

THE FOURTH SCHEDULE

Terms and Conditions of the Notes

The following, subject to modification, is the text of the terms and conditions which will appear on each Note:-

The issue of the JPY10,000,000,000 Subordinated Fixed Rate Notes due 12th March, 2021 (the "Notes", which expression shall include any further notes issued pursuant to Condition 13 below) was authorised by a resolution of the Board of Management of Creditanstalt-Bankverein (the "Issuer") passed on 21 November 1995.

The Notes are issued pursuant to a fiscal agency agreement dated 12th March, 1996 (the "Fiscal Agency Agreement") between the Issuer, Morgan Guaranty Trust Company of New York, London Office as fiscal agent (the "Fiscal Agent") and the paying agents named therein (together with the Fiscal Agent, the "Paying Agents"). Copies of the Fiscal Agency Agreement will be available for inspection at the specified offices of the Fiscal Agent and the Paying Agents. The holders of the Notes (the "Noteholders") and of the interest coupons (the "Coupons") appertaining thereto (the "Couponholders") will be deemed to have notice of all the provisions of the Fiscal Agency Agreement, which will be binding on them.

1. Form, Denomination and Transfer

The Notes are in bearer form, with Coupons attached on issue, in denominations of JPY100,000,000.

Title to the Notes and Coupons will pass by delivery. The Issuer and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft or loss or any writing thereon or any other notice to the contrary) for the purpose of making payment and for all other purposes.

2. Status and Subordination

The Notes and Coupons constitute direct, unconditional and unsecured obligations of the Issuer. The Notes and the Coupons rank and will rank *pari passu*, without any preference or priority by reason of date of issue, currency of payment or otherwise, among themselves and at least equally with all other present and future subordinated obligations of the Issuer.

In the event of the liquidation or bankruptcy ("*Liquidation oder Konkurs*") of the Issuer or other insolvency proceedings over the assets of the Issuer, payments in respect of the principal of, and interest and any additional amounts payable on, the Notes will be subordinated to the prior payment in full of the deposit liabilities of the Issuer and all other unsubordinated liabilities of the Issuer, but subject thereto the Notes and Coupons rank *pari passu* and rateably with all subordinated obligations of the Issuer which have the same rank as the Notes and Coupons.

3. Interest

The Notes shall bear interest either:

- (a) at the rate of 6.3 per cent. per annum in Australian Dollars ("AUD") calculated on the basis of AUD1 = JPY76.00 so that the amount of interest payable on each Interest Payment Date (as defined herein) in respect of each Note in the principal amount of JPY100,000,000 shall be AUD82,894.74; or
- (b) at the rate of 6.3 per cent. per annum in Deutsche Marks ("DM"), calculated on the basis of DM1 = JPY70.80 so that the amount of interest payable on each Interest Payment Date in respect of each Note in the principal amount of JPY100,000,000 shall be DM88,983.05; or
- (c) at the rate of 6.3 per cent. per annum in U.S. dollars ("USD"), calculated on the basis of USD1 = JPY101.35 so that the amount of interest payable on each Interest Payment Date in respect of each Note in the principal amount of JPY100,000,000 shall be USD62,160.83.

The Issuer shall elect to pay either the AUD interest amount or the DM interest amount or the USD interest amount on giving notice to the Noteholders not less than ten business days prior to each Interest Payment Date in accordance with Condition 11.

Such interest shall be payable annually in arrear on 12th March of each year commencing on 12th March, 1997 and ending on 12th March, 2021 (each an "Interest Payment Date").

The Notes shall cease to bear interest from the due date for redemption. However, should the Issuer for any reason whatsoever fail to provide when due the full amount for the redemption of the Notes due for redemption, the Notes shall continue to bear interest until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant Noteholder, and (ii) the day seven days after the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all the Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Noteholders under these Conditions).

If interest is to be calculated for a period of less than one year, it shall be calculated on the basis of a 360-day-year with twelve months of 30 days each.

The expression "business day" shall mean a day on which deposits in Japanese Yen may be dealt in on the London interbank market and on which commercial banks are open for business in London, Tokyo and Sydney (if interest is payable in AUD), Frankfurt (if interest is payable in DM) or New York (if interest is payable in USD).

4. Redemption and Purchase

(a) *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed at their principal amount on 12th March, 2021. The Notes shall not be capable of

redemption prior to their final maturity date, other than in the course of bankruptcy proceedings in respect of the Issuer or in the circumstances set out in Condition 4(b).

(b) *Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, by giving not less than thirty and not more than forty five days' notice in accordance with Condition 11 below (which notice shall be irrevocable), at the principal amount thereof, if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 6 below as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or any authority thereof or therein having power to tax, impose charges or levy duties and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that (i) the Issuer has raised prior to giving the notice of redemption, capital in the same amount, ranking at least as own funds in the same way as the outstanding Notes (or otherwise in accordance with Austrian law) and (ii) no such notice of redemption shall be given earlier than ninety days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two members of the Board of Management of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the condition precedent to the right of the Issuer so to redeem has occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and, unless such opinion states that the Issuer has then already become obliged to pay such additional amounts, stating the earliest date on which the Issuer would become so obliged were a payment in respect of the Notes then due. The Issuer may at any time by giving notice in accordance with Condition 11 below (which notice shall be irrevocable) renounce such right to redeem the Notes if it is necessary to do so in order to maintain the status of the Notes as capital of the Issuer.

(c) *Purchases*

The Issuer or any of its Subsidiaries (as defined in the Fiscal Agency Agreement) may, in accordance with the applicable provisions of Austrian law, at any time and on any terms purchase Notes (provided that all unmatured Coupons relating thereto are attached or surrendered therewith).

(d) *Cancellation*

All Notes redeemed or purchased by the Issuer or any of its Subsidiaries (other than any purchased for its own account by the Issuer or any of its Subsidiaries in the ordinary course of business as a dealer in securities), together with all unmatured Coupons attached thereto or surrendered therewith, will be cancelled forthwith, in accordance with the applicable provisions of Austrian law, and shall not be reissued or resold.

5. Payments

Payments of principal and interest will be made against surrender of Notes or, as the case may be, Coupons at the specified office of any of the Paying Agents subject in all cases to any fiscal or

other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6 below.

The Issuer shall pay, as and when due (i) principal in respect of the Notes in the lawful currency of Japan and (ii) interest payable in respect of the Notes and any Coupons in the lawful currency of Australia, Germany or the United States of America, as the case may be.

Payments will be made (in the case of payments of principal in Japanese Yen) by Japanese Yen cheque drawn on, or by transfer to the Japanese Yen account maintained by the payee with, a bank in Tokyo; or (in the case of payments of interest in AUD) by AUD cheque drawn on, or by transfer to an AUD account maintained by the payee with, a bank in Sydney; or (in the case of payments of interest in DM) by DM cheque drawn on, or by transfer to a DM account maintained by the payee with a bank in Frankfurt am Main; or (in the case of payments of interest in USD) by USD cheque drawn on or by transfer to a USD account maintained by the payee with a bank in New York.

The Issuer reserves the right to terminate the appointment of any Paying Agent, to vary the appointment of any Paying Agent and to appoint additional or other Paying Agents, provided that it will, so long as any of the Notes remains outstanding, maintain (i) a Fiscal Agent and (ii) a Paying Agent having a specified office in Europe. Notice of any such termination or appointment or of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with the provisions of Condition 11 below.

Upon the due date for redemption of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them. Where any Note is presented for redemption without all unmatured Coupons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

If the due date for redemption of any Note is not an Interest Payment Date, the interest accrued since the last preceding Interest Payment Date (or the date of issue, as the case may be) shall be payable only against presentation of the relevant Note.

If the due date for payment of any amount of principal or interest is not both a business day as defined in Condition 3 and at any place of presentation a day upon which commercial banks are there open for business, then the holder thereof shall not be entitled to payment at such place of the amount due until the next following day which is a business day at such place and will not be entitled to any further interest or other payment in respect of any such delay.

6. Taxation

All payments of principal and interest will be made without withholding or deduction for or on account of any taxes, charges or duties of whatsoever nature, present or future, imposed or levied by or on behalf of the Republic of Austria or any authority therein or thereof having power to levy taxes, impose charges or levy duties, unless the Issuer is compelled by law to withhold or deduct any such taxes, charges or duties. In that event the Issuer will pay such additional amounts as may be necessary so that the net amount received by the Noteholders or Couponholders, after such withholding or deduction, will equal the amount which would (but for such withholding or deduction) otherwise have been receivable; except that no such additional amounts shall be payable with respect to any Note or Coupon presented for payment:-

- (a) by or on behalf of a holder who is liable to such taxes, charges or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of Austria other than the mere holding of the Note or Coupon; or
- (b) more than thirty days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment at the close of such period of thirty days.

As used herein, the "Relevant Date" means the date on which such payment first becomes due or, if the full amount of the moneys payable has not been received by the Fiscal Agent in accordance with the provisions of the Fiscal Agency Agreement on or prior to such date, the date on which such moneys shall have been so received and notice to that effect shall have been duly published in accordance with Condition 11 below.

References herein to principal and/or interest in respect of the Notes shall be deemed to include any additional amount which may be payable under the provisions of this Condition.

7. Enforcement of Rights in an Event of Default

If any of the following events of default (the "Events of Default") shall occur and be continuing, that is to say:-

- (a) default being made for a period of seven days in the repayment of any principal of, or for a period of fifteen days in the payment of any interest upon any of, the Notes when and as the same ought to be paid in accordance with these Terms and Conditions; or
- (b) the Issuer failing to perform or observe any covenant, condition or provision of the Notes (other than any obligation for the payment of any principal or interest in respect of the Notes) on its part to be performed and observed and such failure not having been remedied (except where such failure is incapable of remedy in which case no such notice as is hereinafter referred to shall be required) within forty five days following the service on the Issuer by any Noteholder of notice specifying the failure and requiring the same to be remedied; or
- (c) any other External Indebtedness (as defined herein) of the Issuer (i) not being paid when due or within any grace period applicable to such External Indebtedness or (ii) having become due and payable before its scheduled maturity by reason of a default by the Issuer or (iii) if payable on demand, not being paid when demanded, or any guarantee or indemnity given by the Issuer, other than in the ordinary course of business, in respect of any External Indebtedness of any other person not being honoured when due and called upon (or at the expiry of any grace period applicable thereto) and the liability of the Issuer to make payment of such External Indebtedness or under such guarantee or indemnity is not being contested in good faith; or
- (d) the security for any External Indebtedness of the Issuer becoming enforceable and the creditors entitled thereto taking steps to enforce the same; or

- (e) the Issuer being adjudicated or found bankrupt or insolvent, or any order being made by any competent court or administrative agency for, or any resolution being passed by the Issuer to apply for, the judicial appointment of any Official Controller to supervise the management of the Issuer with binding authority with the effect of a temporary moratorium (*Geschäftsaufsicht*) in relation to the Issuer or a substantial part of its assets, or the Issuer being wound up or dissolved otherwise than for the purposes of a reconstruction, merger or amalgamation elected with the prior approval of an Extraordinary Resolution of the Noteholders,

then in any such event any Noteholder may by written notice to the Fiscal Agent, effective upon receipt thereof by the Fiscal Agent, take only the following steps:-

- (i) in an event as contemplated in sub-paragraph (b), institute judicial proceedings against the Issuer as it may think fit to enforce the performance or observance by the Issuer of any covenant, condition or provision contained in the Notes; or
- (ii) in any event contemplated in sub-paragraphs (a), (c), (d) or (e) inform the Federal Minister of Finance of the happening of such event and request that he applies to the competent court in Vienna for the commencement of bankruptcy proceedings against the Issuer subject to the statutory requirement that such court declares that the Issuer has become insolvent, and only if such declaration is made shall the Notes become due and repayable as hereinafter described; or
- (iii) if bankruptcy proceedings are commenced in such court against the Issuer, file an application in such court demanding repayment of all principal amounts due under the Notes together with accrued interest and any additional amounts.

If the competent Austrian court declares the Issuer bankrupt, all claims due to the Noteholders and/or to the Couponholders by the Issuer of principal and/or interest and any additional amounts shall be considered due and payable according to paragraph 14 of the "Konkursordnung" (Bankruptcy Act) in Austrian Schillings on the date such bankruptcy is published by judicial notice, converted at the rate of exchange applicable on the day preceding such date for the purchase with Austrian Schillings in Vienna of the amounts due.

If bankruptcy proceedings are commenced against the Issuer, the Notes will cease to bear interest from the date on which judicial notice of such insolvency is published and all unmatured Coupons will thereupon become void and no payment shall be made in respect thereof.

The Issuer shall not be required to pay to the Noteholders any amounts necessary to compensate them for any difference between the principal amount and any accrued interest in respect of the Notes and, if less, the equivalent in JPY, AUD, DM or USD as the Issuer may elect of any Austrian Schilling amounts paid to a Noteholder in bankruptcy proceedings calculated at the rate of exchange prevailing at the date such payment is made to the Noteholder.

The Noteholders and/or Couponholders will be represented in any judicial action or bankruptcy proceedings instituted in Austria against the Issuer by an attorney ("curator") appointed by and responsible to the Commercial Court of Vienna under the statute of 27th April, 1874, Imperial Legislation Gazette no. 49. Such curator will be obliged to take any action and make any declarations

required to the effect that the Noteholders and Couponholders will in the event of a liquidation or bankruptcy ("Liquidation oder Konkurs") only receive payments after the claims of depositors and all other unsubordinated creditors of the Issuer shall have been satisfied.

For the purposes of this Condition 7, "External Indebtedness" means any loan or other indebtedness outstanding on 12th March, 1996 or thereafter existing in the form of, or represented by, bonds, notes or other evidences of indebtedness which by its terms is payable in, or may be required to be paid in or by reference to, U.S. dollars and which at the time of the issue thereof either is, or at any time thereafter the Issuer shall procure to be, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other recognised securities market.

8. Prescription

Each Note and Coupon will become void unless presented within a period of ten years in the case of the Notes and five years in the case of the Coupons from the date upon which payment in respect thereof first becomes due.

9. Fiscal Agent and Paying Agents

In acting under the Fiscal Agency Agreement, the Paying Agents will be acting solely as agents of the Issuer and will not assume any obligation or relationship of agency or trust for or with the Noteholders or the Couponholders.

The Fiscal Agency Agreement may be amended by agreement in writing between the Fiscal Agent and the Issuer:

- (a) without the consent of the Noteholders or the Couponholders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained therein, or in any manner which is of a formal, minor or technical nature or which shall not materially and adversely affect the interests of the Noteholders and the Couponholders; and
- (b) in any other respect, only with the approval of an Extraordinary Resolution of the Noteholders.

10. Replacement of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent (or such other Paying Agent as may be notified to the Noteholders in accordance with Condition 11 below) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. Notices

All notices regarding the Notes or Coupons will be notified to the Paying Agents at the address, telex number or fax number specified against the name of each Paying Agent in the Sixth Schedule to the Fiscal Agency Agreement in the manner specified in the Fiscal Agency Agreement. All notices regarding the Notes or Coupons while in global form may be delivered to Euroclear and Cedel and any such notice will be deemed to have been given to the Noteholders on the date of delivery of such notice to Euroclear and Cedel.

12. Meetings and Modification

The Fiscal Agency Agreement contains provisions which apply in respect of the Notes for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the Terms and Conditions of the Notes (except Condition 2 or any modification of Condition 4 or Condition 7 which would have the effect of permitting early repayment of the Notes, otherwise than in accordance with Austrian law) or the Fiscal Agency Agreement. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that, at any meeting the business of which includes the modification of certain terms and conditions of the Notes (as set out in the Fiscal Agency Agreement), the necessary quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-quarter, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

13. Further Issues

The Issuer may from time to time without the consent of the Noteholders and Couponholders create and issue further notes ranking *pari passu* with the outstanding Notes in all respects (or in all respects except for the first payment of interest on them) so that the same shall be consolidated and form a single series with the outstanding Notes.

14. Governing Law

The Notes, the Coupons and the Fiscal Agency Agreement are governed by and shall be construed in accordance with English law save that the subordination provisions of Condition 2 are governed by and shall be construed in accordance with Austrian law. For the benefit of the Noteholders and the Couponholders, the Issuer has irrevocably submitted to the jurisdiction of the English Courts for all purposes in relation to the Notes and the Coupons and has appointed the General Manager from time to time of its London branch as its agent for service of process in any such proceedings. If at any time the Issuer has no office in London, the Issuer will forthwith appoint another agent in London to accept such service.