

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

CITIGROUP INC

CIK: **831001** | IRS No.: **521568099** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-09924** | Film No.: **05788928**
SIC: **6021** National commercial banks

Mailing Address
399 PARK AVENUE
NEW YORK NY 10043

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399 PARK AVENUE
NEW YORK NY 10043
2125591000

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 2, 2005

Citigroup Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-9924

52-1568099

(State or other
jurisdiction of
incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

399 Park Avenue, New York, New York

10043

(Address of principal executive offices)

(Zip Code)

(212) 559-1000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

CITIGROUP INC.
Current Report on Form 8-K

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits:

<TABLE>

<CAPTION>

Exhibit No.

Description

<S>

<C>

1.01

Terms Agreement, dated April 21, 2005, among the Company and the underwriters named therein, relating to the offer and sale of the Company's Floating Rate Notes due May 2, 2008.

4.01

Form of Note for the Company's Floating Rate Notes due May 2, 2008.

</TABLE>

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 2, 2005

CITIGROUP INC.

By: /s/ Charles E. Wainhouse

Charles E. Wainhouse
Assistant Treasurer

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TERMS AGREEMENT

April 21, 2005

Citigroup Inc.
399 Park Avenue
New York, New York 10043

Attention: Treasurer

Ladies and Gentlemen:

We understand that Citigroup Inc., a Delaware corporation (the "Company"), proposes to issue and sell \$2,000,000,000 aggregate principal amount of its debt securities (the "Securities"). Subject to the terms and conditions set forth herein or incorporated by reference herein, we, Citigroup Global Markets Inc., Bear, Stearns & Co. Inc., Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Blaylock & Partners, L.P., KeyBanc Capital Markets, a Division of McDonald Investments Inc., TD Securities (USA) LLC and UBS Securities LLC, as underwriters (the "Underwriters"), offer to purchase, severally and not jointly, the principal amount of the Securities set forth opposite our respective names on the list attached as Annex A hereto at 99.825% of the principal amount thereof, plus accrued interest, if any, from the date of issuance. The Closing Date shall be May 2, 2005, at 8:30 A.M. The closing shall take place at the Corporate Law offices of the Company located at 425 Park Avenue, New York, New York 10043.

The Securities shall have the following terms:

<TABLE>	
<S>	
Title:	Floating Rate Notes Due 2008
Maturity:	May 2, 2008
Interest Rate:	Three-month LIBOR (Telerate) plus 0.05%, determined as set forth in the Prospectus Supplement, dated April 21, 2005, to the Prospectus, dated September 2, 2004
Interest Payment Dates:	Quarterly on the 2nd of February, May, August and November, commencing August 2, 2005
Initial Price to Public:	100.00% of the principal amount thereof, plus accrued interest from May 2, 2005
Redemption Provisions:	The Securities are not redeemable by the Company prior to maturity, except upon the occurrence of certain events involving United
</TABLE>	

<TABLE>	
<S>	
States taxation, as set forth in the Prospectus Supplement, dated April 21, 2005, to the Prospectus, dated September 2, 2004	
Record Date:	The business day preceding each Interest Payment Date
</TABLE>	

Additional Terms:

The Securities shall be issuable as Registered Securities only. The Securities will be initially represented by one or more global Securities registered in the name of The Depository Trust Company ("DTC") or its nominees, as described in the Prospectus Supplement relating to the Securities. Beneficial interests in the Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream International and their respective participants. Owners of beneficial interests in the Securities will be entitled to physical delivery of Securities in certificated form only under the limited circumstances described in the Prospectus Supplement. Principal and interest on the Securities shall be payable in United States dollars. The provisions of Sections 11.03 and 11.04 of the Indenture relating to defeasance shall apply to the Securities.

All the provisions contained in the document entitled "Primerica Corporation -- Debt Securities -- Underwriting Agreement -- Basic Provisions" and dated January 12, 1993 (the "Basic Provisions"), a copy of which you have previously received, are, except as indicated below, herein incorporated by reference in their entirety and shall be deemed to be a part of this Terms Agreement to the same extent as if the Basic Provisions had been set forth in full herein. Terms defined in the Basic Provisions are used herein as therein defined.

Basic Provisions varied with respect to this Terms Agreement:

(a) all references to Primerica Corporation shall refer to Citigroup Inc.;

(b) in the second line of Section 2(a), delete "33-55542), including a prospectus" and insert in lieu thereof "333-117615), including a prospectus" and any reference in the Basic Provisions to the "Registration Statement" shall be deemed to be a reference to such registration statement on Form S-3;

(c) in the fourth line of the third paragraph of Section 3, delete the phrase "certified or official bank check or checks in New York Clearing House (next day)" and insert in lieu thereof "wire transfer of federal or other same day";

(d) in the fourteenth line of the third paragraph of Section 3, delete the word "definitive" and insert in lieu thereof "global";

(e) in the fourth line of the fifth paragraph of Section 3, delete the phrase "certified or official bank check in New York Clearing House (next day)" and insert in lieu thereof "wire transfer of federal or other same day";

(f) in the ninth line of Section 6(a), delete "such registration statement when it became effective, or in the Registration Statement" and insert in lieu thereof "the Registration Statement";

(g) in the eighth line of Section 6(b), delete "in any part of such registration statement when it became effective, or in the Registration Statement" and insert in lieu thereof "the Registration Statement"; and

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(h) in the sixth line of Section 10, delete "65 East 55th Street, New York, New York 10022" and insert in lieu thereof "399 Park Avenue, New York, New York 10043".

The Company agrees to use its best efforts to have the Securities approved for listing on the Luxembourg Stock Exchange and to maintain such listing so long as any of the Securities are outstanding, provided, however that:

(a) if it is impracticable or unduly burdensome, in the good faith

determination of the Company, to maintain such listing due to changes in listing requirements occurring after the date of the Prospectus Supplement, or

(b) if the Transparency Directive (as defined in the Prospectus Supplement) is implemented in Luxembourg in a manner that would require the Company to publish financial information according to accounting principles or standards that are materially different from United States generally accepted accounting principles,

the Company may de-list the Securities from the Luxembourg Stock Exchange and shall use its reasonable best efforts to obtain an alternative admission to listing, trading and/or quotation of the Securities by another listing authority, exchange or system within or outside the European Union as it may decide. If such an alternative admission is not available or is, in the Company's opinion, unduly burdensome, such an alternative admission will not be obtained, and the Company shall have no further obligation in respect of any listing, trading or quotation for the Securities.

The Company further agrees and hereby represents that it has been informed of the guidance relating to stabilization provided by the Financial Services Authority, in particular in the section MAR 2 Annex 2G of the Financial Services Handbook, and has not taken or omitted to take any action and will not take any action or omit to take any action (such as issuing any press release relating to any Securities without the Stabilization/FSA legend) which may result in the loss by any of the Underwriters of the ability to rely on any stabilization safe harbor provided by the Financial Services Authority under the Financial Services and Markets Act 2000.

The Underwriters hereby agree in connection with the underwriting of the Securities to comply with the requirements set forth in any applicable sections of Rule 2720 of the Conduct Rules of the National Association of Securities Dealers, Inc.

Each Underwriter further agrees and hereby represents that:

(a) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date for the issuance of the Securities, will not offer or sell any Securities to persons in the United Kingdom, except to those persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments, as principal or agent, for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom for purposes of the Public Offers of Securities Regulations 1995;

(b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom;

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(c) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of FSMA does not apply to the Company;

(d) it will not offer or sell any Securities directly or indirectly in Japan or to, or for the benefit of, any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant governmental and regulatory authorities in effect at the relevant time. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized

under the laws of Japan;

(e) it is aware of the fact that no German selling prospectus (Verkaufsprospekt) has been or will be published in respect of the sale of the Securities and that it will comply with the Securities Selling Prospectus Act (the "SSPA") of the Federal Republic of Germany (Wertpapier-Verkaufsprospektgesetz). In particular, each Underwriter represents that it has undertaken not to engage in a public offering (öffentliche Anbieten) in the Federal Republic of Germany with respect to any Securities otherwise than in accordance with the SSPA and any other act replacing or supplementing the SSPA and all the other applicable laws and regulations;

(f) the Securities are being issued and sold outside the Republic of France and that it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in the Republic of France, and that it has not distributed and will not distribute or cause to be distributed to the public in the Republic of France the Prospectus Supplement, the Prospectus or any other offering material relating to the Securities;

(g) it and each of its affiliates has not offered or sold, and it will not offer or sell, the Securities by means of any document to persons in Hong Kong other than persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, or otherwise in circumstances which do not constitute an offer to the public within the meaning of the Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong), and unless permitted to do so under the securities laws of Hong Kong, no person has issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purpose of issue, any advertisement, document or invitation relating to the Securities other than with respect to the Securities to be disposed of to persons outside Hong Kong or only to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent; and

(h) it acknowledges that the Securities may not be offered, sold, transferred or delivered in or from The Netherlands as part of their initial distribution or at any time thereafter directly or indirectly, other than to individuals or legal entities (which include, but are not limited to, banks, brokers, dealers or finance companies which are subject to adequate supervision), institutional investors, insurance companies, pension funds, central governments and large public international organizations and large undertakings (through their treasury department) which are listed on a sufficiently regulated stock exchange, who or which regularly trade or invest in securities in the conduct of a business or a profession for

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their own account, all within the meaning of the Securities Transactions Supervision Act 1995 (Wet Toezicht Effectenverkeer 1995).

In addition to the legal opinions required by Sections 5(c) and 5(d) of the Basic Provisions, the Underwriters shall have received an opinion of Skadden, Arps, Slate, Meagher & Flom LLP, special U.S. tax counsel to the Company, dated the Closing Date, to the effect that although the discussion set forth in the Prospectus Supplement under the heading "United States Federal Income Tax Considerations for Non-United States Holders" does not purport to discuss all possible United States federal income tax consequences of the purchase, ownership and disposition of the Securities to non-United States holders of the Securities, such discussion constitutes, in all material respects, a fair and accurate summary of the United States federal income tax consequences of the purchase, ownership and disposition of the Securities to non-United States holders of the Securities.

John R. Dye, Esq., General Counsel -- Capital Markets of the Company, is counsel to the Company. Skadden, Arps, Slate, Meagher & Flom LLP is

special U.S. tax counsel to the Company. Cleary Gottlieb Steen & Hamilton LLP is counsel to the Underwriters.

Please accept this offer no later than 9:00 p.m. Eastern Time on April 21, 2005 by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us, or by sending us a written acceptance in the following form:

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"We hereby accept your offer, set forth in the Terms Agreement, dated April 21, 2005, to purchase the Securities on the terms set forth therein."

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.,
on behalf of the Underwriters named herein

By: /s/ Tara Mirchandani

Name: Tara Mirchandani
Title: Vice President

ACCEPTED:

CITIGROUP INC.

By: /s/ Charles E. Wainhouse

Name: Charles E. Wainhouse
Title: Assistant Treasurer

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ANNEX A

<TABLE> <CAPTION> NAME OF UNDERWRITER ----- <S>	PRINCIPAL AMOUNT OF SECURITIES ----- <C>
Citigroup Global Markets Inc.	\$1,700,000,000
Bear, Stearns & Co. Inc.	50,000,000
Goldman, Sachs & Co.	50,000,000
Lehman Brothers Inc.	50,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	50,000,000
Barclays Capital Inc.	20,000,000
Blaylock & Partners, L.P.	20,000,000
KeyBanc Capital Markets, a Division of McDonald Investments Inc.	20,000,000
TD Securities (USA) LLC	20,000,000
UBS Securities LLC	20,000,000

TOTAL	\$2,000,000,000 =====

</TABLE>

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This Note is a Global Security within the meaning of the Indenture hereinafter referred to and is registered in the name of the Depository named below or a nominee of the Depository. This Note is not exchangeable for Notes registered in the name of a Person other than the Depository or its nominee except in the limited circumstances described herein and in the Indenture, and no transfer of this Note (other than a transfer of this Note as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in the limited circumstances described herein.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (the "Depository"), to the Company or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of the Depository (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

CITIGROUP INC.
FLOATING RATE NOTES DUE MAY 2, 2008

REGISTERED REGISTERED

CUSIP: 172967 CW 9

ISIN: US172967CW99

Common Code: 021851604

No. R-

\$

CITIGROUP INC., a Delaware corporation (the "Company", which term includes any successor Person under the Indenture), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \$_____ on May 2, 2008 and to pay interest thereon from and including May 2, 2005 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, quarterly, on February 2, May 2, August 2 and November 2 of each year, commencing August 2, 2005, at the rate per annum for each Interest Period of three-month LIBOR, determined as provided herein, plus 0.05% until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Note is registered at the close of business on the Record Date for such interest, which shall be the Business Day immediately preceding such Interest Payment Date.

Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the holder on such Record Date and may either be paid to the Person in whose name this Note is registered at the close of business on a subsequent Record Date, such subsequent Record Date to be not less than five days prior to the date of payment of such defaulted interest, notice whereof shall be given to holders of Notes of this series not less than 15 days prior to such subsequent Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Notes of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Interest hereon will be calculated on the basis of the actual number of days elapsed in an Interest Period and a 360-day year. Dollar amounts resulting from such calculation will be rounded to the nearest cent, with one-half cent being rounded upward. An "Interest Period" shall be the period from and including an Interest Payment Date (or from May 2, 2005 in the case of the first Interest Payment Date) to and including the day immediately preceding the next Interest Payment Date.

If an Interest Payment Date falls on a day that is not a Business Day, such Interest Payment Date will be the next succeeding Business Day. If the Maturity of the Notes falls on a day that is not a Business Day, the payment due on Maturity will be postponed to the next succeeding Business Day, and no further interest will accrue in respect of such postponement. If a date for payment of interest or principal on the Notes falls on a day that is not a business day in the place of payment, such payment will be made on the next succeeding business day in such place of payment as if made on the date the payment was due. No interest will accrue on any amounts payable for the period from and after the due date for payment of such principal or interest.

For these purposes, "Business Day" means any day which is a day on which commercial banks settle payments and are open for general business in The City of New York.

Payment of the principal of and interest on this Note will be made at the office or agency of the Trustee maintained for that purpose in The City of New York.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee or by an authenticating agent on behalf of the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: May 2, 2005

CITIGROUP INC.

By: _____
Title: Treasurer

ATTEST:

By: _____
Title: Assistant Secretary

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This is one of the Notes of the series issued under the within-mentioned Indenture.

Dated: May 2, 2005

THE BANK OF NEW YORK,
as Trustee

By: _____
Name:
Title:

-or-

CITIBANK, N.A.,
as Authenticating Agent

By: _____
Name:
Title:

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This Note is one of a duly authorized issue of Securities of the Company (the "Notes"), issued and to be issued in one or more series under the Indenture, dated as of March 15, 1987 (as amended and supplemented to date, the "Indenture"), between the Company and The Bank of New York, as Trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the Notes and of the terms upon which the Notes are, and are to be, authenticated and

delivered. This Note is one of the series designated on the face hereof, initially limited in aggregate principal to \$2,000,000,000.

This Note will bear interest for each Interest Period at a rate determined by Citibank, N.A., acting as Calculation Agent. The interest rate on this Note for a particular Interest Period will be a per annum rate equal to LIBOR as determined on the related Interest Determination Date, plus 0.05%. The Interest Determination Date for an Interest Period will be the second London business day preceding such Interest Period. The Interest Determination Date for the first Interest Period was April 28, 2005. Promptly upon determination, the Calculation Agent will inform the Trustee and the Company of the interest rate for the next Interest Period. Absent manifest error, the determination of the interest rate by the Calculation Agent shall be binding and conclusive on the holders of Notes, the Trustee and the Company.

A London business day is a day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

On any Interest Determination Date, LIBOR will be equal to the offered rate for deposits in U.S. dollars having an index maturity of three months for the next Interest Period, in amounts of at least \$1,000,000, as such rate appears on Telerate Page 3750 at approximately 11:00 a.m., London time, on such Interest Determination Date. If the Telerate Page 3750 is replaced by another service or ceases to exist, the Calculation Agent will use the replacing service or such other service that may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits.

If no offered rate appears on Telerate Page 3750 on an Interest Determination Date at approximately 11:00 a.m., London time, then the Calculation Agent (after consultation with the Company) will select four major banks in the London interbank market and shall request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least \$1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, LIBOR will be the arithmetic average of the quotations provided. Otherwise, the Calculation Agent will select three major banks in New York City and shall request each of them to provide a quotation of the rate offered by them at approximately 11:00 a.m., New York City time, on the Interest Determination Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable Interest Period in an amount of at least \$1,000,000 that is representative of single transactions at that time. If three quotations are provided, LIBOR will be the arithmetic average

of the quotations provided. Otherwise, the rate of LIBOR for the next Interest Period will be set equal to the rate of LIBOR for the current Interest Period.

The Luxembourg Stock Exchange shall be notified of the interest rate, the amount of the interest payment and the Interest Payment Date for a particular Interest Period not later than the first day of such Interest Period. Upon request from any Noteholder, the Calculation Agent will provide the interest rate in effect on this Note for the current Interest Period and, if it has been determined, the interest rate to be in effect for the next Interest Period.

If an event of default (as defined in the Indenture) with respect to Notes of this series shall occur and be continuing, the principal of the Notes of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Note upon compliance by the Company with certain conditions set forth in Sections 11.03 and 11.04 thereof, which provisions apply to this Note.

The Indenture contains provisions permitting the Company and the Trustee, without the consent of the holders of the Securities, to establish, among other things, the form and terms of any series of Securities issuable thereunder by one or more supplemental indentures, and, with the consent of the holders of not less than 66 2/3% in aggregate principal amount of Securities at the time outstanding which are affected thereby, to modify the Indenture or any supplemental indenture or the rights of the holders of Securities of such series to be affected, provided that no such modification will (i) extend the fixed maturity of any Securities, reduce the rate or extend the time of payment of interest thereon, reduce the principal amount thereof or the premium, if any, thereon, reduce the amount of the principal of Original Issue Discount Securities payable on any date, change the currency in which Securities are payable, or impair the right to institute suit for the enforcement of any such payment on or after the maturity thereof, without the consent of the holder of each Security so affected, or (ii) reduce the aforesaid percentage of Securities of any series the consent of the holders of which is required for any such modification without the consent of the holders of all Securities of such series then outstanding, or (iii) modify, without the written consent of the Trustee, the rights, duties or immunities of the Trustee.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein prescribed.

This Note is a Global Security registered in the name of a nominee of the Depository. This Note is exchangeable for Notes registered in the name of a person other than the Depository or its nominee only in the limited circumstances hereinafter described. Unless and until it is exchanged in whole or in part for definitive Notes in certificated form, this Note may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository.

The Notes represented by this Global Security are exchangeable for definitive Notes in certificated form of like tenor as such Notes in denominations of \$1,000 and integral multiples thereof only if (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for the Notes or (ii) the Depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, or (iii) the Company in its sole discretion decides to allow the Notes to be exchanged for definitive Notes in registered form. Any Notes that are exchangeable pursuant to the preceding sentence are exchangeable for certificated Notes issuable in authorized denominations and registered in such names as the Depository shall direct. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of definitive Notes in certificated form is registrable in the register maintained by the Company in The City of New York for such purpose, upon surrender of the definitive Note for registration of transfer at the office or agency of the registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the registrar duly executed by, the holder thereof or his attorney duly authorized in writing, and thereupon one or more new Notes of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. Subject to the foregoing, this Note is not exchangeable, except for a Global Security or Global Securities of this issue of the same principal amount to be registered in the name of the Depository or its nominee.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Note is registered as the owner hereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Company will pay additional amounts ("Additional Amounts") to the beneficial owner of any Note that is a non-United States person in order to ensure that every net payment on such Note will not be less, due to payment of U.S. withholding tax, than the amount then due and payable. For this purpose, a "net payment" on a Note means a payment by the Company or a paying agent, including payment of principal and interest, after deduction for any present or future tax, assessment or other governmental charge of the United States. These Additional Amounts will constitute additional interest on the Note.

The Company will not be required to pay Additional Amounts, however, in any of the circumstances described in items (1) through (13) below.

- (1) Additional Amounts will not be payable if a payment on a Note is

reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

- (a) having a relationship with the United States as a citizen, resident or otherwise;

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- (b) having had such a relationship in the past or

- (c) being considered as having had such a relationship.

(2) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

- (a) being treated as present in or engaged in a trade or business in the United States;

- (b) being treated as having been present in or engaged in a trade or business in the United States in the past or

- (c) having or having had a permanent establishment in the United States.

(3) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being or having been any of the following (as such terms are defined in the Internal Revenue Code of 1986, as amended):

- (a) personal holding company;

- (b) foreign personal holding company;

- (c) foreign private foundation or other foreign tax-exempt organization;

- (d) passive foreign investment company;

- (e) controlled foreign corporation or

- (f) corporation which has accumulated earnings to avoid United States federal income tax.

(4) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the

beneficial owner owning or having owned, actually or constructively, 10 percent or more of the total combined voting power of all classes of stock of the Company entitled to vote or by reason of the beneficial owner being a bank that has invested in a Note as an extension of credit in the ordinary course of its trade or business.

For purposes of items (1) through (4) above, "beneficial owner" means a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership, limited liability company, corporation or other entity, or a person holding a power over an estate or trust administered by a fiduciary holder.

(5) Additional Amounts will not be payable to any beneficial owner of a Note that is a:

(a) fiduciary;

(b) partnership;

(c) limited liability company or

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(d) other fiscally transparent entity

or that is not the sole beneficial owner of the Note, or any portion of the Note. However, this exception to the obligation to pay Additional Amounts will only apply to the extent that a beneficiary or settlor in relation to the fiduciary, or a beneficial owner or member of the partnership, limited liability company or other fiscally transparent entity, would not have been entitled to the payment of an Additional Amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment.

(6) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld solely by reason of the failure of the beneficial owner or any other person to comply with applicable certification, identification, documentation or other information reporting requirements. This exception to the obligation to pay Additional Amounts will only apply if compliance with such reporting requirements is required by statute or regulation of the United States or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge.

(7) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is collected or imposed by any method other than by

withholding from a payment on a Note by the Company or a paying agent.

- (8) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later.
- (9) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is imposed or withheld by reason of the presentation by the beneficial owner of a Note for payment more than 30 days after the date on which such payment becomes due or is duly provided for, whichever occurs later.
- (10) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any:
- (a) estate tax;
 - (b) inheritance tax;
 - (c) gift tax;
 - (d) sales tax;
 - (e) excise tax;
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- (f) transfer tax;
 - (g) wealth tax;
 - (h) personal property tax or
 - (i) any similar tax, assessment, withholding, deduction or other governmental charge.
- (11) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment, or other governmental charge required to be withheld by any paying agent from a payment of principal or interest on a Note if such payment can be made without such withholding by any other paying agent.
- (12) Additional amounts will not be payable if a payment on a Note is reduced as a result of any tax, assessment or other governmental charge that is required to be made pursuant to any European Union

directive on the taxation of savings income or any law implementing or complying with, or introduced to conform to, any such directive.

- (13) Additional Amounts will not be payable if a payment on a Note is reduced as a result of any combination of items (1) through (12) above.

Except as specifically provided herein, the Company will not be required to make any payment of any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of such government.

As used in this Note, "United States person" means:

- (a) any individual who is a citizen or resident of the United States;
- (b) any corporation, partnership or other entity created or organized in or under the laws of the United States;
- (c) any estate if the income of such estate falls within the federal income tax jurisdiction of the United States regardless of the source of such income and
- (d) any trust if a United States court is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of the substantial decisions of the trust.

Additionally, "non-United States person" means a person who is not a United States person, and "United States" means the states of the United States of America and the District of Columbia, but excluding its territories and its possessions.

Except as provided below, the Notes may not be redeemed prior to maturity.

(1) The Company may, at its option, redeem the Notes if:

- (a) the Company becomes or will become obligated to pay Additional Amounts as described above;

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- (b) the obligation to pay Additional Amounts arises as a result of any change in the laws, regulations or rulings of the United States, or an official position regarding the application or interpretation of such laws, regulations or rulings, which change is announced or becomes effective on or after April 21, 2005 and
- (c) the Company determines, in its business judgment, that the

obligation to pay such Additional Amounts cannot be avoided by the use of reasonable measures available to it, other than substituting the obligor under the Notes or taking any action that would entail a material cost to the Company.

- (2) The Company may also redeem the Notes, at its option, if:
- (a) any act is taken by a taxing authority of the United States on or after April 21, 2005, whether or not such act is taken in relation to the Company or any affiliate, that results in a substantial probability that the Company will or may be required to pay Additional Amounts as described above;
 - (b) the Company determines, in its business judgment, that the obligation to pay such Additional Amounts cannot be avoided by the use of reasonable measures available to it, other than substituting the obligor under the Notes or taking any action that would entail a material cost to the Company and
 - (c) the Company receives an opinion of independent counsel to the effect that an act taken by a taxing authority of the United States results in a substantial probability that the Company will or may be required to pay the Additional Amounts described above, and delivers to the Trustee a certificate, signed by a duly authorized officer, stating that based on such opinion the Company is entitled to redeem the Notes pursuant to their terms.

Any redemption of the Notes as set forth in clauses (1) or (2) above shall be in whole, and not in part, and will be made at a redemption price equal to 100% of the principal amount of the Notes Outstanding plus accrued interest thereon to the date of redemption. Holders shall be given not less than 30 days nor more than 60 days prior notice by the Trustee of the date fixed for such redemption.

All terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture. The Notes are governed by the laws of the State of New York.