in the applicable Final Terms.

(e) Redemption at the Option of the Noteholders ("Investor Put Option")

Unless otherwise specified in the applicable Final Terms, the Notes will not be subject to repayment at the option of Noteholders. If the Noteholders are specified in the applicable Final Terms as having an option to require the Issuer to redeem the Notes, upon the holder of any Note giving to the Issuer in accordance with Condition 16 not less than 30 nor more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in

accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Unless otherwise specified in the applicable Final Terms, Notes issued by Toyota Credit Canada Inc. may not be redeemable at the option of the Noteholders prior to five years from the relevant Issue Date.

If a Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must deliver such Note at the specified office of any Paying Agent (other than the Canadian Paying Agent), in the case of Bearer Notes, or the Registrar or the Canadian Paying Agent, in the case of Registered Notes, at any time during normal business hours of such Paying Agent or the Registrar or Canadian Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar or the Canadian Paying Agent (a "*Put Notice*") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(e).

If a Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on the holder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary, or common safekeeper, as the case may be, for them to the Agent or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a global Note, at the same time present or procure the presentation of the relevant global Note to the Agent or Registrar (in the case of Registered Notes) for notation accordingly.

(f) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at an amount (the "*Early Redemption Amount*") calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Calculation Amount, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Calculation Amount or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "*Amortised Face Amount*") equal:
 - (A) the sum of (x) the Reference Price specified in the applicable Final Terms and (y) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
 - (B) if the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (b) above or upon its becoming due and repayable as provided in Condition 9 is not paid or available for payment when due, the amount due and repayable in respect of such Zero

Coupon Note shall be the Amortised Face Amount of such Zero Coupon Note calculated as provided above as though the references in sub-paragraph (A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the "*Reference Date*") which is the earlier of:

- (1) the date on which all amounts due in respect of the Note have been paid; and
- (2) the date on which the full amount of the moneys repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 16.

The calculation of the Amortised Face Amount in accordance with this sub-paragraph (B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

Unless specified otherwise in the applicable Final Terms, where any such calculation is to be made for a period which is not a whole number of years, it shall be made (I) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each (or 365/366 days in the case of Notes denominated in Sterling) and, in the case of an incomplete month, the number of days elapsed or (II) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Final Terms.

(g) *Instalments*

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (f) above.

(h) *Partly Paid Notes*

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 6 as amended or varied by the applicable Final Terms.

(i) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts and Coupons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Where the Issuer is Toyota Credit Canada Inc., unless otherwise specified in the applicable Final Terms, such Notes shall be surrendered (in the case of Bearer Notes) to any Paying Agent or (in the case of Registered Notes) the Registrar or Canadian Paying Agent for cancellation and, where the Issuer is Toyota Motor Finance (Netherlands) B.V., Toyota Finance Australia Limited or Toyota Motor Credit Corporation such Notes may, at the option of the Issuer, either be (i) resold or reissued, or held by the Issuer for subsequent resale or reissuance, or (ii) surrendered to any Paying Agent for cancellation, in which event such Notes, Receipts and Coupons may not be resold or reissued.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any of the Notes purchased and cancelled pursuant to paragraph (i) above (together, in the case of definitive Notes, with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold. If any Note is purchased and cancelled without all unmatured Coupons appertaining thereto, the Issuer shall make payment in respect of any such missing Coupon in accordance with Condition 5 as if the relevant Note had remained outstanding for the period to which such Coupon relates.

7. Taxation – Additional Amounts

(a) *Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc. or Toyota Finance Australia Limited*

This Condition 7(a) only applies to Notes issued by Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc. or Toyota Finance Australia Limited.

Unless otherwise specified in the applicable Final Terms, all payments of principal and interest in respect of the Notes issued by Toyota Motor Finance (Netherlands) B.V., Toyota Credit Canada Inc. or Toyota Finance Australia Limited will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the jurisdiction in which the Issuer is incorporated or any province, territory or other political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the relevant Issuer will pay such additional amounts (the "*Additional Amounts*") as shall be necessary in order that the net amounts receivable by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) where the Issuer is Toyota Credit Canada Inc.:
 - (A) by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof; or
 - (B) by or on behalf of a holder with whom the Issuer is not dealing at arm's length (within the meaning of the Income Tax Act (Canada)); or
- (ii) where the Issuer is Toyota Finance Australia Limited, by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of:
 - (A) his having some connection with the Commonwealth of Australia other than the mere holding of such Note, Receipt or Coupon or the receipt of principal or interest in respect thereof, or
 - (B) his being a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, Receipt or Coupon is presented for payment; or
 - (C) his being an Offshore Associate of the Issuer 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 2001 of Australia. “Offshore Associate” means an associate (as defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) of the Issuer that is either:

- (a) a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia; or
 - (b) a resident of Australia that acquires the Notes in carrying on a business at or through a permanent establishment outside Australia; or
- (iii) where the Issuer is Toyota Motor Finance (Netherlands) B.V., by a Noteholder, Receiptholder or Couponholder who (a) is able to avoid such withholding or deduction or is liable to such withholding or deduction at a reduced rate by making a declaration of non-residence or producing other evidence establishing that such payment may be made without withholding or deduction or with such deduction or withholding at a reduced rate to the Issuer or the relevant tax authority; or (b) is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with The Netherlands other than the mere holding of such Note, Receipt or Coupon; or
- (iv) in such other circumstances as may be specified in the applicable Final Terms; or
- (v) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(e)); or
- (vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (vii) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein, the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

(b) Toyota Motor Credit Corporation

This Condition 7(b) only applies to Notes issued by Toyota Motor Credit Corporation.

Except as specifically provided by this Condition 7(b), where the Issuer is Toyota Motor Credit Corporation, the Issuer shall not be required to make any payment in respect of the Notes with respect to any tax, assessment or other governmental charge (“Tax”) imposed by any government or a political subdivision or taxing authority thereof or therein.

The Issuer will, subject to certain limitations and exceptions (set forth below), pay to a Noteholder, Receiptholder or Couponholder who is a Non-U.S. Holder (as defined below) such additional amounts (the “Additional Amounts”) as shall be necessary in order that the net amounts receivable by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such

withholding or deduction; except that the Issuer shall not be required to make any payment of Additional Amounts for or on account of:

- (i) any Tax which would not have been imposed but for (A) the existence of any present or former connection between such Noteholder, Receiptholder or Couponholder or any beneficial owner of a Note, Receipt, or Coupon (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, Receiptholder, Couponholder or beneficial owner, if such Noteholder, Receiptholder, Couponholder or beneficial owner is an estate, trust, partnership or corporation) and the United States, including, without limitation, being or having been a citizen or resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein, or (B) such Noteholder's, Receiptholder's, Couponholder's or beneficial owner's past or present status as a personal holding company, passive foreign investment company, controlled foreign corporation or a private foundation (as those terms are defined for United States tax purposes) or as a corporation which accumulates earnings to avoid U.S. federal income tax;
- (ii) any estate, inheritance, gift, sales, transfer, personal property or similar Tax;
- (iii) any Tax that would not have been so imposed but for the presentation of a Note, Receipt or Coupon for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
- (iv) any Tax which is payable otherwise than by deduction or withholding from payments of principal or interest in respect of the Notes, Receipts or Coupons;
- (v) any Tax imposed on interest received or beneficially owned by (A) a 10 per cent. shareholder of the Issuer within the meaning of Internal Revenue Code Section 871(h)(3)(B) or Section 881(c)(3)(B) or (B) a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (vi) any Tax required to be withheld or deducted by any Paying Agent from any payment of principal or interest in respect of any Note, Receipt or Coupon, if such payment can be made without such withholding or deduction by any other Paying Agent with respect to the Notes;
- (vii) any Tax which would not have been imposed but for the failure to comply with certification, information, documentation, or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Noteholder, Receiptholder or Couponholder or of the beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such Tax;
- (viii) any Tax imposed with respect to a payment on a Note, Receipt or Coupon to any Noteholder, Receiptholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of the Note, Receipt or Coupon to the extent a beneficiary or settlor with respect to such fiduciary, a member of such partnership or a beneficial owner of the Note, Receipt or Coupon would not have been entitled to payment of the Additional Amounts, had such beneficiary, settlor, member or beneficial owner been the holder of the Note, Receipt or Coupon;
- (ix) any Tax required to be withheld or deducted by any Paying Agent from any payment of principal or interest in respect of any Note, Receipt or Coupon, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of

savings income or any law implementing or complying with, or introduced to conform to, such Directive; or

- (x) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix) above;

The term "*Non-U.S. Holder*" means any Holder that is not for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

If the Issuer shall determine that any payment made outside the United States by the Issuer or any of its Paying Agents of the full amount of the next scheduled payment of either principal or interest due in respect of any Note, Receipt or Coupon would, under any present or future laws or regulations of the United States affecting taxation or otherwise, be subject to any certification, information or other reporting requirements of any kind, the effect of which requirements is the disclosure to the Issuer, any of its Paying Agents or any governmental authority of the nationality, residence or identity (as distinguished from status as a U.S. Alien) of a beneficial owner of such Note, Receipt or Coupon who is a U.S. Alien (other than such requirements which (i) would not be applicable to a payment made to a custodian, nominee or other agent of the beneficial owner, or which can be satisfied by such a custodian, nominee or other agent certifying to the effect that such beneficial owner is a U.S. Alien; provided, however, in each case that payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirements referred to in this sentence, (ii) are applicable only to payment by a custodian, nominee or other agent of the beneficial owner to or on behalf of such beneficial owner, or (iii) would not be applicable to a payment made by any other paying agent of the Issuer), the Issuer shall redeem the Notes as a whole but not in part at a redemption price equal to the Early Redemption Amount together, if appropriate, with accrued interest to, but excluding, the date fixed for redemption, such redemption to take place on such date not later than one year after the publication of notice of such determination. If the Issuer becomes aware of an event that might give rise to such certification, information or other reporting requirements, the Issuer shall, as soon as practicable, solicit advice of independent counsel selected by the Issuer to establish whether such certification, information or other reporting requirements will apply and, if such requirements will apply, the Issuer shall give prompt notice of such determination (a "*Tax Notice*") in accordance with Condition 16 stating in such notice the effective date of such certification, information or other reporting requirements and, if applicable, the date by which the redemption shall take place. Notwithstanding the foregoing, the Issuer shall not redeem Notes if the Issuer shall subsequently determine not less than 30 days prior to the date fixed for redemption that subsequent payments would not be subject to any such requirements, in which case the Issuer shall give prompt notice of such determination in accordance with Condition 16 and any earlier redemption notice shall thereby be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, information or other reporting requirements referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect prior to publication of the Tax Notice to have the provisions described in this paragraph apply in lieu of the provisions described in the preceding paragraph, in which case the Tax Notice shall state the effective date of such certification, information or reporting requirements and that the Issuer has elected to pay Additional Amounts rather than redeem the Notes. In such event, the Issuer will pay as Additional Amounts such amounts as may be necessary so that every net payment made following the effective date of such certification, information or reporting requirements outside the United States by the Issuer or any of its Paying Agents of principal or interest due in respect of a Note, Receipt or Coupon to a holder who certifies to the effect that the beneficial owner of such Note, Receipt or Coupon is a U.S. Alien (provided that such certification shall not have the effect of communicating to the Issuer or any of its Paying Agents or any governmental authority the nationality, residence or identity of such beneficial owner), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax

or similar charge which (i) is imposed as a result of certification, information or other reporting requirements referred to in the second parenthetical clause of the first sentence of the preceding paragraph, (ii) is imposed as a result of the fact that the Issuer or any of its Paying Agents has actual knowledge that the holder or beneficial owner of such Note, Receipt or Coupon is not a U.S. Alien but is within the category of persons, corporations or other entities described in clause (a)(i) of this Condition 7, or (iii) is imposed as a result of presentation of such Note, Receipt or Coupon for payment more than 15 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Note, such Receipt or such Coupon to be then due and payable. In the event the Issuer elects to pay such Additional Amounts, the Issuer will have the right, at its sole option, at any time, to redeem the Notes, as a whole but not in part at a redemption price equal to their Early Redemption Amount, together, if appropriate, with accrued interest to the date fixed for redemption including any Additional Amounts required to be paid under this paragraph. If the Issuer has made the determination described in the preceding paragraph with respect to certification, information or other reporting requirements applicable to interest only and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph with respect to such requirements applicable to principal, the Issuer will redeem the Notes in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Issuer elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Notes are to be redeemed, the Issuer will be obligated to pay Additional Amounts with respect to interest, if any, accrued to the date of redemption. If the Issuer has made the determination described in the preceding paragraph and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph that the level of withholding applicable to principal or interest has been increased, the Issuer will redeem the Notes in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Issuer elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Notes are to be redeemed, the Issuer will be obligated to pay Additional Amounts with respect to the original level of withholding on principal and interest, if any, accrued to the date of redemption.

8. Prescription

Unless provided otherwise in the applicable Final Terms, Notes, Receipts and Coupons will become void unless presented for payment within a period of five years after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

Any moneys paid by the Issuer to the Agent or (in the case of Registered Notes) the Registrar or the Canadian Paying Agent for the payment of principal or interest in respect of the Notes and remaining unclaimed for a period of five years shall forthwith be repaid to the Issuer. All liability of the Issuer, the Agent and the Registrar or the Canadian Paying Agent with respect thereto shall cease when the Notes, Receipts and Coupons become void.

9. Events of Default

(a) In the event that (each of (i) through to (iv) below, an "*Event of Default*"):

- (i) default is made by the Issuer in the payment when due of any principal or interest in respect of any Note and the default continues unremedied for a period of 14 days after the date when due; or
- (ii) default is made by the Issuer in the performance or observance of any covenant, condition or provision contained in the Terms and Conditions applicable to any of the Notes or of any covenant, condition or provision for

the benefit of Noteholders contained in the Agency Agreement and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of the Notes) 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 Agent or (in the case of Registered Notes) the Registrar by the holders of not less than 25 per cent. in aggregate nominal amount of Notes then outstanding; or

- (iii) the entry by a court having competent jurisdiction of (a) 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; or (b) 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 (c) 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 the winding up or liquidation of the Issuer, in each case of (a), (b) or (c) 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 Notes or the terms of which have previously been approved by the written consent of holders of a majority in aggregate nominal amount of the Notes then outstanding affected thereby, or by resolution adopted by the holders of a majority in aggregate nominal amount of such Notes then outstanding present or represented at a meeting of the holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement; or
- (iv) 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 (iii)),

then the holder of any Note may, at its option, declare the principal of such Note and the interest, if any, accrued thereon to be due and payable immediately by written notice to the Issuer and the Agent or (in the case of Registered Notes) the Registrar, 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, the principal of such Note and the interest, if any, accrued thereon shall become and be immediately due and payable.

At any time after such declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due with respect to any Note has been obtained by any Noteholder, such declaration and its

consequences may be rescinded and annulled upon the written consent of holders of a majority in aggregate nominal amount of the Notes then outstanding affected thereby, or by resolution adopted by a majority in aggregate nominal amount of the Notes present or represented at a meeting of holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement, if:

- (1) the Issuer has paid to, or deposited with, the Agent or (in the case of Registered Notes) the Canadian Paying Agent a sum sufficient to pay:
 - (A) all overdue payments of interest on the Notes; and
 - (B) the principal of the Notes which has become due otherwise than by such declaration of acceleration; and
- (2) all Events of Default with respect to the Notes, other than the non-payment of the principal of such Notes which has become due solely by such declaration of acceleration, have been either (i) remedied or (ii) waived as provided in paragraph (b) below.

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

- (b) Any Events of Default by the Issuer, other than the events described in paragraph (a)(i) 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 paragraph (a)(ii) above which cannot be modified and amended without the written consent of the holders of all outstanding Notes, may be waived by the written consent of holders of a majority in aggregate nominal amount of the Notes then outstanding affected thereby, or by resolution adopted by the holders of a majority in aggregate nominal amount of such Notes then outstanding present or represented at a meeting of the holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement (provided that such resolution shall be approved by the holders of not less than 25 per cent. of the aggregate nominal amount of Notes affected thereby then outstanding).

10. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London or (in the case of Registered Notes) at the specified office of the Registrar (or such other place outside the United States as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of such costs and expenses as may be incurred by the Issuer and the Agent or the Registrar, as the case may be, in connection therewith and on such terms as to evidence and indemnity, security or otherwise as the Issuer and the Agent or the Registrar, as the case may be, may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agent, the initial Registrar and the initial Canadian Paying Agent and their initial specified offices are set out at the back of this Offering Circular.

In acting under the Agency Agreement or the Note Agency Agreement, the Agent and the other Paying Agents and (in the case of the Note Agency Agreement only), the Registrar and the Canadian Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders to repay Notes and pay interest thereon) funds received by the Agent or (in respect of

Registered Notes) the Registrar or the Canadian Paying Agent for the payment of the principal of or interest on the Notes shall be held in trust by it for the Noteholders and/or Receiptholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 8. The Issuer agrees to perform and observe the obligations imposed upon it under the Agency Agreement and (in respect of Registered Notes) the Note Agency Agreement and to use reasonable efforts to cause the Agent and the other Paying Agents to perform and observe the obligations imposed upon them under the Agency Agreement and (in respect of Registered Notes) the Registrar and the Canadian Paying Agent to perform and observe the obligations imposed on them under the Note Agency Agreement. The Agency Agreement and (in respect of the Registered Notes) the Note Agency Agreement contain provisions for the indemnification of the Agent and the other Paying Agents and the Registrar and the Canadian Paying Agent, respectively, and for relief from responsibility in certain circumstances, and entitle any of them to enter into business transactions with the Issuer without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent or any other Paying Agent appointed under the terms of the Agency Agreement or the Registrar or the Canadian Paying Agent appointed under the terms of the Note Agency Agreement and/or appoint additional or other Paying Agents or Canadian Paying Agents and/or approve any change in the specified office through which any Paying Agent, Registrar or Canadian Paying Agent acts, provided that:

- (i) so long as the Notes are admitted to trading or listed on any stock exchange or other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) there will at all times be a Paying Agent with a specified office in a city approved by the Agent in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) in respect of Registered Notes, there will at all times be a Registrar; and
- (v) there will at all times be a Paying Agent in a Member State of European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in the United States only in the circumstances described in the final paragraph of Condition 5(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 or more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 16.

In addition, in relation to Registered Notes issued or to be issued by it, Toyota Credit Canada Inc. is entitled to vary or terminate the appointment and/or appoint additional registrar, transfer agents, Canadian paying agents and/or approve any change in the specified office through which any such registrar, transfer agent or Canadian paying agent acts, provided that there will at all times be a registrar and a paying agent capable of making payments in the Specified Currency and (in the case of Global Registered Notes) to the clearing system specified in the applicable Final Terms.

The Agency Agreement or the Note Agency Agreement contains provisions permitting any entity into which any Paying Agent and (in the case of the Note Agency Agreement only) any registrar and transfer agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent, registrar or transfer agent (as appropriate).

12. Exchange of Talons

On and after the Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13. Consolidation or Merger

The Issuer may consolidate with, or sell, lease or convey all or substantially all of its assets as an entirety to, or merge with or into any other corporation provided that in any such case, (i) either the Issuer shall be the continuing corporation, or the successor corporation shall be a corporation organised and existing under the laws of the jurisdiction in which the Issuer is incorporated or any province, territory, state or other political subdivision thereof and such successor corporation shall expressly assume the due and punctual payment of the principal of and interest (including Additional Amounts as provided in Condition 7) on all the Notes, Receipts and Coupons, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Note to be performed by the Issuer by an amendment to the Agency Agreement or, as the case may be, the Note Agency Agreement, executed by such successor corporation, the Issuer and the Agent or the Registrar and the Canadian Paying Agent, as the case may be, and (ii) immediately after giving effect to such transaction, no Event of Default under Condition 9, and no event which, with notice or lapse of time or both, would become such an Event of Default shall have happened and be continuing. In case of any such consolidation, merger, sale, lease or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Issuer, with the same effect as if it had been named herein as the Issuer, and the predecessor corporation, except in the event of a conveyance by way of lease, shall be relieved of any further obligation under the Note and the Agency Agreement or, as the case may be, the Note Agency Agreement.

14. Substitution

The Issuer (the "*Retiring Issuer*" and the expressions "*Issuer*" and "*Retiring Issuer*") include any previous relevant Substitute Issuer (as defined below) under this Condition 14) may, without the consent of the relevant Noteholders or Couponholders, substitute the Parent or any subsidiary of the Parent (including TFS) in place of the Issuer as the principal debtor under the Notes, the relative Receipts and Coupons and the Agency Agreement (the "*Substitute Issuer*") provided that:

(a) in the case of the substitution of a subsidiary of the Parent (other than TFS or any other Issuer) in place of the Retiring Issuer, a Credit Support Agreement, in the case of a subsidiary of TFS, between such subsidiary and TFS being entered into, and the Basic Agreement applying, *mutatis mutandis* on the terms of the relevant Credit Support Agreement and the Basic Agreement, respectively and, in the case of a subsidiary of the Parent (and not being also a subsidiary of TFS) a Credit Support Agreement between such subsidiary and the Parent being entered into *mutatis mutandis* on the terms of the Basic Agreement;

(b) a deed poll substantially in the form set out in Appendix G to the Agency Agreement (and such other documents (if any)) shall be executed by the Substitute Issuer and the Retiring Issuer as may be necessary to give full effect to the substitution (the "*Substitution Documents*") and, (without limiting the generality of the foregoing) under which (i) the Substitute Issuer shall undertake in favour of the relevant Noteholders and Couponholders to be bound by the terms and conditions of the relevant Notes, Receipts and Coupons and the provisions of the Agency Agreement as fully as if the Substitute Issuer had been named in the relevant Notes, Receipts and Coupons and the Agency Agreement as the principal debtor in respect of the relevant Notes, Receipts and Coupons and the Agency Agreement in place of the Retiring Issuer; and (ii) the

Retiring Issuer shall be released from its obligations as principal debtor in respect of the relevant Notes, Receipts and Coupons and the Agency Agreement;

(c) without prejudice to the generality of paragraph (b) above, where the Substitute Issuer is subject generally to a taxing jurisdiction differing from or in addition to the taxing jurisdiction to which the Retiring Issuer for which it shall have been substituted under this Condition 14 was subject, the Substitute Issuer shall undertake or covenant in the Substitution Documents in terms corresponding to the provisions of Condition 7 with the substitution for or addition to the references to the taxing jurisdiction to which the Retiring Issuer, as the case may be, was subject of references to the taxing jurisdiction or additional taxing jurisdiction to which such Substitute Issuer, as the case may be, is subject and in such case, Condition 7 shall be deemed to be modified accordingly when such substitution takes effect;

(d) the Substitution Documents shall contain a warranty and representation (i) that the Substitute Issuer and the Retiring Issuer have obtained all necessary governmental and regulatory approvals and consents for the substitution and that the Substitute Issuer has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Issuer of its obligations under the Substitution Documents and that all such approvals and consents are in full force and effect, (ii) that the obligations assumed by the Substitute Issuer in respect of the relevant Notes, Receipts and Coupons and the Agency Agreement are, in each case, valid and binding in accordance with their respective terms and enforceable by each relevant Noteholder, and (iii) the Substitute Issuer is solvent;

(e) any credit rating obtained by the Retiring Issuer from a nationally recognised statistical rating organisation which applies to the relevant Notes will not be downgraded as a result of the substitution;

(f) each stock exchange on which the relevant Notes are admitted to trading shall have confirmed that, following the proposed substitution of the Substitute Issuer, such Notes will continue to be admitted to trading on such stock exchange;

(g) where the Substitute Issuer is not a company incorporated in the United Kingdom, the Substitute Issuer shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the relevant Notes, Receipts and Coupons and the Agency Agreement;

(h) in the case of substitution of TCCI or a Canadian subsidiary of the Parent in place of the Retiring Issuer, no withholding or other taxes will be payable by any such Substitute Issuer;

(i) legal opinions shall have been delivered to the Agent (from whom copies will be available) (in each case dated not more than three days prior to the intended date of substitution) from legal advisers of good standing selected by the Substitute Issuer (i) in each jurisdiction in which the Substitute Issuer and the Retiring Issuer are incorporated and in England confirming, as appropriate, that upon the substitution taking place, the Substitution Documents constitute legal, valid and binding obligations of the Substitute Issuer and the relevant Notes, Receipts and Coupons and the Agency Agreement are legal, valid and binding obligations of the Substitute Issuer enforceable in accordance with their terms and (ii) in Japan and in the jurisdiction in which the Substitute Issuer is incorporated, in the event any Credit Support Agreements are entered into under paragraph (a) above, confirming that any such Credit Support Agreements constitute legal, valid and binding obligations of the Parent, TFS and the Substitute Issuer, as the case may be, enforceable in accordance with its terms; and

(j) in connection with any such substitution, the Substitute Issuer and the Retiring Issuer shall not have regard to the consequences of such substitution for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no person shall be entitled to claim whether from the Substitute Issuer, the Retiring Issuer, the Agent, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution upon any person except to the

extent already provided in Condition 7 and/or any undertaking given in addition thereto or in substitution therefor in the Substitution Documents in accordance with paragraph (c) above.

Upon execution of the Substitution Documents as referred to in paragraph (b) above, (i) the Substitute Issuer shall be the relevant Issuer named in the relevant Notes, the Receipts and Coupons and the Agency Agreement as principal debtor in place of the Retiring Issuer and the relevant Notes, Receipts and Coupons and the Agency Agreement shall thereby be deemed to be amended to give effect to the substitution of the Substitute Issuer as principal debtor and (ii) the Retiring Issuer shall be released as aforesaid from all of its obligations as principal debtor in respect of the relevant Notes, Receipts and Coupons and the Agency Agreement. With effect on and from the time of the substitution of the Substitute Issuer in place of the Retiring Issuer:

(A) the Retiring Issuer has no further obligations to any Noteholder or Couponholder in relation to the relevant Notes, Receipts and Coupons;

(B) the Substitute Issuer has rights which the Retiring Issuer had in respect of the relevant Notes, Receipts and Coupons (in each case subject to paragraph (c) above); and

(C) the Substitute Issuer has assumed the obligations towards the Noteholders and Couponholders which the Retiring Issuer had in respect of the relevant Notes, Receipts and Coupons.

The Substitution Documents shall be deposited with and held by the Agent and (in the case of Registered Notes) copied to the Registrar for so long as any of the relevant Notes remain outstanding and for so long as any claim made against the Substitute Issuer or the Retiring Issuer by any Noteholder or Couponholder in relation to the relevant Notes, Receipts, Coupons, the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement or the Substitution Documents shall not have been finally adjudicated, settled or discharged. The Substitute Issuer and the Retiring Issuer shall acknowledge in the Substitution Documents the right of every Noteholder to the production of the Substitution Documents for the enforcement of any of the relevant Notes, Receipts, Coupons, the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement or the Substitution Documents.

Within 14 days of a substitution taking effect under this Condition 14, the Retiring Issuer shall give notice of such substitution to the relevant Noteholders in accordance with Condition 16.

15. Meetings, Modifications and Waivers

The Agency Agreement contains provisions which, unless otherwise provided in the Final Terms, are binding on the Issuer, the Noteholders, the Receiptholders and the Couponholders, for convening meetings of holders of Notes, Receipts and Coupons to consider matters affecting their interests, including the modification or waiver of the Terms and Conditions applicable to the Notes.

The Agency Agreement, (in the case of Registered Notes) the Note Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Issuer and (in the case of the Agency Agreement) the Agent and (in the case of the Note Agency Agreement) the Registrar and the Canadian Paying Agent, without the consent of the holder of any Note, Receipt or Coupon (i) for the purpose of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, or to evidence the succession of another corporation to the Issuer as provided in Condition 13 or provide for substitution of the Issuer as provided in Condition 14, (ii) to make any further modifications of the terms of the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Issuer and (in the case of the Agency Agreement) the Agent and (in the case of the Note Agency Agreement) the Registrar and the Canadian Paying Agent may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons. In addition, with the written consent of the holders of not less than a majority in aggregate nominal amount of the Notes then outstanding affected thereby, or by a resolution adopted by a majority in aggregate nominal amount of such outstanding Notes

affected thereby present or represented at a meeting of such holders at which a quorum is present, as provided in the Agency Agreement (provided that such resolution shall be approved by the holders of not less than 25 per cent. of the aggregate nominal amount of Notes affected thereby then outstanding), the Issuer and the Agent and (in the case of the Note Agency Agreement) the Registrar and the Canadian Paying Agent may from time to time and at any time enter into agreements modifying or amending the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement or the terms and conditions of the Notes, Receipts and Coupons for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement or of modifying in any manner the rights of the holders of Notes, Receipts and Coupons; provided, however, that no such agreement shall, without the consent or the affirmative vote of the holder of each Note affected thereby, (i) change the stated maturity of the principal of or any instalment of interest on any Note, (ii) reduce the nominal amount of or interest on any Note, (iii) change the obligation of the Issuer to pay Additional Amounts as provided in Condition 7, (iv) reduce the percentage in nominal amount of outstanding Notes the consent of the holders of which is necessary to modify or amend the Agency Agreement or (in the case of Registered Notes) the Note Agency Agreement or the terms and conditions of the Notes or to waive any future compliance or past default, or (v) reduce the percentage in nominal amount of outstanding Notes the consent of the holders of which is required at any meeting of holders of Notes at which a resolution is adopted. The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate nominal amount of the Notes at the time outstanding affected thereby and at any adjourned meeting will be one or more persons holding or representing 25 per cent. in aggregate nominal amount of such Notes at the time outstanding affected thereby. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note. Any modifications, amendments or waivers to the Agency Agreement or (in the case of Registered Notes) to the Note Agency Agreement or to the terms and conditions of the Notes, Receipts and Coupons will be conclusive and binding on all holders of Notes, Receipts and Coupons, whether or not they have given such consent or were present at any meeting, and whether or not notation of such modifications, amendments or waivers is made upon the Notes, Receipts and Coupons. It shall not be necessary for the consent of the holders of Notes under this Condition 15 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof.

Notes authenticated and delivered after the execution of any amendment to the Agency Agreement, or (in the case of Registered Notes) to the Note Agency Agreement, the Notes, Receipts or Coupons may bear a notation in form approved by the Agent or (in the case of Registered Notes) Registrar as to any matter provided for in such amendment to the Agency Agreement or (in the case of Registered Notes) to the Note Agency Agreement.

New Notes so modified as to conform, in the opinion of the Agent or (in the case of Registered Notes) the Registrar and the Issuer, to any modification contained in any such amendment may be prepared by the Issuer, authenticated by the Agent or (in the case of Registered Notes) the Registrar and delivered in exchange for the Notes then outstanding.

For the purposes of this Condition 15 and Condition 9, the term "*outstanding*" means, in relation to the Notes, all Notes issued under the Agency Agreement or the Note Agency Agreement other than (i) those which have been redeemed in full in accordance with the Agency Agreement or the Note Agency Agreement or these Terms and Conditions, (ii) 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 these Terms and 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 these Terms and Conditions after such date) have been duly paid to the Agent as provided in the Agency Agreement or (in the case of Registered Notes) to the Registrar or the Canadian Paying Agent (and, where appropriate, notice has been given to the Noteholders in accordance with Condition 16) and remain available for payment against presentation of the Notes, (iii) those which have become void under Condition 8, (iv) those which

have been purchased or otherwise acquired and cancelled as provided in Condition 6, and those which have been purchased or otherwise acquired and are being held by the Issuer for subsequent resale or reissuance as provided in Condition 6 during the time so held, (v) those mutilated or defaced Notes which have been surrendered in exchange for replacement Notes pursuant to Condition 10, (vi) (for the purposes only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued pursuant to Condition 10 and (vii) temporary global Notes to the extent that they shall have been duly exchanged in whole for permanent global Notes or definitive Notes and permanent global Notes or registered global Notes to the extent that they shall have been duly exchanged in whole for definitive Notes, in each case pursuant to their respective provisions.

16. Notices

All notices regarding the Notes shall be published in a leading English language daily newspaper of general circulation in London (which is expected to be the Financial Times) or, if this is not practicable, one other such English language newspaper as the Issuer, in consultation with the Agent, shall decide. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being admitted to trading or are listed by another relevant authority. Any such notice published as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes in accordance with this Condition 16.

Until such time as any definitive Notes are issued, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg, there may be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes; provided that, for so long as any Notes are admitted to trading on a stock exchange or are listed by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any notice delivered to Euroclear and Clearstream, Luxembourg shall be deemed to have been given to the holders of the Notes on the third day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg, or on such other day as is specified in the applicable Final Terms.

Notices to holders of Registered Notes in definitive form will be deemed to be validly given if sent by mail to them (or, in the case of joint holders of Registered Notes, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in such register, and will be deemed to have been validly given on the fourth business day after the date of such mailing.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, in the case of Bearer Notes, with the Agent or, in the case of Registered Notes, with the Registrar. While any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to, in the case of Bearer Notes, the Agent or, in the case of Registered Notes, the Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent or Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

17. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the Issue Date, the amount and date of the first payment of interest thereon and/or the Issue Price) and so that the same shall be consolidated and form a

single series with the outstanding Notes and references in these Terms and Conditions to “Notes” shall be construed accordingly.

18. Redomination and Exchange

The Issuer may (if so specified in the applicable Final Terms) without the consent of the holder of any Note, Receipt, Coupon or Talon, redenominate into euro all, but not some only, of the Notes of any Series on or after the date on which the member state of the European Union in whose national currency such Notes are denominated has become a participant member in the third stage of the European economic and monetary union as more fully set out in the applicable Final Terms. The Issuer may (if so specified in the applicable Final Terms) without the consent of the holder of any Note, Receipt, Coupon or Talon, elect that the Notes shall be exchangeable for Notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide.

19. Disapplication

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

20. Governing Law and Submission to Jurisdiction

The Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

The Issuer irrevocably agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts for all purposes in connection with the Notes, the Receipts and the Coupons and in relation thereto the Issuer has appointed Toyota Financial Services (UK) PLC as its agent for service of process on its behalf and has agreed that in the event of Toyota Financial Services (UK) PLC ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process. Without prejudice to the foregoing, the Issuer irrevocably agrees that any suit, action or proceedings arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in any other court of competent jurisdiction.